

OTELCO INC.

FORM 8-K (Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **May 24, 2013**

Otelco Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

1-32362
(Commission File Number)

52-2126395
(IRS Employer Identification
No.)

505 Third Avenue East, Oneonta, AL 35121
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(205) 625-3574**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Introductory Note

As previously disclosed, on March 24, 2013, Otelco Inc. (the “Company”) and each of its direct and indirect subsidiaries (together with the Company, the “Debtors”) filed voluntary petitions for reorganization (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) in order to effectuate the Debtors’ joint prepackaged plan of reorganization (the “Plan”).

On May 6, 2013, the Bankruptcy Court entered an order (the “Confirmation Order”) confirming the Plan. Copies of the Plan and the Confirmation Order were included as Exhibits 2.1 and 99.1, respectively, to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission (the “SEC”) on May 6, 2013 and are incorporated herein by reference.

On May 24, 2013 (the “Effective Date”), the Debtors substantially consummated their reorganization through a series of transactions contemplated by the Plan, and the Plan became effective pursuant to its terms.

Item 1.01. Entry into a Material Definitive Agreement.

Credit Agreement

On the Effective Date, the Company entered into a Third Amended and Restated Credit Agreement (the “Credit Agreement”) among itself, as borrower, the other credit parties signatory thereto, as credit parties, the lenders signatory thereto from time to time, as lenders, and General Electric Capital Corporation, as agent, to amend and restate the Company’s Second Amended and Restated Credit Agreement, dated as of October 20, 2008 (the “Second Amended and Restated Credit Agreement”).

The credit facilities under the Credit Agreement are comprised of:

- terms loans of \$133.3 million, which were a portion of the term loans outstanding under the Second Amended and Restated Credit Agreement; and
- a revolving loan commitment in an amount of up to \$5.0 million.

As of the Effective Date, the term loan facility was fully drawn and no amounts were drawn under the revolving credit facility. Amounts drawn under the term loan facility that are subsequently repaid or prepaid may not be re-borrowed. Amounts drawn under the revolving credit facility may be borrowed, repaid and re-borrowed until the earliest of: (1) April 30, 2016; (2) the date of termination of the lenders’ obligations to make advances or permit existing loans to remain outstanding in the case of an event of default; and (3) the date of indefeasible payment in full by the Company of the loans and the permanent reduction of the commitments to zero dollars (the “Maturity Date”).

The term loan facility requires amortized repayments of the principal amount of the term loans at a straight-line rate of 5.0% per annum of the principal amount of term loans outstanding on the Effective Date on the last day of March, June, September and December of each year, commencing on the last day of the first full fiscal quarter ending after the Effective Date. On each date that is 45 days after the last day of each fiscal quarter, the term loan facility also requires repayments of the principal amount of the terms loans in an amount equal to 75% of the Excess Cash (as defined in the Credit Agreement) of the Debtors as of the last day of each such fiscal quarter, with such repayments commencing on the last day of the first full fiscal quarter ending after the Effective Date. However, such repayment will be reduced to an amount equal to 50% of the Excess Cash of the Debtors if, on the applicable quarterly repayment date, the Debtors’ ratio of debt to Consolidated EBITDA (as defined in the Credit Agreement) is less than or equal to 2.25:1.00. The entire remaining principal balance of the term loans, as well as any outstanding borrowings under the revolving loan facility, will be due and payable in full on the Maturity Date.

Interest rates applicable to the term loans and the revolving loans are set at a margin over an index rate (which is defined as the highest of (1) the prime rate, (2) the federal funds rate plus 50 basis points per annum and (3) 4.25% per annum) or a LIBOR rate (which is defined as the higher of (a) 3.0% per annum and (b) LIBOR). The applicable margin under the index rate option is 3.25% per annum and the applicable margin under the LIBOR rate option is 3.5%. The Company is required to pay certain fees, including fees on undrawn committed amounts, in connection with the Credit Agreement.

In addition, the Credit Agreement contains, among other things:

- customary representations and warranties;
- customary affirmative covenants;
- customary negative covenants, including, without limitation, limits on the ability of the Company and the Company's subsidiaries to:
 - incur additional indebtedness and issue preferred stock and certain redeemable capital stock;
 - make certain types of restricted payments, including investments and acquisitions;
 - pay dividends on the Company's common stock;
 - sell certain assets;
 - enter into specified transactions with affiliates;
 - incur certain liens;
 - consolidate, merge or transfer all or substantially all of the Company's assets; and
 - change the nature of its business;

- a covenant generally requiring the Company to sell all of its equity interests or substantially all of its assets within 180 days after the occurrence of certain triggering events; and
- customary financial covenants, including:
 - a limit on the ratio of debt to Consolidated EBITDA; and
 - a limit on the ratio of Consolidated EBITDA to fixed charges.

The Credit Agreement also contains, among other things, customary events of default. Upon the occurrence of an event of default, among other things, the interest rate on all outstanding loans will be increased by 2% per annum above the rate of interest otherwise applicable.

The Credit Agreement is unconditionally guaranteed by all of the Company's subsidiaries other than Mid-Maine Telecom LLC and War Telephone LLC, and is secured by first priority security interests in substantially all of the Company's and the Company's subsidiaries' capital stock and tangible and intangible assets, other than the capital stock and tangible and intangible assets of Mid-Maine Telecom LLC and War Telephone LLC.

On the Effective Date, pursuant to the Plan, GE Capital Equity Investments, Inc., CoBank, ACB, Raymond James Bank, N.A., Union Bank, N.A., Webster Bank, National Association, and CIBC Inc. (collectively, the "Class B Holders"), each of which is either a lender or an affiliate of a lender under the Credit Agreement, became the holders of all of the Company's new Class B common stock, \$0.01 par value per share (the "Class B Common Stock"). A lender under the Credit Agreement may not assign any of its rights or obligations under the Credit Agreement to a third party without concurrently transferring to such third party a ratable portion of that lender's, or that lender's affiliate's, shares of Class B Common Stock.

The foregoing description of the Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Credit Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Registration Agreement

On the Effective Date, the Company entered into a Registration Agreement (the "Registration Agreement") with the Class B Holders.

Pursuant to the Registration Agreement, the holders of a majority of the shares of Class B Common Stock will generally be able to require the Company to register all or part of their shares of Class B Common Stock under the Securities Act of 1933, as amended (the "Securities Act"), on Form S-1, or any similar long-form registration, on up to two occasions in any 12-month period or, if available, on Form S-3, or any similar short-form registration, on up to four occasions in any 12-month period, subject to certain limitations set forth in the Registration Agreement.

In addition, pursuant to the Registration Agreement, whenever the Company registers any of its equity securities under the Securities Act (including any registration of the Company's securities by a third party), other than pursuant to a registration described in the preceding paragraph, pursuant to a registration on Form S-4 or Form S-8 or any successor or similar forms or in connection with the Company's initial public offering of equity securities, the Class B Holders will generally be able to require the Company to include their shares of Class B Common Stock in such registration, subject to certain limitations set forth in the Registration Agreement.

Whenever the Class B Holders require the Company to register any of their shares of Class B Common Stock pursuant to the Registration Agreement, the Company will generally be required to bear all expenses of such registration, other than underwriting discounts and commissions.

The Registration Agreement contains customary indemnification and contribution rights and obligations of the parties thereto.

The foregoing description of the Registration Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Registration Agreement, a copy of which is attached hereto as Exhibit 4.1 and is incorporated herein by reference.

Stockholders' Agreement

On the Effective Date, the Company entered into a Stockholders' Agreement (the "Stockholders' Agreement") with the Class B Holders.

Pursuant to the Stockholders' Agreement, a Class B Holder may not transfer, or agree to transfer, any of its equity interests in the Company, unless (1) the transfer is to a person or entity that has certain affiliations with such Class B Holder, is to another holder of Class B Common Stock or is otherwise permitted under the Credit Agreement and (2) the transferee executes a joinder to the Stockholders' Agreement, agreeing to be bound by and to comply with all applicable provisions of the Stockholders' Agreement. In addition to the above, the Stockholders' Agreement generally provides that a Class B Holder may not transfer, or agree to transfer, any of its shares of Class B Common Stock to a third party, unless the Class B Holder also transfers to such third party a ratable portion of its rights and obligations under the Credit Agreement.

Except as set forth in the following sentence, whenever the Company proposes to issue equity securities, or securities exercisable, convertible or exchangeable for equity securities, a Class B Holder, or its designee, will have a preemptive right under the Stockholders' Agreement to maintain such Class B Holder's percentage ownership in the Company. The preemptive right described in the previous sentence will not apply to securities issued or issuable: (1) in a strategic partnership, joint venture or similar financing transaction; (2) in connection with any bank financing or similar transaction; (3) in connection with certain merger and acquisition activities; (4) to officers, directors or employees of, or advisors or consultants to, the Company or any of its subsidiaries pursuant to a stock incentive plan; (5) upon the conversion of shares of Class B Common Stock into shares of the Company's new Class A common stock, \$0.01 par value per share (the "Class A Common Stock"), pursuant to the provisions of the Amended and Restated Certificate of Incorporation that the Company adopted on the Effective Date; and (6) to finance the redemption of shares of Class B Common Stock pursuant to the Company's redemption rights under the Stockholders' Agreement, which are described in the following paragraph.

The Stockholders' Agreement also provides that, within 15 days after (1) all of the outstanding obligations of the Company under the Credit Agreement have been satisfied in full (including the cash collateralization of any outstanding letters of credit) and (2) all of the commitments of the lenders under the Credit Agreement have been terminated in accordance with the provisions thereof, the Company may elect, at its option, to redeem all, but not less than all, of the outstanding shares of Class B Common Stock. Such redemption would be required to occur as promptly as reasonably practicable, and, in any event, within 30 days, after the holders of Class B Common Stock receive notice of the redemption from the Company. The redemption price that the Company would be required to pay for the shares of Class B Common Stock would be equal to (a) 2.5% of the outstanding principal obligations under the Credit Agreement as of the Effective Date, if the redemption occurs on or before March 31, 2014, (b) 5% of the outstanding principal obligations under the Credit Agreement as of the Effective Date, if the redemption occurs after March 31, 2014 and on or before March 31, 2015 and (c) 7.5% of the outstanding principal obligations under the Credit Agreement as of the Effective Date, if the redemption is effected after March 31, 2015 and on or before March 31, 2016. The Company's right, under the Stockholders' Agreement, to redeem the outstanding shares of Class B Common Stock will terminate on March 31, 2016.

In addition, the Stockholders' Agreement provides that, so long as a holder of Class B Common Stock holds at least 15% of the shares of Class A Common Stock and Class B Common Stock acquired by all of the Class B Holders on the Effective Date, such holder of Class B Common Stock will have the right to designate an individual to attend each meeting of the board of directors of the Company and each committee thereof, as an observer, without voting rights, at the expense of such holder.

The Stockholders' Agreement also contains customary representations and warranties from the Class B Holders, as well as customary information rights, confidentiality and termination provisions.

The foregoing description of the Stockholders' Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Stockholders' Agreement, a copy of which is attached hereto as Exhibit 4.2 and is incorporated herein by reference.

Item 1.02. Termination of a Material Definitive Agreement.

On the Effective Date, pursuant to the Plan, all outstanding obligations under the Company's 13% Senior Subordinated Notes due 2019 (the "Notes") were cancelled and the Indenture, dated as of December 21, 2004, as supplemented on July 3, 2006, July 5, 2007, October 31, 2008, June 8, 2010, October 1, 2011 and October 14, 2011 (the "Indenture"), among the Company, the subsidiary guarantors party thereto (each of which is a direct or indirect wholly-owned subsidiary of the Company) and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which governed the Notes, was cancelled, except to the extent to allow the Debtors or the Trustee, as applicable, to make distributions pursuant to the Plan on account of claims related to the Notes.

Item 1.03. Bankruptcy or Receivership.

As discussed above, on May 6, 2013, the Bankruptcy Court entered the Confirmation Order, which confirmed the Plan. Reference is made to the information regarding the Credit Agreement, the Registration Agreement, the Stockholders' Agreement, the cancellation of the Notes and the Indenture, the adoption of the Amended and Restated Certificate of Incorporation and the Fourth Amended and Restated By-laws and the appointment of directors set forth in Item 1.01, Item 1.02, Item 5.02 and Item 5.03 of this Current Report on Form 8-K, which is incorporated herein by reference.

Summary of the Material Features of the Plan

Pursuant to the Plan, on the Effective Date:

- the \$162.0 million of outstanding principal term loan obligations under the Second Amended and Restated Credit Agreement were reduced to \$133.3 million through a cash payment;
- the holders of the outstanding principal term loan obligations under the Second Amended and Restated Credit Agreement, or affiliates thereof, received their pro rata share of the Class B Common Stock, which Class B Common Stock represents 7.5% of the total economic and voting interests in the Company, subject to dilution of up to 10% on account of the issuance of equity interests in the Company pursuant to a management equity plan that the Company expects to adopt (the "Management Equity Plan");
- all outstanding Notes were cancelled and the holders thereof received their pro rata share of the Class A Common Stock, which Class A Common Stock represents 92.5% of the total economic and voting interests in the Company, subject to dilution of up to 10% on account of the issuance of equity interests in the Company pursuant to the Management Equity Plan; and
- all outstanding shares of the Company's existing Class A common stock, \$0.01 par value per share (the "Existing Common Stock"), were cancelled.

The foregoing description of the Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Plan, a copy of which was included as Exhibit 2.1 to the Company's Current Report on Form 8-K filed with the SEC on May 6, 2013 and which is incorporated herein by reference.

Issued and Outstanding Shares

As of the Effective Date, a total of 2,870,948 shares of Class A Common Stock and 232,780 shares of Class B Common Stock were issued and outstanding, and 232,780 shares of Class A Common Stock were reserved for future issuance upon the conversion of shares of Class B Common Stock. Once the Company adopts the Management Equity Plan, an additional 344,859 shares of Class A Common Stock will be reserved for future issuance under such plan.

Information as to Assets and Liabilities

Information as to the assets and liabilities of the Company as of the most recent practicable date is incorporated by reference to the consolidated financial statements contained in the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013, which was filed with the SEC on May 9, 2013.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Reference is made to the information regarding the Credit Agreement set forth in Item 1.01 of this Current Report on Form 8-K, which is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

On the Effective Date, pursuant to the Plan:

- all outstanding Notes were cancelled and the Company issued the holders thereof 2,870,948 shares of Class A Common Stock; and
- the Company issued the holders of the outstanding principal term loan obligations under the Second Amended and Restated Credit Agreement, or affiliates thereof, 232,780 shares of Class B Common Stock.

Pursuant to the provisions of the Amended and Restated Certificate of Incorporation adopted by the Company on the Effective Date, if (1) all of the outstanding obligations of the Company under the Credit Agreement have been satisfied in full (including the cash collateralization of any outstanding letters of credit) and (2) all of the commitments of the lenders under the Credit Agreement have been terminated in accordance with the provisions thereof, then each share of Class B Common Stock will automatically be converted into one share of Class A Common Stock. Accordingly, on the Effective Date, the Company reserved 232,780 shares of Class A Common Stock for future issuance upon the conversion of shares of Class B Common Stock. Once the Company adopts the Management Equity Plan, an additional 344,859 shares of Class A Common Stock will be reserved for future issuance under such plan.

The Company relied on Section 1145(a)(1) of the Bankruptcy Code to exempt the issuance of the shares of Class A Common Stock and Class B Common Stock described above from the registration requirements of the Securities Act. Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from the registration requirements of the Securities Act and applicable state securities or "blue sky" laws if three principal requirements are satisfied:

- the securities must be issued under a plan of reorganization by the debtor, its successor under a plan of reorganization or an affiliate participating in a joint plan of reorganization with the debtor;
- the recipients of the securities must hold a claim against, an interest in or a claim for an administrative expense in the case concerning the debtor or such affiliate; and

- the securities must be issued either (1) in exchange for the recipient's claim against, interest in or claim for an administrative expense in the case concerning the debtor or such affiliate or (2) "principally" in such exchange and "partly" for cash or property.

The form of stock certificate for the Class A Common Stock was included as Exhibit 4.1 to the Company's Registration Statement on Form 8-A, filed with the SEC on May 24, 2013, and is incorporated herein by reference. The form of stock certificate for the Class B Common Stock is attached hereto as Exhibit 4.4 and is incorporated herein by reference.

Item 3.03. Material Modification to Rights of Security Holders.

Reference is made to the information regarding the cancellation of the Notes and the shares of the Company's Existing Common Stock set forth in Item 1.02 and Item 1.03 of this Current Report on Form 8-K, which is incorporated herein by reference.

Reference is made to the information regarding the amendments to the Company's Certificate of Incorporation and the Company's Third Amended and Restated By-laws set forth in Item 5.03 of this Current Report on Form 8-K, which is incorporated herein by reference.

Item 5.01. Changes in Control of Registrant.

As discussed in Item 1.03 of this Current Report on Form 8-K, on the Effective Date, pursuant to the Plan, (1) the holders of the outstanding principal term loan obligations under the Second Amended and Restated Credit Agreement, or affiliates thereof, received their pro rata share of the Class B Common Stock, (2) all outstanding Notes were cancelled and the holders thereof received their pro rata share of the Class A Common Stock and (3) all outstanding shares of Existing Common Stock were cancelled. In addition, as discussed in Item 5.02 of this Current Report on Form 8-K, the composition of the Company's board of directors following the Effective Date is substantially different than the composition of the Company's board of directors immediately prior to the Effective Date.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Departure and Appointment of Directors

On the Effective Date, pursuant to the Plan, the following directors ceased to serve on the Company's board of directors: William Bak; Robert E. Guth; and William F. Reddersen.

On the Effective Date, pursuant to the Plan, the number of directors of the Company was fixed at seven, and the board of directors consisted of Norman C. Frost, Howard J. Haug, Stephen P. McCall, Andrew Meyers, Brian A. Ross, Gary L. Sugarman and Michael D. Weaver, the Company's President and Chief Executive Officer.

Committees of the Board of Directors

The Company's board of directors continues to have three standing committees: an audit committee; a compensation committee; and a nominating and corporate governance committee. On the Effective Date, the members of the audit committee were Messrs. Haug (chair), Meyers and Ross, the members of the compensation committee were Messrs. Frost, McCall and Meyers (chair) and the members of the nominating and corporate governance committee were Messrs. McCall (chair), Meyers and Sugarman.

Compensation of Directors

The non-employee members of the Company's board of directors currently receive annual cash compensation of \$52,000, paid in four quarterly installments, as a retainer for their services and participation in quarterly board and committee meetings. The chairs of the audit, compensation and nominating and corporate governance committees receive additional annual cash compensation of \$7,500, \$2,500 and \$2,500, respectively, paid in quarterly installments. In addition, non-employee members of the Company's board of directors are paid \$1,000 for any additional called board or committee meetings and \$500 for any board or committee conference calls. Currently, non-employee members of the Company's board of directors do not receive any non-cash compensation, including stock awards, options awards, non-equity incentive compensation, pension contributions, personal benefits, deferred benefits or any similar form of compensation. However, following the adoption of the Management Equity Plan, non-employee members of the Company's board of directors may receive equity interests in the Company pursuant to such plan. The non-employee members of the Company's board of directors are reimbursed for travel, lodging and other reasonable expenses, as incurred. Payments are made in arrears after the completion of each quarter, as reflected on Internal Revenue Service Form 1099.

Employee members of the Company's board of directors do not receive any compensation for their services as a member of the Company's board of directors.

Other Relationships and Transactions with Executives and Directors

The Company does not have, and does not expect to enter into, any related party transactions.

Item 5.03. *Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.*

Pursuant to the Plan, on the Effective Date, the Company adopted an Amended and Restated Certificate of Incorporation and Fourth Amended and Restated By-laws, and filed the Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware. A description of the material provisions of the Amended and Restated Certificate of Incorporation and the Fourth Amended and Restated By-laws is contained in the Company's Registration Statement on Form 8-A, filed with the SEC on May 24, 2013, which description is incorporated herein by reference.

Copies of the Amended and Restated Certificate of Incorporation and the Fourth Amended and Restated By-laws were included as Exhibit 3.1 and Exhibit 3.2, respectively, to the Company's Registration Statement on Form 8-A, filed with the SEC on May 24, 2013, and are incorporated herein by reference.

Item 8.01. Other Events.

On May 24, 2013, the Company issued a press release announcing the effectiveness of the Plan. A copy of that press release is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Forward-Looking Statements

Statements in, or incorporated by reference into, this Current Report on Form 8-K that are not statements of historical or current fact constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual results of the Company to be materially different from the historical results of the Company or from any future results expressed or implied by such forward-looking statements. In addition to statements which explicitly describe such risks, uncertainties and other factors, readers are urged to consider statements labeled with the terms “believes,” “belief,” “expects,” “intends,” “anticipates,” “plans” or similar terms to be uncertain and forward-looking. The forward-looking statements contained, or incorporated by reference into, this Current Report on Form 8-K are also subject generally to other risks and uncertainties that are described from time to time in the Company’s filings with the SEC.

Item 9.01. Financial Statements and Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
2.1	Joint Prepackaged Plan of Reorganization for Otelco Inc. and Its Affiliated Debtors, as confirmed by the Bankruptcy Court on May 6, 2013 (filed as Exhibit 2.1 to the Company’s Current Report on Form 8-K filed with the SEC on May 6, 2013 and incorporated herein by reference)
3.1	Amended and Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company’s Registration Statement on Form 8-A, filed with the SEC on May 24, 2013 , and incorporated herein by reference)
3.2	Fourth Amended and Restated By-laws of the Company (filed as Exhibit 3.2 to the Company’s Registration Statement on Form 8-A, filed with the SEC on May 24, 2013 , and incorporated herein by reference)
4.1	Registration Agreement, dated as of May 24, 2013, among Otelco Inc. and each of the persons identified as a securityholder on the schedule of securityholders attached thereto
4.2	Stockholders’ Agreement, dated as of May 24, 2013, by and among Otelco Inc., GE Capital Equity Investments, Inc., CoBank, ACB, Raymond James Bank, N.A., Union Bank, N.A., Webster Bank, National Association and CIBC Inc.

- 4.3 Form of stock certificate for Class A common stock, \$0.01 par value per share (filed as Exhibit 4.1 to the Company's Registration Statement on Form 8-A, filed with the SEC on May 24, 2013 , and incorporated herein by reference)
- 4.4 Form of stock certificate for Class B common stock, \$0.01 par value per share
- 10.1 Third Amended and Restated Credit Agreement, dated as of May 24, 2013, among Otelco Inc., as borrower, the other credit parties signatory thereto, as credit parties, the lenders signatory thereto from time to time, as lenders, and General Electric Capital Corporation, as agent
- 99.1 Findings of Fact, Conclusions of Law and Order (a) Approving Prepetition Solicitation Procedures, (b) Approving Adequacy of Disclosure Statement, and (c) Confirming Joint Prepackaged Plan of Reorganization for Otelco Inc. and Its Affiliated Debtors, as entered by the Bankruptcy Court on May 6, 2013 (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed with the SEC on May 6, 2013 and incorporated herein by reference)
- 99.2 Press Release of Otelco Inc., dated as of May 24, 2013

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OTELCO INC.
(Registrant)

Date: May 24, 2013

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

EXECUTION VERSION

REGISTRATION AGREEMENT

THIS REGISTRATION AGREEMENT (this “Agreement”), dated as of May 24, 2013, is made by and among (i) Otelco Inc., a Delaware corporation (the “Company”), and (ii) each of the Persons identified as a “Securityholder” on the Schedule of Securityholders attached hereto (the “Securityholders”).

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. Demand Registrations.

(a) Requests for Registration. At any time and from time to time, the holders of a majority of the Registrable Securities may request registration under the Securities Act of all or part of their Registrable Securities on Form S-1 or any similar long-form registration (“Long-Form Registrations”) or, if available, on Form S-3 (including pursuant to Rule 415 under the Securities Act) or any similar short-form registration (“Short-Form Registrations”). All registrations requested pursuant to this Section 1(a) are referred to herein as “Demand Registrations.” Each request for a Demand Registration shall specify the approximate number of Registrable Securities requested to be registered and the anticipated per share price range for such offering. Within five (5) days after receipt of any such request, the Company shall give written notice of such requested registration to all other holders of Registrable Securities and, subject to Section 1(d), will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein from such Persons within fifteen (15) days after the receipt of the Company’s notice.

(b) Long-Form Registrations. The holders of a majority of the Registrable Securities shall be entitled to request two (2) Long-Form Registrations in any twelve (12) month period, in which the Company shall pay all Registration Expenses (as defined below in Section 5). All Long-Form Registrations shall be underwritten registrations, unless otherwise agreed to by the holders of a majority of the Registrable Securities included in such registration.

(c) Short-Form Registrations. In addition to the Long-Form Registrations provided pursuant to Section 1(b), the holders of a majority of the Registrable Securities shall be entitled to request four (4) Short-Form Registrations in any twelve (12) month period, in which the Company shall pay all Registration Expenses. Demand Registrations will be Short-Form Registrations whenever the Company is permitted to use any applicable short form and if the managing underwriter(s), if any, agree to the use of a Short-Form Registration. The Company shall use its commercially reasonable efforts to make Short-Form Registrations on Form S-3 available for the sale of Registrable Securities. All Short-Form Registrations shall be underwritten registrations, unless otherwise agreed to by the holders of a majority of the Registrable Securities included in such registration. If the Company, pursuant to the request of the holder(s) of a majority of the Registrable Securities, is qualified to and has filed with the Securities Exchange Commission a registration statement under the Securities Act on Form S-3 pursuant to Rule 415 under the Securities Act (the “Required Registration”), then the Company shall use commercially reasonable efforts to cause the Required Registration to be declared effective under the Securities Act as soon as practicable after filing, and, once effective, the Company shall cause such Required Registration to remain effective until the date on which all Registrable Securities included in such registration have been sold pursuant to the Required Registration.

(d) Priority on Demand Registrations. The Company shall not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the holders of a majority of the Registrable Securities included in such registration, which consent shall not be unreasonably withheld. If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that, in their opinion, the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within the price range acceptable to the holders of a majority of the Registrable Securities initially requesting such registration, the Company will include in such registration, (i) first, the Registrable Securities requested to be included in such registration that, in the opinion of such underwriters, can be sold in an orderly manner within such price range, pro rata among the respective holders thereof on the basis of the number of Registrable Securities owned by each such holder, and (ii) second, other securities requested (and permitted) to be included in such registration, if any, that, in the opinion of such underwriters, can be sold in an orderly manner within such price range, pro rata among the holders of such securities on the basis of the number of such securities owned by each such holder.

(e) Restrictions on Demand Registrations. The Company shall not be obligated to effect any Long-Form Registration within 90 days after the effective date of a previous Long-Form Registration or a previous registration in which the holders of Registrable Securities were given piggyback rights pursuant to Section 2 and in which there was no reduction in the number of Registrable Securities requested to be included. The Company may postpone for up to six (6) months the filing or the effectiveness of a registration statement for a Demand Registration if the Company furnishes to the holders of Registrable Securities a certificate signed by the Chief Executive Officer of the Company, following consultation with, and after obtaining the good faith approval of the Board, stating that the Company believes that such postponement is reasonably necessary in order to avoid premature disclosure of a material matter required, as determined by the Company after consultation with its outside counsel, to be otherwise disclosed in connection with such registration, the disclosure of which would reasonably be expected to have a material adverse effect on any proposal or plan by the Company or any of its Subsidiaries to acquire financing, engage in any acquisition of assets (other than in the ordinary course of business) or engage in any merger, consolidation, tender offer, reorganization or similar transaction; provided that, in such event, the Company shall pay all Registration Expenses in connection with such registration. The Company may delay a Demand Registration hereunder only once in any twelve (12) month period.

(f) Selection of Underwriters. In connection with any underwritten Demand Registration, the Company shall have the right to select the investment banker(s) and managing underwriter(s) to administer the offering, subject to the approval of the holders of a majority of the Registrable Securities included in such Demand Registration, which approval shall not be unreasonably withheld.

2. Piggyback Registrations.

(a) Right to Piggyback. Whenever the Company proposes to register any of its equity securities (including any proposed registration of the Company's securities by any third party) under the Securities Act (other than (i) pursuant to a Demand Registration, which is governed by Section 1, (ii) pursuant to a registration on Form S-4 or S-8 or any successor or similar forms, or (iii) in connection with the Company's initial public offering of equity securities), whether or not for sale for its own account, and the registration form to be used may be used for the registration of Registrable Securities (a "Piggyback Registration"), the Company shall give prompt written notice to all holders of Registrable Securities of its intention to effect such a registration and, subject to Section 2(c) and Section 2(d), will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein from such Persons within fifteen (15) days after the receipt of the Company's notice.

(b) Piggyback Expenses. The Registration Expenses of the holders of Registrable Securities shall be paid by the Company in all Piggyback Registrations.

(c) Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company in writing that in their opinion the number of securities requested to be included in such offering exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Company, then the Company shall include in such registration (i) first, the securities the Company proposes to sell that, in the opinion of such underwriters, can be sold in an orderly manner within such price range, (ii) second, the Registrable Securities requested to be included in such registration, if any, that, in the opinion of such underwriters, can be sold in an orderly manner within such price range, pro rata among the respective holders thereof on the basis of the number of Registrable Securities owned by each such holder, and (iii) third, other securities requested (and permitted) to be included in such registration, if any, that, in the opinion of such underwriters, can be sold in an orderly manner within such price range, pro rata among the holders of such securities on the basis of the number of such securities owned by each such holder.

(d) Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities other than holders of Registrable Securities (it being understood that secondary registrations on behalf of holders of Registrable Securities are addressed in Section 1 rather than this Section 2(d)), and the managing underwriters advise the Company in writing that, in their opinion, the number of securities requested to be included in such registration exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the holders of a majority of the securities initially requested to be included in such registration, then the Company shall include in such registration (i) first, the securities requested to be included therein by the holders requesting such registration, (ii) second, the Registrable Securities requested to be included in such registration that, in the opinion of such underwriters, can be sold in an orderly manner within such price range, pro rata among the holders of such Registrable Securities on the basis of the number of such Registrable Securities owned by each such holder, and (ii) third, other securities requested (and permitted) to be included in such registration, if any, that, in the opinion of such underwriters, can be sold in an orderly manner within such price range.

(e) Selection of Underwriters. If any Piggyback Registration is an underwritten offering, the selection of the investment banker(s) and managing underwriter(s) for the offering must be approved by the holders of a majority of the Registrable Securities included in such Piggyback Registration, which approval shall not be unreasonably withheld.

(f) Other Registrations. If the Company has previously filed a registration statement with respect to Registrable Securities pursuant to Section 1 or pursuant to this Section 2, and if such previous registration has not been withdrawn or abandoned, then, unless such previous registration statement is a Required Registration, the Company shall not file or cause to be effected any other registration of any of its equity securities or securities convertible or exchangeable into or exercisable for its equity securities under the Securities Act (except on Form S-4 or S-8 or any successor form), whether on its own behalf or at the request of any holder or holders of such securities, until a period of at least six (6) months has elapsed from the effective date of such previous registration.

3. Holdback Agreements.

(a) Each holder of Registrable Securities agrees that in connection with the Company's initial public offering and any Demand Registration or Piggyback Registration that is an underwritten public offering of the Company's equity securities, he, she or it shall not (i) offer, sell, contract to sell, pledge or otherwise dispose of (including sales pursuant to Rule 144), directly or indirectly, any equity securities of the Company ("Securities") (including Securities which may be deemed to be owned beneficially by such holder in accordance with the rules and regulations of the Securities and Exchange Commission), or any securities, options, or rights convertible into or exchangeable or exercisable for Securities ("Other Securities"), (ii) enter into a transaction which would have the same effect as described in clause (i) of this Section 3(a), (iii) enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences or ownership of any Securities or Other Securities, whether such transaction is to be settled by delivery of such Securities, Other Securities, in cash or otherwise, or (iv) publicly disclose the intention to enter into any transaction described in (i), (ii) or (iii) above, from the date on which the Company gives notice to the holders of Registrable Securities that a preliminary prospectus has been circulated for the underwritten public offering to the date that is ninety (90) days following the date of the final prospectus for such underwritten public offering (or such shorter period as agreed to by the underwriters designated as "book-runners" managing such registered public offering), unless such book-runners otherwise agree in writing (such period, the "Holdback Period"); provided that the holdback obligations set forth in this Section 3(a) shall not be effective or shall be reduced, as applicable, if, in any underwritten offering, the managing underwriter indicates in writing to the Company that such holdback obligations are not necessary or may be shortened in the applicable initial public offering, Demand Registration or Piggyback Registration. If (x) the Company issues an earnings release or other material news or a material event relating to the Company and its Subsidiaries occurs during the last 17 days of the Holdback Period or (y) prior to the expiration of the Holdback Period, the Company announces that it will release earnings results during the 16-day period beginning upon the expiration of the Holdback Period, then to the extent necessary for a managing or co-managing underwriter of a registered offering required hereunder to comply with FINRA Rule 2711(f)(4), the Holdback Period shall be extended until 18 days after the earnings release or the occurrence of the material news or event, as the case may be (such period referred to herein as the "Holdback Extension"). The Company may impose stop-transfer instructions with respect to its securities that are subject to the foregoing restriction until the end of such period, including any period of Holdback Extension. The holdback obligations set forth in this Section 3(a) will automatically terminate upon any release or termination of such holdback obligations for the holders of a majority of the Registrable Securities.

(b) In connection with any underwritten public offering of the Company's equity securities, each holder of Registrable Securities agrees to enter into any lockup or similar agreement requested by the underwriters managing the registered public offering that the holders of a majority of the Registrable Securities agree to enter into, which shall provide that if any holder of Registrable Securities shall be released from the obligations of that agreement, all other parties to similar agreements relating to the Company's equity securities shall be concurrently released.

(c) The Company agrees not to effect any Public Sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the seven days prior to and during the 90-day period beginning on the effective date of any Demand Registration or any underwritten Piggyback Registration (except as part of such underwritten registration or pursuant to registrations on Form S-4 or S-8 or any successor form) or, in the event of a Holdback Extension, for such longer period until the end of such period of Holdback Extension, unless the underwriters managing the registered public offering otherwise agree.

(d) Notwithstanding any other provision contained in this Agreement, the Company shall not include in any underwritten Demand Registration or underwritten Piggyback Registration any portion of Registrable Securities held by any officers or employees of the Company or any of its Subsidiaries the inclusion of which the underwriter of such Demand Registration or Piggyback Registration, as the case may be, determines is likely to adversely affect such offering.

(e) Notwithstanding anything to the contrary herein, except in the case of (i) a transfer to the Company, (ii) a Public Sale permitted hereunder or (iii) a transfer in connection with a Sale of the Company (clauses (i) through (iii), a " Permitted Transfer "), prior to transferring any Registrable Securities to any Person not already a party to this Agreement (including by operation of law), the transferring Securityholder shall cause the prospective transferee to execute and deliver to the Company a counterpart of this Agreement thereby agreeing to be bound by the terms hereof. Any transfer or attempted transfer of any Registrable Securities in violation of any provision of this Agreement shall be void *ab initio* , and the Company shall not record such transfer on its books or treat any purported transferee of such securities as the owner of such securities for any purpose. Other than in the case of a Permitted Transfer, whether or not any such transferee has executed a counterpart hereto, such transferee shall be subject to the obligations of the transferor hereunder. The provisions of this Section 3(e) shall terminate upon a Sale of the Company.

(f) Each certificate evidencing any Securities or Other Securities held by a Securityholder and each certificate issued in exchange for or upon the transfer of any such securities (unless such securities are permitted to be transferred pursuant to this Agreement and, if such securities were Registrable Securities, would no longer be Registrable Securities after such transfer) shall be stamped or otherwise imprinted with a legend in substantially the following form:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SECTION 1145 OF THE BANKRUPTCY REFORM ACT OF 1978, AS AMENDED (THE "BANKRUPTCY CODE"), AND MAY BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), PROVIDED THAT THE HOLDER IS NOT DEEMED TO BE AN UNDERWRITER AS SUCH TERM IS DEFINED IN SECTION 1145(B) OF THE BANKRUPTCY CODE. IF THE HOLDER IS DEEMED TO BE AN UNDERWRITER AS SUCH TERM IS DEFINED IN SECTION 1145(B) OF THE BANKRUPTCY CODE, THEN THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY ONLY BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED (1) PURSUANT TO (A) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT RELATING TO THE DISPOSITION OF SECURITIES AND (2) IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS CERTIFICATE MUST BE SURRENDERED TO THE ISSUER (THE "COMPANY") OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, PLEDGE OR OTHER TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SPECIFIED IN THE STOCKHOLDERS' AGREEMENT, DATED AS OF MAY 24, 2013, AS AMENDED AND MODIFIED FROM TIME TO TIME, AMONG THE COMPANY AND CERTAIN OTHER PERSONS, AND THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF SUCH SECURITIES UNTIL SUCH RESTRICTIONS HAVE BEEN SATISFIED WITH RESPECT TO ANY TRANSFER. A COPY OF SUCH RESTRICTIONS SHALL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.

IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND OTHER PROVISIONS SET FORTH IN A REGISTRATION AGREEMENT, DATED AS OF MAY 24, 2013, AS AMENDED AND MODIFIED FROM TIME TO TIME, AMONG THE COMPANY AND CERTAIN OF THE COMPANY'S SECURITYHOLDERS. A COPY OF SUCH REGISTRATION AGREEMENT WILL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.

The Company shall imprint such legend on certificates evidencing Securities and Other Securities outstanding prior to the date hereof. The legend set forth above shall be removed from the certificates evidencing any securities which are transferred pursuant to a Permitted Transfer.

4. Registration Procedures. Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company shall use its commercially reasonable efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof and pursuant thereto the Company will as expeditiously as possible:

(a) in accordance with the Securities Act and all applicable rules and regulations promulgated thereunder, prepare and (within ninety (90) days after the end of the period within which requests for registration may be given to the Company) file with the Securities and Exchange Commission a registration statement with respect to such Registrable Securities and thereafter use its commercially reasonable efforts to cause such registration statement to become effective as soon as practicable thereafter (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to the counsel selected by the holders of a majority of the Registrable Securities covered by such registration statement copies of all such documents proposed to be filed, which documents shall be subject to the review and reasonable comment of such counsel);

(b) notify in writing each holder of Registrable Securities of the effectiveness of each registration statement filed hereunder and prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of either (i) not less than six (6) months (subject to extension pursuant to Section 7(b)) or, if such registration statement relates to an underwritten offering, such longer period as in the opinion of counsel for the underwriters a prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer or (ii) such shorter period as will terminate when all of the securities covered by such registration statement have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement (but in any event not before the expiration of any longer period required under the Securities Act), and to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement;

(c) furnish to each seller of Registrable Securities thereunder such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus), each Free Writing Prospectus and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(d) use its commercially reasonable efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller of Registrable Securities reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 4(d), (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction);

(e) notify in writing each seller of such Registrable Securities (i) promptly after it receives notice thereof, of the date and time when such registration statement and each post-effective amendment thereto has become effective or a prospectus or supplement to any prospectus relating to a registration statement has been filed and when any registration or qualification has become effective under a state securities or blue sky law or any exemption thereunder has been obtained, (ii) promptly after receipt thereof, of any request by the Securities and Exchange Commission for the amendment or supplementing of such registration statement or prospectus or for additional information, and (iii) at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of any event as a result of which, the prospectus included in such registration statement (x) contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading in light of the circumstances under which they were made or (y) is otherwise not legally available to support sales of Registrable Securities;

(f) prepare and file promptly with the Securities and Exchange Commission, and notify such holders of Registrable Securities prior to the filing of, such amendments or supplements to such registration statement or prospectus as may be necessary to correct any statements or omissions if, at the time when a prospectus relating to such securities is required to be delivered under the Securities Act, any event has occurred as the result of which any such prospectus or any other prospectus as then in effect would include an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and, in case any of such holders of Registrable Securities or any underwriter for any such holders is required to deliver a prospectus at a time when the prospectus then in circulation is not in compliance with the Securities Act or the rules and regulations promulgated thereunder, the Company shall use its commercially reasonable efforts to prepare promptly upon request of any such holder or underwriter such amendments or supplements to such registration statement and prospectus as may be necessary in order for such prospectus to comply with the requirements of the Securities Act and such rules and regulations;

(g) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(h) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(i) enter into and perform such customary agreements (including underwriting agreements in customary form) and take all such other actions as the holders of a majority of the Registrable Securities being included in such registration or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including participation in “road shows”, investor presentations and marketing events and effecting a share split or a combination of shares);

(j) make available for inspection by any underwriter participating in any disposition pursuant to such registration statement, and any attorney, accountant, or other agent retained by any such underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company’s officers, directors, employees and independent accountants to supply all information reasonably requested by any such underwriter, attorney, accountant or agent in connection with such registration statement and assist and, at the request of any participating underwriter, use commercially reasonable efforts to cause such officers or directors to participate in presentations to prospective purchasers;

(k) take all reasonable actions to ensure that any Free-Writing Prospectus utilized in connection with any Demand Registration or Piggyback Registration hereunder complies in all material respects with the Securities Act, is filed in accordance with the Securities Act to the extent required thereby, is retained in accordance with the Securities Act to the extent required thereby and, when taken together with the related prospectus, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(l) otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least 12 months beginning with the first day of the Company’s first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(m) use its commercially reasonable efforts to prevent the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any securities included in such registration statement for sale in any jurisdiction, and in the event of the issuance of any such stop order or other such order, the Company shall advise such holders of Registrable Securities of such stop order or other such order promptly after it shall receive notice or obtain knowledge thereof and shall use its commercially reasonable efforts to promptly obtain the withdrawal of such order;

(n) obtain one or more cold comfort letters, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement and addressed to the underwriters), from the Company’s independent public accountants in customary form and covering such matters of the type customarily covered by cold comfort letters as the holders of a majority of the Registrable Securities included in such registration reasonably request; and

(o) provide a legal opinion of the Company's outside counsel, dated the effective date of such registration statement (or, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement), with respect to the registration statement, each amendment and supplement thereto, the prospectus included therein (including the preliminary prospectus) and such other documents relating thereto in customary form and covering such matters of the type customarily covered by such opinions, which opinions shall be addressed to the underwriters. The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish the Company such information regarding such seller and the distribution of such securities as the Company may from time to time reasonably request in writing.

5. Registration Expenses.

(a) All expenses incident to the Company's performance of or compliance with this Agreement, including all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, travel expenses, filing expenses, messenger and delivery expenses, fees and disbursements of custodians and fees and disbursements of counsel for the Company and of all independent certified public accountants, underwriters including, if necessary, a "qualified independent underwriter" within the meaning of the rules of the Financial Industry Regulatory Authority (in each case, excluding discounts and commissions) and other Persons retained by the Company or by the holders of Registrable Securities or their affiliates on behalf of the Company (all such expenses being herein called "Registration Expenses"), shall be borne as provided in this Agreement, except that the Company shall, in any event, pay its internal expenses (including all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed. Each Person that sells securities pursuant to a Demand Registration or Piggyback Registration hereunder shall bear and pay all underwriting discounts and commissions applicable to the securities sold for such Person's account.

(b) In connection with each Demand Registration and each Piggyback Registration, the Company shall reimburse the holders of Registrable Securities included in such registration for the reasonable fees and disbursements of one counsel chosen by the holders of a majority of the Registrable Securities included in such registration.

(c) To the extent Registration Expenses are not required to be paid by the Company, each holder of securities included in any registration hereunder shall pay those Registration Expenses allocable hereunder to the registration of such holder's securities so included, and any Registration Expenses not so allocable shall be borne by all sellers of securities included in such registration in proportion to the aggregate selling price of each seller's securities to be so registered.

6. Indemnification.

(a) The Company agrees to indemnify and hold harmless, to the fullest extent permitted by law, each holder of Registrable Securities, its officers, directors, managers, agents and employees and each Person who controls such holder (within the meaning of the Securities Act) (each an “Indemnatee” and, collectively, the “Indemnitees”) against any losses, claims, damages, liabilities, joint or several, together with reasonable costs and expenses (including reasonable attorneys’ fees), to which such Indemnatee may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of, are based upon, are caused by or result from (i) any untrue or alleged untrue statement of material fact contained (A) in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or (B) in any application or other document or communication (in this Section 6 collectively called an “application”) executed by or on behalf of the Company or based upon written information furnished by or on behalf of the Company filed in any jurisdiction in order to qualify any securities covered by such registration statement under the “blue sky” or securities laws thereof, or (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse each such Indemnatee for any legal or any other expenses incurred by him, her or it in connection with investigating or defending any such loss, claim, damage, expense, liability, action or proceeding; provided, however, that the Company shall not be liable in any such case to any such Person to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of, is based upon, is caused by or results from an untrue statement or alleged untrue statement, or omission or alleged omission, made in such registration statement, any such prospectus or preliminary prospectus or any amendment or supplement thereto, or in any application, in reliance upon, and in conformity with, written information prepared and furnished to the Company by or on behalf of such Person expressly for use therein. In connection with an underwritten offering, the Company shall indemnify the underwriters, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the Indemnitees.

(b) In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the fullest extent permitted by law, shall indemnify and hold harmless the other holders of Registrable Securities and the Company, and their respective directors, officers, managers, agents and employees and each other Person who controls the Company or such other holders of Registrable Securities (within the meaning of the Securities Act) against any losses, claims, damages or liabilities, joint or several, together with reasonable costs and expenses (including reasonable attorneys’ fees), to which such indemnified party may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of, are based upon, are caused by or result from (i) any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or in any application or (ii) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is made in such registration statement, any such prospectus or preliminary prospectus or any amendment or supplement thereto, or in any application, in each case, in reliance upon and in conformity with written information prepared and furnished to the Company by or on behalf of such holder expressly for use therein; provided, however, that the obligation to indemnify will be several and not joint, as to each holder and will be limited to the net amount of proceeds received by such holder from the sale of Registrable Securities pursuant to such registration statement.

(c) Any Person entitled to indemnification hereunder will (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any Person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld, conditioned or delayed). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim, in which case the indemnifying party will pay the reasonable fees and expenses of one additional counsel for such indemnified party.

(d) The indemnifying party shall not, except with the approval of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to each indemnified party of a release from all liability in respect to such claim or litigation without any payment or consideration provided by such indemnified party.

(e) If the indemnification provided for in this Section 6 is unavailable to or is insufficient to hold harmless an indemnified party under the provisions above in respect to any losses, claims, damages or liabilities referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and the sellers of Registrable Securities and any other sellers participating in the registration statement on the other hand or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative faults referred to in clause (i) above but also the relative benefit of the Company on the one hand and of the sellers of Registrable Securities and any other sellers participating in the registration statement on the other in connection with the registration statement or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the sellers of Registrable Securities and any other sellers participating in the registration statement on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) to the Company bear to the total net proceeds from the offering (before deducting expenses) to the sellers of Registrable Securities and any other sellers participating in the registration statement. The relative fault of the Company on the one hand and of the sellers of Registrable Securities and any other sellers participating in the registration statement on the other shall be determined by reference to, among other things, whether the untrue statement or alleged omission to state a material fact relates to information supplied by the Company or by the sellers of Registrable Securities or other sellers participating in the registration statement and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the sellers of Registrable Securities agree that it would not be just and equitable if contribution pursuant to this Section 6 were determined by pro rata allocation (even if the sellers of Registrable Securities were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 6, no seller of Registrable Securities shall be required to contribute any amount in excess of the net proceeds received by such seller from the sale of Registrable Securities covered by the registration statement filed pursuant hereto. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(f) The indemnification and contribution by any such party provided for under this Agreement shall be in addition to any other rights to indemnification or contribution which any indemnified party may have pursuant to law or contract and will remain in full force and effect regardless of any investigation made or omitted by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive the transfer of securities.

7. Participation in Underwritten Registrations.

(a) No Person may participate in any registration hereunder which is underwritten unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved by the Person or Persons entitled hereunder to approve such arrangements (including pursuant to the terms of any over-allotment or "green shoe" option requested by the managing underwriter(s), provided that no holder of Registrable Securities will be required to sell more than the number of Registrable Securities that such holder has requested the Company to include in any registration) and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements; provided that no holder of Registrable Securities included in any underwritten registration shall be required to make any representations or warranties to the Company or the underwriters (other than representations and warranties regarding such holder and such holder's intended method of distribution) or to undertake any indemnification obligations to the Company or the underwriters with respect thereto, except as otherwise provided in Section 6 hereof.

(b) Each Person that is participating in any registration hereunder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(e), such Person will forthwith discontinue the disposition of its Registrable Securities pursuant to the registration statement until such Person's receipt of the copies of a supplemented or amended prospectus as contemplated by Section 4(f). In the event the Company shall give any such notice, the applicable time period mentioned in Section 4(b) during which a Registration Statement is to remain effective shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to this Section 7 to and including the date when each seller of Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by Section 4(f).

8. Current Public Information. At all times after the Company has filed a registration statement with the Securities and Exchange Commission pursuant to the requirements of either the Securities Act or the Securities Exchange Act, the Company shall, except as otherwise agreed to in writing by the holders of a majority of the Registrable Securities, file all reports required to be filed by it under the Securities Act and the Securities Exchange Act and the rules and regulations adopted by the Securities and Exchange Commission thereunder, and will take such further action as any holder or holders of Registrable Securities may reasonably request, all to the extent required to enable such holders to sell Registrable Securities pursuant to Rule 144 adopted by the Securities and Exchange Commission under the Securities Act (as such rule may be amended from time to time, “Rule 144”) or any similar rule or regulation hereafter adopted by the Securities and Exchange Commission. At all times after the Company has filed a registration statement with the Securities and Exchange Commission pursuant to the requirements of either the Securities Act or the Securities Exchange Act, if requested by any holder of Registrable Securities, the Company shall deliver to such holder of Registrable Securities a written statement that the Company has complied with the current public information requirements of Rule 144.

9. Definitions.

“Agreement” has the meaning set forth in the preamble.

“application” has the meaning set forth in Section 6(a).

“Board” means the board of directors of the Company.

“Class B Common Stock” means the Class B common stock of the Company, par value \$0.01 per share.

“Company” has the meaning set forth in the preamble.

“Demand Registrations” has the meaning set forth in Section 1(a).

“Free Writing Prospectus” means a free writing prospectus, as defined in Rule 405 under the Securities Act.

“Holdback Extension” has the meaning set forth in Section 3(a).

“Holdback Period” has the meaning set forth in Section 3(a).

“Indemnatee” and “Indemnitees” have the meanings set forth in Section 6(a).

“Long-Form Registrations” has the meaning set forth in Section 1(a).

“ Other Securities ” has the meaning set forth in Section 3(a) .

“ Permitted Transfer ” has the meaning set forth in Section 3(e) .

“ Person ” means an individual, a partnership, a joint venture, an association, a joint stock company, a corporation, a limited liability company, a trust, an unincorporated organization, an investment fund, any other business entity or a governmental entity or any department, agency or political subdivision thereof.

“ Piggyback Registration ” has the meaning set forth in Section 2(a) .

“ Public Sale ” means any sale of Registrable Securities (i) to the public pursuant to an offering registered under the Securities Act or (ii) to the public through a broker, dealer or market maker in compliance with Rule 144 (or any similar rule then in force).

“ Registrable Securities ” means all shares of Class B Common Stock now owned or hereafter acquired by any Securityholder, all shares of Class B Common Stock issuable with respect to securities of the Company convertible into or exercisable for shares of Class B Common Stock now owned or hereafter acquired by any Securityholder and any Class B Common Stock issued to any Securityholder in respect of any distribution, split or combination of securities, or any recapitalization, merger, consolidation or other reorganization. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when they (a) have been distributed to the public pursuant to an offering registered under the Securities Act or sold to the public through a broker, dealer or market maker in compliance with Rule 144 (or any similar rule then in force), (b) have been repurchased by the Company or any Subsidiary of the Company or (c) have been effectively registered under a registration statement including a registration statement on Form S-8 (or any successor form). For purposes of this Agreement, a Person shall be deemed to be a holder of Registrable Securities, and the Registrable Securities shall be deemed to be in existence, whenever such Person has the right to acquire directly or indirectly such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such Person shall be entitled to exercise the rights of a holder of Registrable Securities hereunder.

“ Registration Expenses ” has the meaning set forth in Section 5(a) .

“ Required Registration ” has the meaning set forth in Section 1(c) .

“ Rule 144 ” has the meaning set forth in Section 8 .

“ Sale of the Company ” means any transaction or series of related transactions pursuant to which any Person or group of related Persons in the aggregate acquire(s) (i) equity securities of the Company possessing the voting power (other than voting rights accruing only in the event of a default or breach) to elect a majority of the Board (whether by merger, liquidation, consolidation, reorganization, combination, sale or transfer of the Company’s equity securities, securityholder or voting agreement, proxy, power of attorney or otherwise) or (ii) all or substantially all of the Company’s assets determined on a consolidated basis; provided, that a Public Sale shall not constitute a Sale of the Company.

“ Securities ” has the meaning set forth in Section 3(a) .

“ Securities Act ” means the Securities Act of 1933, as amended, or any similar federal law then in force.

“ Securities and Exchange Commission ” means the United States Securities and Exchange Commission and includes any governmental body or agency succeeding to the functions thereof.

“ Securities Exchange Act ” means the Securities Exchange Act of 1934, as amended, or any similar federal law then in force.

“ Securityholders ” has the meaning set forth in the preamble.

“ Short-Form Registrations ” has the meaning set forth in Section 1(a) .

“ Subsidiary ” means, with respect to any Person, any corporation, limited liability company, partnership, association or business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) if a limited liability company, partnership, association or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity (other than a corporation) if such Person or Persons shall be allocated a majority of limited liability company, partnership, association or other business entity gains or losses or shall be or control any managing director, general partner or a majority of the members of the governing body of such limited liability company, partnership, association or other business entity.

10. Miscellaneous.

(a) Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement must be in writing and shall be deemed to have been given or made when (a) delivered personally to the recipient, (b) sent by confirmed electronic mail or facsimile to the recipient (with hard copy sent to the recipient by reputable overnight courier service (charges prepaid) that same day) if sent by before 5:00 p.m. local time of the recipient on a business day, and otherwise on the next business day, or (c) one business day after being sent to the recipient by reputable overnight courier service (charges prepaid). Such notices, demands and other communications shall be sent to the Company at the address set forth below and to any other recipient at the address indicated on the Schedule of Securityholders attached hereto or to such other address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party. The Company's address is as follows:

Otelco Inc.
505 Third Avenue East
Oneonta, AL 35121
Facsimile: (205) 625-3523
Attention: Chief Financial Officer

with copies (which shall not constitute notice) to :

GE Capital Equity Investments, Inc.
201 Merritt 7
Norwalk, CT 06851
Attention: Otelco Account Manager
Telecopier No.: (203) 907-1973

King & Spalding LLP
1180 Peachtree Street
Atlanta, GA 30309-3521
Facsimile: (404) 572-5131
Attention: Sarah R. Borders

and

Dorsey & Whitney LLP
51 West 52nd Street
New York, NY 10019
Facsimile: (646) 390-6549
Attention: Steven Khadavi

(b) No Inconsistent Agreements. The Company shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the holders of Registrable Securities in this Agreement. Except as provided in this Agreement, the Company shall not grant to any Persons the right to request the Company to register any Securities or any Other Securities without the prior written consent of the holders of a majority of the Registrable Securities.

(c) Adjustments Affecting Registrable Securities. The Company will not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement.

(d) Remedies. Any Person having rights under any provision of this Agreement shall be entitled to enforce such rights specifically to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

(e) Amendments and Waivers. Except as otherwise provided herein, no modification, amendment or waiver of any provision of this Agreement shall be effective against the Company or the holders of Registrable Securities unless such modification, amendment or waiver is approved in writing by the Company and holders of a majority of the Registrable Securities; provided that no such amendment or modification that would adversely affect the rights, preferences or privileges of any class or group of Registrable Securities in a manner disproportionate to the effect of such amendment or modification on the rights, preferences or privileges of holders of Registrable Securities (without regard to any effect resulting from the individual circumstances of any holder of such class or group of Registrable Securities) shall be effective against any holder whose rights, preferences or privileges are so affected thereby without the prior written consent of the holders of a majority of each class or group of Registrable Securities so affected. No failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or any other covenant, duty, agreement or condition. Notwithstanding the foregoing, an amendment or modification of this Agreement to add a party hereto and to grant such party registration rights will be effective against the Company and all holders of Registrable Securities if such modification, amendment or waiver is approved in writing by the Company and the holders of a majority of the Registrable Securities. The failure of any party to enforce any of the provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision in accordance with its terms.

(f) Securityholder Status. Notwithstanding anything to the contrary that may be set forth herein, at such time as any Securityholder ceases to hold any Registrable Securities, such Securityholder shall be deemed to no longer be a Securityholder for purposes of this Agreement and shall no longer be entitled to the rights or subject to the obligations of a Securityholder as set forth herein.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto (and the Persons specifically identified in Section 6) and their respective successors and assigns. In addition, and whether or not any express assignment shall have been made, the provisions of this Agreement which are for the benefit of the holders of Registrable Securities (or any portion thereof) as such shall be for the benefit of and enforceable by any subsequent holder of any Registrable Securities (or of such portion thereof); provided, that such subsequent holder of Registrable Securities shall be required to execute a joinder to this Agreement agreeing to be bound by its terms.

(h) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(i) Entire Agreement . Except as otherwise expressly set forth herein, this document embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

(j) Counterparts; Facsimile Signature . This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement. This Agreement may be executed by facsimile signature.

(k) Descriptive Headings . The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

(l) Governing Law . All issues and questions concerning the relative rights and obligations of the Company and the Securityholders under this Agreement and the construction, validity, interpretation and enforceability of this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(m) Mutual Waiver of Jury Trial . BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES HERETO, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(n) Business Days . If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or legal holiday in the state in which the Company's chief-executive office is located, the time period shall automatically be extended to the business day immediately following such Saturday, Sunday or legal holiday.

* * * * *

IN WITNESS WHEREOF, the undersigned have executed or caused to be executed on their behalf this Agreement as of the date first written above.

OTELCO INC.

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

Signature Page – Registration Agreement of Otelco Inc.

GE CAPITAL EQUITY INVESTMENTS, INC.

By: /s/ Richard Fraser

Name: Richard Fraser

Title: Vice President

Signature Page – Registration Agreement of Otelco Inc.

COBANK, ACB

By: /s/ Ken Allen

Name: Ken Allen

Title: Vice President

Signature Page – Registration Agreement of Otelco Inc.

RAYMOND JAMES BANK, N.A.

By: /s/ H. Fred Coble, Jr.

Name: H. Fred Coble, Jr.

Title: Senior Vice President

Signature Page – Registration Agreement of Otelco Inc.

UNION BANK, N.A.

By: /s/ M. David Dinges

Name: M. David Dinges

Title: Vice President

Signature Page – Registration Agreement of Otelco Inc.

WEBSTER BANK, NATIONAL ASSOCIATION

By: /s/ Eric Ratner

Name: Eric Ratner

Title: Vice President

Signature Page – Registration Agreement of Otelco Inc.

CIBC INC.

By: /s/ Eric J. De Santis

Name: Eric J. De Santis

Title: Agent

Signature Page – Registration Agreement of Otelco Inc.

SCHEDULE OF SECURITYHOLDERS

As of May 24, 2013

Name and Address of Securityholder	Number of Shares of Class B Common Stock
GE Capital Equity Investments, Inc. 201 Merritt 7 Norwalk, CT 06851 Attention: Otelco Account Manager Telecopier No.: (203) 907-1973 Email: Equity.Portfolio@GE.Com	89,529
CoBank, ACB 5500 South Quebec Street Greenwood Village, Colorado 80111 Attention: Special Assets	73,085
Raymond James Bank, N.A. 710 Carillon Parkway St. Petersburg, Florida 33716 Attention: H. Fred Coble, Jr.	25,565
Union Bank, N.A. 445 South Figueroa Street Los Angeles, California 90071 Attention: M. David Dinges	19,122
Webster Bank, National Association 185 Asylum Street Hartford, Connecticut 06103 Attention: Eric Ratner	12,181
CIBC Inc. 425 Lexington Avenue Floor 2 New York, NY 10017 Fax: 212-856-4135 Attention: Eric J. De Santis	13,298

EXECUTION VERSION

STOCKHOLDERS' AGREEMENT

THIS STOCKHOLDERS' AGREEMENT (this "**Agreement**"), dated as of May 24, 2013, by and among OTELCO INC. (the "**Company**"), a Delaware corporation, GE CAPITAL EQUITY INVESTMENTS, INC., a Delaware corporation ("**GE Capital**"), COBANK, ACB ("**CoBank**"), RAYMOND JAMES BANK, N.A. ("**Raymond James**"), UNION BANK, N.A. ("**Union Bank**"), WEBSTER BANK, NATIONAL ASSOCIATION ("**Webster Bank**"), and CIBC INC. ("**CIBC**").

WITNESSETH:

WHEREAS, pursuant to the terms of the Joint Prepackaged Plan of Reorganization for Otelco Inc. and Its Affiliated Debtors, dated as of May 6, 2013 (as amended, modified or supplemented from time to time), the Stockholders have acquired from the Company the shares of Class B Common Stock set forth opposite their respective names on Schedule I hereto; and

WHEREAS, the Company and the Stockholders believe that it is in the best interest of the Company and the Stockholders that provision be made for the continuity and stability of the business and policies of the Company, and, accordingly, desire to make certain arrangements among themselves with respect to certain matters set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and obligations hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. Definitions. As used herein, the following terms have the following respective meanings:

- (a) "**Affiliate**" means any Person who or which, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, any specified Person.
- (b) "**Amended Credit Agreement**" means the Third Amended and Restated Credit Agreement, dated as of May 24, 2013, among the Company, the other persons designated therein as "Credit Parties", General Electric Capital Corporation, acting as agent on behalf of itself as a lender and the other lenders signatory thereto from time to time (as such Amended Credit Agreement may be amended, modified, restated, supplemented, refunded, replaced or refinanced from time to time).
- (c) "**Capital Stock**" means, collectively, the shares of Class A Common Stock, Class B Common Stock and any class or series of common stock or preferred stock of the Company authorized after the date hereof, or any other class or series of stock resulting from successive changes or reclassifications of any class or series of common stock or preferred stock of the Company.

(d) “**Certificate of Incorporation**” means the Amended and Restated Certificate of Incorporation of the Company, as the same may be amended, modified, restated or supplemented from time to time.

(e) “**Class A Common Stock**” means the shares of Class A common stock, \$0.01 par value per share, of the Company.

(f) “**Class B Common Holder**” means GE Capital, CoBank, Raymond James, Union Bank, Webster Bank and CIBC, individually, and any subsequent Permitted Transferee of any of his, her or its shares of Class B Common Stock.

(g) “**Class B Common Stock**” means the shares of Class B common stock, \$0.01 par value per share, of the Company.

(h) “**Dispose**” or “**Disposition**” (and any derivatives thereof) means (i) a voluntary or involuntary sale, assignment, mortgage, grant, pledge, hypothecation, exchange, transfer, conveyance or other disposition of a Stockholder’s Shares and (ii) any agreement, contract or commitment to do any of the foregoing.

(i) “**Eligible Purchaser**” means, with respect to any issuance of New Issuance Securities, a Stockholder or its designee so long as such Stockholder (or its designee) is an accredited investor (as such term is defined in Rule 501 under the Securities Act or any similar rule then in effect) at the time of the purchase of such New Issuance Securities.

(j) “**Encumbrance**” or “**Encumber**” means any lien, claim, charge, pledge, mortgage, encumbrance, security interest, preferential arrangement, restriction on voting or alienation of any kind, adverse interest or the interest of a third party under any conditional sale agreement, capital lease or other title retention agreement.

(k) “**New Issuance Securities**” means Shares other than Shares issued or issuable: (i) in a strategic partnership, joint venture or similar corporate partnering transaction; (ii) in connection with any bank financing or similar financing transactions; (iii) in connection with the acquisition of another entity by merger, purchase of all or substantially all of the assets of such entity or other reorganization resulting in the ownership by the Company and its Subsidiaries of more than fifty percent (50%) of the voting power of such entity; (iv) to officers, directors or employees of, or advisors or consultants to, the Company or any of its Subsidiaries pursuant to the Stock Incentive Plan; (v) upon the conversion of shares of Class B Common Stock into shares of Class A Common Stock pursuant to the provisions of the Certificate of Incorporation; or (vi) to finance the purchase of shares of Class B Common Stock pursuant to the exercise by the Company of its redemption right in Section 4 of this Agreement.

(l) “**Percentage Interest**” means, with respect to any Stockholder, the quotient obtained by dividing the number of Shares then owned by that Stockholder by the number of Shares then owned by all stockholders of the Company.

(m) “**Permitted Transferees**” means, in the case of any Stockholder or its Permitted Transferee, (i) the respective Affiliates, investors, partners, limited partners, and members of such Stockholder, or any of their respective Affiliates, (ii) any other Stockholder, and (iii) any Person to whom a Stockholder is permitted to transfer Shares under the Amended Credit Agreement; provided, however, that in each case (1) such Permitted Transferee must execute and deliver a joinder, in form and substance satisfactory to the Company, to this Agreement, agreeing to comply with all applicable provisions of this Agreement and (2) such Disposition must comply with the requirements regarding Dispositions set forth in the Amended Credit Agreement.

(n) “**Person**” means any individual, partnership, corporation, limited liability company, joint venture, trust, firm, association, unincorporated organization or other entity.

(o) “**Securities Act**” means the Securities Act of 1933, as amended, or any similar Federal statute, and the rules and regulations thereunder, all as the same shall be in effect at the time.

(p) “**Shares**” means, with respect to any Stockholder, (i) the shares of Capital Stock held at any time by such Stockholder, (ii) any option, warrant or other right held at any time by any Stockholder, exercisable for shares of Capital Stock, and (iii) any security held at any time by such Stockholder, convertible or exchangeable for Capital Stock.

(q) “**Stockholder**” means each Class B Common Holder, individually. The Class B Common Holders are sometimes hereinafter collectively referred to as the “**Stockholders**”.

(r) “**Stock Incentive Plan**” means each of the Company’s stock option or equity incentive plan(s) now in existence or, with the consent of the Board of Directors of the Company, as amended or to be established in the future.

(s) “**Subsidiaries**” means, with respect to any Person, a corporation or other entity of which fifty percent (50%) or more of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of the Company or to Subsidiaries thereof.

SECTION 2. Transfers of Capital Stock.

(a) None of the Stockholders shall effect a Disposition of any of his, her or its shares of Capital Stock, except (1) to such Stockholder’s Permitted Transferees or (2) as provided in the Amended Credit Agreement. In addition, except in the case of a Disposition of Class B Common Stock by a Stockholder to a Permitted Transferee who is an Affiliate of such Stockholder, in no event shall a Stockholder effect a Disposition of any of his, her or its shares of Class B Common Stock to a transferee pursuant to this Section 2 unless such Stockholder concurrently transfers to such transferee a ratable portion of such Stockholder’s rights and obligations under the Amended Credit Agreement.

(b) No Disposition may be effected by any Stockholder unless the transferring holder causes the transferee to execute and deliver a counterpart copy of this Agreement to the Company, in which such transferee agrees in writing to be bound by the terms of this Agreement. Any Person who is a transferee of shares under this Section 2 shall become a party to this Agreement as a Stockholder by executing and delivering a written joinder to this Agreement, in form and substance reasonably satisfactory to the Company, agreeing to be bound by and to comply with all applicable provisions of this Agreement, whereupon such person shall have the benefits of, and shall be subject to the obligations of and restrictions applicable to, a Stockholder, as set forth in this Agreement. Such written joinder agreement shall constitute a Modification (as defined herein) of this Agreement without any further action of the other parties hereto.

(c) Any purported Disposition in violation of this Agreement shall be null and void ab initio, and the Company shall not recognize any such Disposition or accord to any such purported transferee any rights as a Stockholder.

SECTION 3. Preemptive Rights. After the date hereof and subject to the Certificate of Incorporation:

(a) If the Company proposes to issue any New Issuance Securities, each Eligible Purchaser shall have the right of first refusal to purchase a portion of such New Issuance Securities (a “ **Ratable Portion** ”) equal to the total number of New Issuance Securities, multiplied by such Eligible Purchaser’s Percentage Interest.

(b) The Company shall give each Eligible Purchaser at least fifteen (15) days prior written notice of any such proposed issuance of New Issuance Securities (an “ **Issuance Notice** ”) setting forth in reasonable detail the proposed terms and conditions thereof and shall offer to each such Eligible Purchaser the opportunity to purchase such Eligible Purchaser’s Ratable Portion of such New Issuance Securities at the same price, on the same terms and at the same time as the New Issuance Securities are proposed to be issued by the Company. An Eligible Purchaser may exercise its right of first refusal by delivery of an irrevocable written notice to the Company not more than twenty (20) days after the receipt of any such Issuance Notice. If an Eligible Purchaser fails to agree in writing within such twenty (20)-day period to purchase his, her or its full Ratable Portion of New Issuance Securities (a “ **Nonpurchasing Stockholder** ”), then such Nonpurchasing Stockholder shall forfeit the right hereunder to purchase that part of his, her or its full Ratable Portion of such New Issuance Securities that he, she or it did not so agree to purchase.

(c) If an Eligible Purchaser fails to exercise the rights granted to him, her or it in Sections 3(a) and (b) above (the “**Preemptive Right**”) within the periods specified in such sections, then the Company shall have one hundred eighty (180) days thereafter to issue the New Issuance Securities with respect to which such Eligible Purchaser’s Preemptive Rights were not exercised, at a price and upon general terms not materially more favorable to the purchasers thereof than specified in the Issuance Notice; provided that if the issuance of such New Issuance Securities has not occurred during such one hundred eighty (180)-day period as a result of a review by the Securities and Exchange Commission, then the Company shall have an additional ninety (90) days to issue such New Issuance Securities. If the Company has not issued the New Issuance Securities within the period specified in the preceding sentence, then the Company shall not thereafter issue any New Issuance Securities without again first offering such New Issuance Securities to Eligible Purchasers pursuant to this Section 3. The obligations of the Eligible Purchasers exercising their Preemptive Rights shall be conditioned upon the consummation of the proposed issuance of such New Issuance Securities by the Company .

(d) If the Preemptive Right is exercised by a designee of a Stockholder, then such designee must agree in writing to be bound by the terms of this Agreement.

SECTION 4. Redemption Right.

(a) Within fifteen (15) days after the indefeasible payment in cash in full of the Company’s Obligations (as defined in the Amended Credit Agreement) under the Amended Credit Agreement (including the cash collateralization of any outstanding letters of credit) and termination of the Commitments (as defined in the Amended Credit Agreement) thereunder (a “**Redemption Event**”), the Company may elect, at its option, to furnish to the Class B Common Holders written notice (the “**Redemption Notice**”) setting forth the occurrence of a Redemption Event. The Redemption Notice shall give rise to the requirement that the Company purchase from the Class B Common Holders all, but not less than all, of the shares of outstanding Class B Common Stock held by the Class B Common Holders (the “**Company Share Redemption**”). The Redemption Notice shall be deemed an irrevocable commitment of the Company to purchase all of the shares of Class B Common Stock from the Class B Common Holders. The price to be paid for the shares of Class B Common Stock (the “**Purchase Price**”) shall be an amount equal to (i) 2.5% of the outstanding principal obligations under the Amended Credit Agreement as of the Closing Date (as defined in the Amended Credit Agreement), if the redemption is effected on or before March 31, 2014, (ii) 5% of the outstanding principal obligations under the Amended Credit Agreement as of the Closing Date if the redemption is effected after March 31, 2014 and on or before March 31, 2015 or (iii) 7.5% of the outstanding principal obligations under the Amended Credit Agreement as of the Closing Date, if the redemption is effected after March 31, 2015 and on or before March 31, 2016. The foregoing right of the Company to redeem the shares of Class B Common Stock held by the Class B Common Holders shall terminate on March 31, 2016.

(b) Following any election by the Company pursuant to Section 4(a) to redeem all of the outstanding shares of Class B Common Stock, the Company and the Class B Common Holders shall cooperate in good faith and use their respective reasonable best efforts to consummate the Company Share Redemption as promptly as reasonably practicable and, in any event, within thirty (30) days following the Class B Common Holders’ receipt of the Redemption Notice. Payment of any amounts due to the Class B Common Holders under this Section 4 shall be made by the Company to the Class B Common Holders in cash at the closing of the Company Share Redemption.

SECTION 5. Information Rights. The Company shall use its good faith efforts to deliver to each Stockholder that is a “qualified institutional buyer” (as defined in Rule 144A under the Securities Act) (each an “**Institutional Holder**”) notice of any actions taken by the holders of Capital Stock at a meeting or by written consent. In addition, the Company shall deliver to such Institutional Holders:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, (i) a balance sheet as of the end of such year and (ii) statements of income and of cash flows for such year, all such financial statements audited and certified by independent public accountants of regionally recognized standing selected by the Company; and

(b) as soon as practicable, but in any event within forty five (45) days after the end of each quarter of each fiscal year of the Company, unaudited statements of income and of cash flows for such quarter, and an unaudited balance sheet as of the end of such quarter, all prepared in accordance with generally accepted accounting principles (“**GAAP**”) (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP).

SECTION 6. Observer Rights. So long as a Class B Common Holder holds at least fifteen percent (15%) of the shares of Capital Stock acquired by all Class B Common Holders on the date hereof, such Class B Common Holder shall have the right to designate an individual to attend each meeting of the Board of Directors of the Company and each committee thereof, as an observer, without voting rights, and to receive a copy of all materials distributed to members of the Board of Directors of the Company and each committee thereof, in each case at the expense of such Class B Common Holder. Such observer shall be entitled to notice of each meeting of the Board of Directors of the Company and each committee thereof to the same extent that members of the Board of Directors of the Company are entitled to notice of such meetings.

SECTION 7. Confidentiality. Each Stockholder recognizes and acknowledges that all information obtained by such Stockholder pursuant to any rights that it may have under Section 5 or 6 above that is not generally known in the public domain constitutes valuable, special, unique and proprietary information. Each Stockholder agrees that it will not at any time, directly or indirectly, disclose, disseminate, publish or permit the disclosure, dissemination or publication of such information to or for any other Person or utilize the same for any reason or purpose whatsoever other than for the benefit and at the request of the Company.

SECTION 8. Legend on Stock Certificates. Each certificate, if any, representing Shares shall bear the following legend until such time as the Shares represented thereby are no longer subject to the provisions hereof:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SECTION 1145 OF THE BANKRUPTCY REFORM ACT OF 1978, AS AMENDED (THE “BANKRUPTCY CODE”), AND MAY BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), PROVIDED THAT THE HOLDER IS NOT DEEMED TO BE AN UNDERWRITER AS SUCH TERM IS DEFINED IN SECTION 1145(B) OF THE BANKRUPTCY CODE. IF THE HOLDER IS DEEMED TO BE AN UNDERWRITER AS SUCH TERM IS DEFINED IN SECTION 1145(B) OF THE BANKRUPTCY CODE, THEN THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY ONLY BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED (1) PURSUANT TO (A) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT RELATING TO THE DISPOSITION OF SECURITIES AND (2) IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS CERTIFICATE MUST BE SURRENDERED TO THE ISSUER (THE “COMPANY”) OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, PLEDGE OR OTHER TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SPECIFIED IN THE STOCKHOLDERS’ AGREEMENT, DATED AS OF MAY 24, 2013, AS AMENDED AND MODIFIED FROM TIME TO TIME, AMONG THE COMPANY AND CERTAIN OTHER PERSONS, AND THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF SUCH SECURITIES UNTIL SUCH RESTRICTIONS HAVE BEEN SATISFIED WITH RESPECT TO ANY TRANSFER. A COPY OF SUCH RESTRICTIONS SHALL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.”

Each certificate representing Shares of Class B Common Stock shall also include the following legend:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AUTOMATIC CONVERSION PURSUANT TO THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THE COMPANY, A COPY OF WHICH MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE COMPANY.”

SECTION 9. Duration of Agreement. The rights and obligations of each Stockholder under this Agreement shall terminate as to such Stockholder upon the transfer of all Shares owned by such Stockholder in accordance with this Agreement. Upon the earlier to occur of (a) the conversion of all shares of Class B Common Stock into shares of Class A Common Stock pursuant to the provisions of the Certificate of Incorporation and (b) the date on which the Company and the holders of a majority of the outstanding shares of Class B Common Stock, if shares of Class B Common Stock are issued and outstanding, agree to terminate this Agreement, the rights and obligations of the Company and each Stockholder under this Agreement shall terminate; provided, however, that no Modification (as defined below) shall be effective to reduce the percentage of the shares of Class B Common Stock the consent of the holders of which is required under this Section 9.

SECTION 10. Representations and Warranties. Each Stockholder represents and warrants to the Company and the other Stockholders as follows:

(a) The execution, delivery and performance of this Agreement by such Stockholder will not violate any provision of law, any order of any court or other agency of government, any provision of the governing documents of such Stockholder or any provision of any indenture, agreement or other instrument to which such Stockholder or any of his, her or its properties or assets is bound, or conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of such Stockholder.

(b) This Agreement has been duly executed and delivered by such Stockholder and constitutes the legal, valid and binding obligation of such Stockholder, enforceable against such Stockholder in accordance with its terms.

(c) The Shares of such Stockholder listed on Schedule I hereto constitute all the Shares owned by such Stockholder, and such Stockholder does not have any right or obligation to acquire any additional shares of capital stock of the Company except as provided herein.

The representations and warranties contained in this Section 10 shall survive the execution and delivery of this Agreement.

SECTION 11. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, CONSTRUED IN ACCORDANCE WITH AND ENFORCED UNDER THE LAWS OF THE STATE OF DELAWARE APPLICABLE TO AGREEMENTS OR INSTRUMENTS ENTERED INTO AND PERFORMED ENTIRELY WITHIN SUCH STATE, OTHER THAN CONFLICT OF LAWS PRINCIPLES THEREOF DIRECTING THE APPLICATION OF ANY LAW OTHER THAN THAT OF THE STATE OF DELAWARE.

SECTION 12. JURISDICTION.

(a) EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY AGREES THAT ANY LEGAL ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE SHARES OR ANY AGREEMENTS OR TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK AND HEREBY EXPRESSLY SUBMITS TO THE PERSONAL JURISDICTION AND VENUE OF SUCH COURTS FOR THE PURPOSES THEREOF AND EXPRESSLY WAIVES ANY CLAIM OF IMPROPER VENUE AND ANY CLAIM THAT THE SUCH COURTS ARE AN INCONVENIENT FORUM. EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO HIS, HER OR ITS ADDRESS SET FORTH IN SECTION 14 HEREOF, SUCH SERVICE TO BECOME EFFECTIVE 10 DAYS AFTER SUCH MAILING.

(b) EACH OF THE COMPANY AND THE STOCKHOLDERS HEREBY WAIVES HIS, HER OR ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT OR THE SHARES, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT AS PROHIBITED BY LAW, EACH OF THE COMPANY AND THE STOCKHOLDERS HEREBY WAIVES ANY RIGHT HE, SHE OR IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION REFERRED TO IN THE PRECEDING SENTENCE ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. EACH OF THE PARTIES HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (II) ACKNOWLEDGES THAT EACH OTHER PARTY HERETO HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS CONTAINED HEREIN.

SECTION 13. Benefits of Agreement. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Except as otherwise provided herein (including as provided in Section 2 with respect to Dispositions to Stockholders' Permitted Transferees), neither this Agreement nor any of the rights or obligations hereunder may be assigned or delegated in whole or in part by any of the parties hereto without the prior written consent of the other parties hereto, and any such assignment without such prior written consent shall be null and void ab initio. Any Disposition of Shares, in violation of the provisions of this Agreement, shall be null and void ab initio.

SECTION 14. Notices. All notices, demands, consents, approvals, requests or other communications which any of the parties to this Agreement may desire or be required to give hereunder (collectively, “ **Notices** ”) must be in writing and shall be deemed to have been validly served, given or delivered (a) upon the earlier of actual receipt and three (3) business days after deposit in the United States Mail, registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by email, telecopy or other similar facsimile transmission during normal business hours of the recipient, or, if not sent during normal business hours of the recipient, then on the next business day (with such email, telecopy or facsimile promptly confirmed by delivery of a copy by United States Mail as provided in clause (a) above), (c) one (1) business day after deposit with a reputable overnight courier with all charges prepaid or (d) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, telecopier number or email address set forth below or to such other address, telecopier number or email address as may be substituted by Notice given as herein provided.

(a) If to GE Capital:

GE Capital Equity Investments, Inc.
201 Merritt 7
Norwalk, CT 06851
Attention: Otelco Account Manager
Telecopier No.: (203) 907-1973

with a copy to:

King & Spalding LLP
1180 Peachtree Street NE
Atlanta, GA 30309
Attention: William G. Roche
Telecopier No.: (404) 572-5133
Email: broche@kslaw.com

(b) If to the Company:

Otelco Inc.
505 Third Avenue East
Oneonta, AL 35121
Attention: Chief Financial Officer
Telecopier No.: (205) 625-3523
Email: curtis@otelcotel.com

with a copy to:

Dorsey & Whitney LLP
51 West 52nd Street
New York, NY 10019
Attention: Steven Khadavi
Telecopier No.: (646) 390-6549
Email: khadavi.steven@dorsey.com

(c) if to any other Stockholder:

at the address for such Person set forth on Schedule I hereto.

SECTION 15. Modification. Except as otherwise provided herein, neither this Agreement nor any provision hereof shall be modified, amended, discharged or terminated (collectively, a “ **Modification** ”) except by an instrument in writing signed by the Company and the holders of a majority of the outstanding shares of Class B Common Stock if shares of Class B Common Stock are issued and outstanding; provided, however, that no Modification shall be effective to reduce the percentage of the Shares the consent of the holders of which is required under this Section 15.

SECTION 16. Entire Agreement. This Agreement constitutes the entire agreement among the undersigned with respect to the subject matter contained herein and supersedes any and all prior agreements or understandings, oral or written, among any or all of the undersigned relating to such subject matter.

SECTION 17. Signatures Counterparts. Telefacsimile or email transmissions of any executed original document and/or retransmission of any executed telefacsimile or email transmission shall be deemed to be the same as the delivery of an executed original. At the request of any party hereto, the other parties hereto shall confirm telefacsimile or email transmissions by executing duplicate original documents and delivering the same to the requesting party or parties. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 18. Specific Performance. The parties hereto agree that the breach by any party hereto of the provisions of this Agreement would result in substantial damage to the other parties hereto which would be difficult, if not impossible, to ascertain, and by reason of that fact the parties hereto agree that in the event of any such breach, the non-breaching parties shall have the right to enforce this Agreement by injunction or other proceeding in equity without the posting of a bond or other security.

SECTION 19. Severability. If any one or more of the provisions contained in this Agreement, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions of this Agreement. The parties hereto further agree to replace such invalid, illegal or unenforceable provision of this Agreement with a valid, legal and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid, illegal or unenforceable provision.

SECTION 20. Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute part of this Agreement.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first above written.

OTELCO INC.

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

GE CAPITAL EQUITY INVESTMENTS, INC.

By: /s/ Richard Fraser

Name: Richard Fraser

Title: Vice President

COBANK, ACB

By: /s/ Ken Allen

Name: Ken Allen

Title: Vice President

RAYMOND JAMES BANK, N.A.

By: /s/ H. Fred Coble, Jr.

Name: H. Fred Coble, Jr.

Title: Senior Vice President

UNION BANK, N.A.

By: /s/ M. David Dinges

Name: M. David Dinges

Title: Vice President

WEBSTER BANK, NATIONAL ASSOCIATION

By: /s/ Eric Ratner

Name: Eric Ratner

Title: Vice President

CIBC INC.

By: /s/ Eric J. De Santis

Name: Eric J. De Santis

Title: Agent

Schedule I

Stockholders' Ownership

<u>Stockholder</u>	<u>Shares of Class B Common Stock</u>
GE Capital Equity Investments, Inc. 201 Merritt 7 Norwalk, CT 06851 Attention: Otelco Account Manager Telecopier No.: (203) 907-1973 Email: Equity.Portfolio@GE.Com	89,529
CoBank, ACB 5500 South Quebec Street Greenwood Village, Colorado 80111 Attention: Special Assets	73,085
Raymond James Bank, N.A. 710 Carillon Parkway St. Petersburg, Florida 33716 Attention: H. Fred Coble, Jr.	25,565
Union Bank, N.A. 445 South Figueroa Street Los Angeles, California 90071 Attention: M. David Dinges	19,122
Webster Bank, National Association 185 Asylum Street Hartford, Connecticut 06103 Attention: Eric Ratner	12,181
CIBC Inc. 425 Lexington Avenue Floor 2 New York, NY 10017 Fax: 212-856-4135 Attention: Eric J. De Santis	13,298

NUMBER	OTELCO INC.	SHARES
B	INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE	SEE REVERSE SIDE FOR CERTAIN CONDITIONS
THIS CERTIFIES THAT is the owner of		
FULLY PAID AND NON-ASSESSABLE CLASS B COMMON SHARES, \$0.01 PAR VALUE, OF OTELCO INC.		
transferable on the books of the Corporation by the holder hereof in person or by Attorney upon surrender of this certificate properly endorsed. This certificate is not valid unless countersigned by the Transfer Agent and Registrar.		
IN WITNESS WHEREOF, the said Corporation has caused this certificate to be signed by facsimile signatures of its duly authorized officers.		
Dated:	 SECRETARY	 PRESIDENT
		COUNTERSIGNED AND REGISTERED WELLS FARGO BANK, N.A. BY  TRANSFER AGENT AND REGISTRAR

AMERICAN FINANCIAL PRINTING INCORPORATED - MINNEAPOLIS

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SECTION 1145 OF THE BANKRUPTCY REFORM ACT OF 1978, AS AMENDED (THE "BANKRUPTCY CODE"), AND MAY BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), PROVIDED THAT THE HOLDER IS NOT DEEMED TO BE AN UNDERWRITER AS SUCH TERM IS DEFINED IN SECTION 1145(B) OF THE BANKRUPTCY CODE. IF THE HOLDER IS DEEMED TO BE AN UNDERWRITER AS SUCH TERM IS DEFINED IN SECTION 1145(B) OF THE BANKRUPTCY CODE, THEN THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY ONLY BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED (1) PURSUANT TO (A) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT RELATING TO THE DISPOSITION OF SECURITIES AND (2) IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS CERTIFICATE MUST BE SURRENDERED TO THE ISSUER (THE "COMPANY") OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, PLEDGE OR OTHER TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE.

THE SALE, TRANSFER, ENCUMBRANCE AND OTHER DISPOSITION OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE TERMS AND CONDITIONS OF THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED FROM TIME TO TIME, A COPY OF WHICH MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE COMPANY.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AUTOMATIC CONVERSION PURSUANT TO THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF THE COMPANY, A COPY OF WHICH MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF THE COMPANY.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE ALSO SUBJECT TO ADDITIONAL RESTRICTIONS ON TRANSFER SPECIFIED IN THE STOCKHOLDERS' AGREEMENT, DATED AS OF MAY 24, 2013, AS AMENDED AND MODIFIED FROM TIME TO TIME, AMONG THE COMPANY AND CERTAIN OTHER PERSONS, AND THE COMPANY RESERVES THE RIGHT TO REFUSE THE TRANSFER OF SUCH SECURITIES UNTIL SUCH RESTRICTIONS HAVE BEEN SATISFIED WITH RESPECT TO ANY TRANSFER. A COPY OF SUCH RESTRICTIONS SHALL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.

IN ADDITION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND OTHER PROVISIONS SET FORTH IN A REGISTRATION AGREEMENT, DATED AS OF MAY 24, 2013, AS AMENDED AND MODIFIED FROM TIME TO TIME, AMONG THE COMPANY AND CERTAIN OF THE COMPANY ' S SECURITYHOLDERS. A COPY OF SUCH REGISTRATION AGREEMENT WILL BE FURNISHED BY THE COMPANY TO THE HOLDER HEREOF UPON WRITTEN REQUEST AND WITHOUT CHARGE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN	– as tenants in common	UTMA –	Custodian
COM			
TEN ENT–	as tenants by entireties	(Cust)	(Minor)
			under Uniform Transfers to Minors
JT TEN	– as joint tenants with right of survivorship	Act	
	and not as tenants in common		(State)
	Additional abbreviations may also be used though not in above list.		

For value received _____ hereby sell, assign, and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS INCLUDING ZIP CODE OF ASSIGNEE)

by the within Certificate, and do hereby irrevocably constitute and appoint _____
Attorney to transfer the said stock on the books of the within-named Corporation with full power of substitution in the premises.

Dated _____ X _____

X _____
NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH
THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY

PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE
WHATEVER.

SIGNATURE GUARANTEED

ALL GUARANTEES MUST BE MADE BY A FINANCIAL INSTITUTION (SUCH AS A BANK OR BROKER) WHICH IS A PARTICIPANT IN THE SECURITIES TRANSFER AGENTS MEDALLION PROGRAM ("STAMP"), THE NEW YORK STOCK EXCHANGE, INC. MEDALLION SIGNATURE PROGRAM ("MSP"), OR THE STOCK EXCHANGES MEDALLION PROGRAM ("SEMP") AND MUST NOT BE DATED. GUARANTEES BY A NOTARY PUBLIC ARE NOT ACCEPTABLE.

THIRD AMENDED AND RESTATED

CREDIT AGREEMENT

Dated as of May 24, 2013

among

OTELCO INC.,

as Borrower,

THE OTHER CREDIT PARTIES SIGNATORY HERETO,

as Credit Parties,

THE LENDERS SIGNATORY HERETO

FROM TIME TO TIME,

as Lenders,

and

GENERAL ELECTRIC CAPITAL CORPORATION,

as Agent and Lender

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This THIRD AMENDED AND RESTATED CREDIT AGREEMENT (this “ Agreement ”), dated as of May 24, 2013, among OTELCO INC., a Delaware corporation (“ Borrower ”), the other Credit Parties signatory hereto, GENERAL ELECTRIC CAPITAL CORPORATION, a Delaware corporation (in its individual capacity, “ GE Capital ”), for itself, as Lender, and as Agent for Lenders, and the other Lenders signatory hereto from time to time.

RECITALS

WHEREAS, pursuant to the Second Amended and Restated Credit Agreement dated as of October 20, 2008, among Borrower, GE Capital, as Lender and as Agent for Lenders, and the other Lenders from time to time party thereto (as so amended and as otherwise amended, supplemented or otherwise modified prior to the date hereof, the “ Existing Credit Agreement ”), the Lenders extended term loans to Borrower in the initial aggregate principal amount of One Hundred Seventy-Three Million Five Hundred Thousand Dollars (\$173,500,000), of which One Hundred Sixty-Two Million Dollars (\$162,000,000) remains outstanding, and made available to Borrower a Revolving Loan Commitment in a principal amount of up to Fifteen Million Dollars (\$15,000,000);

WHEREAS, on March 24, 2013 (the “ Petition Date ”), Borrower and its Subsidiaries (as hereinafter defined and, collectively, the “Debtors”) commenced Chapter 11 Case Nos. 13-10593 through 13-10609, as jointly administrated under Chapter 11 Case No. 13-10593 (each a “ Chapter 11 Case ”) and, collectively, the “ Chapter 11 Cases ”) by filing separate voluntary petitions for reorganization under the Bankruptcy Code with the Bankruptcy Court for the District of Delaware (the “ Bankruptcy Court ”);

WHEREAS, Borrower has requested and the Lenders have agreed that the Existing Credit Agreement be amended and restated pursuant to the terms and on the conditions set forth herein;

WHEREAS, in connection with this amendment and restatement of the Existing Credit Agreement on the terms and conditions further set forth herein, each of the parties to the Collateral Documents acknowledges and reaffirms (a) the continuance of Agent’s Liens, on behalf of itself and Lenders, pursuant to the Collateral Documents and (b) the continuing effectiveness of Collateral Documents as security for the Obligations;

WHEREAS, pursuant to the Existing Credit Agreement, each of the Guarantors guaranteed all of the obligations of Borrower to Agent and Lenders under the Loan Documents and granted to Agent, for the benefit of Agent and Lenders, a security interest in and lien upon substantially all of its existing and after-acquired personal and real property to secure such guaranty, other than property of a PUC Restricted Subsidiary;

WHEREAS, in connection with the amendment and restatement of the Existing Credit Agreement on the terms and conditions further set forth herein, each of the Guarantors acknowledges and reaffirms (a) the continuance of Agent’s Liens, on behalf of itself and Lenders, pursuant to the Collateral Documents, (b) the continuing effectiveness of the Subsidiary Guaranty pursuant to which it guarantees all of the obligations of Borrower to Agent and Lenders under the Loan Documents, and (c) the continuing effectiveness of the Security Agreement, pursuant to which it granted to Agent, for the benefit of Agent and Lenders, of a security interest in and lien upon substantially all of its existing and after-acquired personal property, other than property of a PUC Restricted Subsidiary, to secure, among other things, its obligations under the Subsidiary Guaranty; and

WHEREAS, capitalized terms used in this Agreement shall have the meanings ascribed to them in Annex A and, for purposes of this Agreement and the other Loan Documents, the rules of construction set forth in Annex A shall govern. All Annexes, Schedules, Disclosure Schedules, Exhibits and other attachments (collectively, “Appendices”) hereto, or expressly identified to this Agreement, are incorporated herein by reference and, taken together with this Agreement, shall constitute but a single agreement. These Recitals shall be construed as part of this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and for other good and valuable consideration, the parties hereto hereby amend and restate the Existing Credit Agreement in its entirety and agree as follows:

1 AMOUNT AND TERMS OF CREDIT

1.1 Credit Facilities.

(a) Revolving Credit Facility.

(i) Subject to the terms and conditions hereof, each Revolving Lender agrees to make available to Borrower from time to time from the Closing Date until the Commitment Termination Date its Pro Rata Share of advances (each, a “Revolving Credit Advance”). The Pro Rata Share of the Revolving Loan of any Revolving Lender shall not at any time exceed its separate Revolving Loan Commitment. The obligations of each Revolving Lender hereunder shall be several and not joint. Until the Commitment Termination Date and subject to the terms and conditions hereof, Borrower may from time to time borrow, repay and reborrow under this Section 1.1(a); provided, that the amount of any Revolving Credit Advance to be made at any time shall not exceed Borrowing Availability at such time. Each Revolving Credit Advance shall be made on notice by Borrower to one of the representatives of Agent identified in Schedule 1.1 at the address specified therein. Any such notice must be given no later than (1) 1:00 p.m. (New York time) on the Business Day of the proposed Revolving Credit Advance, in the case of an Index Rate Loan, or (2) 11:00 a.m. (New York time) on the date which is three (3) Business Days prior to the proposed Revolving Credit Advance, in the case of a LIBOR Loan. Each such notice (a “Notice of Revolving Credit Advance”) must be given in writing (by telecopy or overnight courier) substantially in the form of Exhibit 1.1(a)(i), and shall include the information required in such Exhibit and such other information as may be required by Agent. If Borrower desires to have the Revolving Credit Advances bear interest by reference to a LIBOR Rate, it must comply with Section 1.5(e).

(ii) Except as provided in Section 1.12, Borrower shall execute and deliver to each Revolving Lender on the Closing Date a note to evidence the Revolving Loan Commitment of that Revolving Lender. Each note shall be in the principal amount of the Revolving Loan Commitment of the applicable Revolving Lender and substantially in the form of Exhibit 1.1(a)(ii) (each a “Revolving Note” and, collectively, the “Revolving Notes”). Each Revolving Note shall represent the obligation of Borrower to pay the amount of the applicable Revolving Lender’s Revolving Loan Commitment or, if less, such Revolving Lender’s Pro Rata Share of the aggregate unpaid principal amount of all Revolving Credit Advances to Borrower together with interest thereon as prescribed in Section 1.5. The entire unpaid balance of the Revolving Loan and all other non-contingent Obligations shall be immediately due and payable in full in immediately available funds on the Commitment Termination Date.

(b) Term Loan.

(i) Pursuant to the Existing Credit Agreement, Lenders party thereto advanced term loans to Borrower in the aggregate principal amount of \$173,500,000, of which \$162,000,000.00 remains outstanding (the “Existing Term Loan”). On the Closing Date and subject to the satisfaction or waiver by Agent and each Lender of each of the conditions set forth in Section 2, the Lenders agree that (x) the terms and conditions of the Term Loan shall be amended and restated on the terms and conditions set forth herein and (y) the outstanding principal amount of the Term Loan (the “Closing Date Term Loan Amount”) of each Term Lender shall be as set forth in Annex J, and the aggregate Closing Date Term Loan Amount of all Term Lenders shall be \$133,300,000. The obligations of each Term Lender hereunder shall be several and not joint. Except as provided in Section 1.12, the Term Loan shall be evidenced by promissory notes substantially in the form of Exhibit 1.1(b) (each a “Term Note” and collectively the “Term Notes”). Each Term Note shall represent the obligation of Borrower to pay the amount of the applicable Term Lender’s Total Term Loan Commitment, together with interest thereon as prescribed in Section 1.5. Promptly after the receipt from a Lender of an original Term Note executed and delivered by Borrower pursuant to the Existing Credit Agreement and marked “cancelled”, Borrower shall execute and deliver to such Lender a new Term Note in replacement of such Term Note in the principal amount of the Term Loan of such Lender hereunder. Each Term Note shall represent the obligation of Borrower to pay the amount of the applicable Term Lender’s Total Term Loan Commitment, together with interest thereon as prescribed in Section 1.5.

(ii) [Intentionally Omitted]

(iii) The entire unpaid balance of the Term Loan shall be due and payable in full in immediately available funds on the Commitment Termination Date, if not sooner paid in full. No payment with respect to the Term Loan may be reborrowed.

(iv) Each payment of principal with respect to the Term Loan made pursuant to this Section 1.1(b) shall be paid to Agent for the ratable benefit of each Term Lender, ratably in proportion to each such Term Lender’s respective Total Term Loan Commitment.

(c) Swing Line Facility.

(i) Subject to the terms and conditions hereof, the Swing Line Lender shall make available from time to time from the Closing Date until the Commitment Termination Date advances (each, a “Swing Line Advance”) in accordance with this Section 1.1(c). The aggregate amount of Swing Line Advances outstanding shall not exceed at any time the lesser of (A) the Swing Line Commitment and (B) the Maximum Amount less the sum of the outstanding balance of the Revolving Loan at such time and the Reserves in effect at such time (“Swing Line Availability”). Until the Commitment Termination Date, Borrower may from time to time borrow, repay and reborrow under this Section 1.1(c). Each Swing Line Advance shall be made pursuant to a notice of Swing Line Advance (a “Notice of Swing Line Advance”) in writing substantially in the form of Exhibit 1.1(c)(i), delivered by Borrower to the Swing Line Lender and Agent in accordance with this Section 1.1(c). Any such notice must be given no later than 1:00 p.m. (New York time) on the Business Day of the proposed Swing Line Advance. Unless the Swing Line Lender has received at least one Business Day’s prior written notice from Requisite Revolving Lenders instructing it not to make a Swing Line Advance, the Swing Line Lender shall, notwithstanding the failure of any condition precedent set forth in Section 2.2, be entitled to fund that Swing Line Advance, and to have such Revolving Lender make Revolving Credit Advances in accordance with Section 1.1(c)(iii) or purchase participating interests in accordance with Section 1.1(c)(iv). Notwithstanding any other provision of this Agreement or the other Loan Documents, the Swing Line Loan shall constitute an Index Rate Loan. Borrower shall repay the aggregate outstanding principal amount of the Swing Line Loan upon demand therefor by Agent.

(ii) Borrower shall execute and deliver to the Swing Line Lender on the Closing Date a promissory note to evidence the Swing Line Commitment. Such note shall be in the principal amount of the Swing Line Commitment of the Swing Line Lender, and substantially in the form of Exhibit 1.1(c)(ii) (the “Swing Line Note”). The Swing Line Note shall represent the obligation of Borrower to pay the amount of the Swing Line Commitment or, if less, the aggregate unpaid principal amount of all Swing Line Advances made to Borrower together with interest thereon as prescribed in Section 1.5. The entire unpaid balance of the Swing Line Loan and all other noncontingent Obligations shall be immediately due and payable in full in immediately available funds on the Commitment Termination Date if not sooner paid in full.

(iii) The Swing Line Lender, at any time and from time to time but no less frequently than once weekly, shall on behalf of Borrower (and Borrower hereby irrevocably authorizes the Swing Line Lender to so act on its behalf) request each Revolving Lender (including the Swing Line Lender) to make a Revolving Credit Advance to Borrower (which shall be an Index Rate Loan) in an amount equal to that Revolving Lender’s Pro Rata Share of the principal amount of the Swing Line Loan (the “Refunded Swing Line Loan”) outstanding on the date such notice is given. Unless any of the events described in Sections 8.1(h) or 8.1(i) has occurred (in which event the procedures of Section 1.1(c)(iv) shall apply) and regardless of whether the conditions precedent set forth in this Agreement to the making of a Revolving Credit Advance are then satisfied, each Revolving Lender shall disburse directly to Agent, its Pro Rata Share of a Revolving Credit Advance on behalf of the Swing Line Lender, prior to 3:00 p.m. (New York time), in immediately available funds on the Business Day next succeeding the date that notice is given. The proceeds of the Revolving Credit Advances referred to in the immediately preceding sentence shall be immediately paid to the Swing Line Lender and applied to repay the Refunded Swing Line Loan.

(iv) If, prior to refunding a Swing Line Loan with a Revolving Credit Advance pursuant to Section 1.1(c)(iii), one of the events described in Sections 8.1(h) or 8.1(i) has occurred, then, subject to the provisions of Section 1.1(c)(v) below, each Revolving Lender shall, on the date such Revolving Credit Advance was to have been made for the benefit of Borrower, purchase from the Swing Line Lender an undivided participation interest in the Swing Line Loan in an amount equal to its Pro Rata Share of such Swing Line Loan. Upon request, each Revolving Lender shall promptly transfer to the Swing Line Lender, in immediately available funds, the amount of its participation interest.

(v) Each Revolving Lender's obligation to make Revolving Credit Advances in accordance with Section 1.1(c)(iii) and to purchase participation interests in accordance with Section 1.1(c)(iv) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender may have against the Swing Line Lender, Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of any Default or Event of Default; (C) any inability of Borrower to satisfy the conditions precedent to borrowing set forth in this Agreement at any time or (D) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If any Revolving Lender does not make available to Agent or the Swing Line Lender, as applicable, the amount required pursuant to Sections 1.1(c)(iii) or 1.1(c)(iv), as the case may be, the Swing Line Lender shall be entitled to recover such amount on demand from such Revolving Lender, together with interest thereon for each day from the date of non-payment until such amount is paid in full at the Federal Funds Rate for the first two Business Days and at the Index Rate thereafter.

(d) Reliance on Notices. Agent shall be entitled to rely upon, and shall be fully protected in relying upon, any Notice of Revolving Credit Advance, Notice of Swing Line Advance, Notice of Conversion/Continuation or similar notice believed by Agent to be genuine. Agent may assume that each Person executing and delivering any notice in accordance herewith was duly authorized, unless the responsible individual acting thereon for Agent has actual knowledge to the contrary.

1.2 [Intentionally Omitted].

1.3 Prepayments.

(a) Voluntary Prepayments. Borrower may at any time on at least three (3) days' prior notice to Agent and Lenders voluntarily prepay all of the Term Loan. In addition, subject to the second to last sentence of this Section 1.3(a), Borrower may at any time on at least three (3) days' prior written notice to Agent and Lenders voluntarily prepay part of the Term Loan; provided that any such partial prepayment shall be in a minimum amount of \$500,000. In addition, Borrower may at any time on at least 10 days' prior written notice to Agent terminate the Revolving Loan Commitment; provided that upon such termination, all Revolving Loans and other Obligations shall be immediately due and payable in full. Any such voluntary prepayment and any such termination of the Revolving Loan Commitment must be accompanied by the payment of any LIBOR funding breakage costs in accordance with Section 1.13(b). Upon any such termination of the Revolving Loan Commitment, Borrower's right to request Revolving Credit Advances shall simultaneously be terminated.

(b) Mandatory Prepayments.

(i) If at any time the sum of the outstanding balances of the Revolving Loan and the Swing Line Loan exceed the Maximum Amount less the Reserves as then in effect, Borrower shall immediately repay the aggregate outstanding Revolving Credit Advances to the extent required to eliminate such excess.

(ii) No later than the Business Day following receipt by any Credit Party of Net Cash Proceeds of any Disposition (other than Excluded Disposition Proceeds), Borrower shall prepay the Obligations in amount equal to the Net Cash Proceeds of such Disposition; provided, however, that so long as (a) no Default or Event of Default has occurred and is continuing, (b) the Net Cash Proceeds of all Dispositions (other than Excluded Disposition Proceeds) from the first day of the then current Fiscal Year through the applicable date of determination do not exceed \$1,000,000 in the aggregate, for all Credit Parties combined and (c) the applicable Credit Party shall have delivered to Agent written notice on or prior to the fifth Business Day after such Disposition (if such Disposition is a Condemnation) or on or prior to the third Business Day prior to the consummation of such Disposition (if such Disposition is not a Condemnation) of its election to allocate all or a portion of the Net Cash Proceeds of such Disposition to reinvest in capital assets used or to be used in the businesses of the Credit Parties of the type engaged in by the Credit Parties as of the Closing Date or businesses reasonably related thereto (a “Reinvestment Transaction”), the applicable Credit Party may apply all or a portion of such Net Cash Proceeds to such Reinvestment Transaction within 180 days following such Disposition, provided, further, that (1) any portion of such Net Cash Proceeds that Borrower does not so elect in such written notice to allocate to such Reinvestment Transaction shall be applied to prepay the Loans in accordance with this Section 1.3(b)(ii) no later than the Business Day following receipt thereof by Agent; (2) until such Reinvestment Transaction is consummated, the amount of such Net Cash Proceeds allocated to such Reinvestment Transaction shall either be (x) deposited in a cash collateral account held by Agent or (y) applied to reduce the outstanding principal balance of the Revolving Loan (which application shall not result in a permanent reduction of the Revolving Loan Commitment) and upon such application to the Revolving Loan Agent shall establish a Reserve against the Borrowing Availability in an amount equal to the amount of such proceeds so applied; (3) Borrower may request a Revolving Credit Advance or release from such cash collateral account, as applicable, to fund such Reinvestment Transaction and so long as the conditions in Section 2.2 have been met, Revolving Lenders shall make such Revolving Credit Advance or Agent shall release funds from such cash collateral account to fund such Reinvestment Transaction; (4) in the event such Net Cash Proceeds have been applied against the Revolving Loan, the Reserve established with respect to such Net Cash Proceeds shall be reduced by the amount of such Revolving Credit Advance; and (5) if such Reinvestment Transaction is not consummated within 180 days following such Disposition, or to the extent any portion of such Net Cash Proceeds allocated to such Reinvestment Transaction are not applied to such Reinvestment Transaction within 180 days following such Disposition, (A) such Net Cash Proceeds then held in such account shall immediately be applied to prepay the Loans in accordance with this Section 1.3(b)(ii) and (B) any Reserve allocated to such Reinvestment Transaction shall be immediately utilized through the borrowing by Borrower of a Revolving Credit Advance, the proceeds of which shall be applied to the prepayment of the Loans in accordance with this Section 1.3(b)(ii).

(iii) No later than the Business Day following receipt by any Credit Party of Net Cash Proceeds of any Debt Issuance (other than Excluded Debt Issuance Proceeds) or any Stock Issuance (other than Excluded Stock Issuance Proceeds), Borrower shall prepay the Obligations in an amount equal to such Net Cash Proceeds. No later than the Business Day following the thirtieth (30th) day following receipt by any Credit Party of Net Cash Proceeds of any Debt Issuance referred to in clause (c) or (d) of the definition of Excluded Debt Issuance Proceeds, Borrower shall prepay the Obligations in an amount equal to the amount (if any) of the Net Cash Proceeds from such Debt Issuance that have not been applied as provided in subclause (i) or (ii) of such clause (c) or (d), as applicable. No later than the Business Day following the thirtieth (30th) day following receipt by any Credit Party of Net Cash Proceeds of any Stock Issuance referred to in clause (c) of the definition of Excluded Stock Issuance Proceeds, Borrower shall prepay the Obligations in an amount equal to the amount (if any) of the Net Cash Proceeds from such Stock Issuance that have not been applied as provided in subclauses (i), (ii), (iii) or (iv) of such clause (c).

(iv) [Intentionally Omitted]

(v) [Intentionally Omitted]

(vi) Borrower shall prepay the Obligations from insurance and condemnation proceeds in accordance with Section 5.4(c) and the Mortgages, respectively.

(vii) [Intentionally Omitted]

(viii) Borrower shall on each date that is 45 days after the last day of each Fiscal Quarter of the Borrower, repay the principal amount of the Term Loan in an amount equal to seventy-five percent (75%) of the Excess Cash of the Borrower and its Subsidiaries as of the last day of each such Fiscal Quarter, less an amount equal to the amount of any voluntary prepayments of the Term Loan made during such Fiscal Quarter, with such payments commencing on the last day of the first full Fiscal Quarter ending after the Closing Date; provided, however, such payment shall be reduced to an amount equal to fifty percent (50%) of the Excess Cash of the Borrower and its Subsidiaries if on the applicable quarterly payment date the Borrower's Consolidated Total Leverage Ratio is less than or equal to 2.25 to 1.00.

(ix) Borrower shall repay the principal amount of the Term Loan in equal quarterly installments in an amount equal to 1.25% of the principal amount of the Term Loan outstanding on the Closing Date on the last day of March, June, September and December of each year, commencing on the last day of the first full Fiscal Quarter ending after the Closing Date.

The entire remaining principal balance of the Term Loan shall be due and payable on the Commitment Termination Date.

The Agent shall give prompt notice to each Lender of the amount of each mandatory prepayment made by Borrower under this Section 1.3(b).

(c) Application of Certain Mandatory Prepayments. Any prepayments made by Borrower pursuant to Sections 1.3(b)(ii), (b)(iii) or (b)(vi) above, and any prepayments from insurance and condemnation proceeds in accordance with Section 5.4(c) and the Mortgage(s), respectively, shall be applied as follows: first, to Fees and reimbursable expenses of Agent then due and payable pursuant to any of the Loan Documents; second, to interest then due and payable on the Loans, ratably in proportion to the interest accrued as to each Loan; and third, to prepay the outstanding principal balance of the Loans, ratably in proportion to the outstanding principal balance of each Loan. Neither the Revolving Loan Commitment nor the Swing Line Commitment shall be permanently reduced by the amount of any such prepayments. Any prepayments made by Borrower pursuant to Section 1.3(b)(viii) above shall be applied as follows: first, to prepay the outstanding principal balance of the Term Loans; second, the repay the outstanding balance of any other Loans outstanding, third, to interest then due and payable on the Loans, ratably in proportion to the interest accrued as to each Loan; and fourth, to Fees and reimbursable expenses of Agent then due and payable pursuant to any of the Loan Documents. Neither the Revolving Loan Commitment nor the Swing Line Commitment shall be permanently reduced by the amount of any such prepayments.

(d) [Intentionally Omitted].

(e) No Implied Consent. Nothing in this Section 1.3 shall be construed to constitute Agent's or any Lender's consent to any transaction that is not permitted by other provisions of this Agreement or the other Loan Documents.

1.4 Use of Proceeds. The Borrower shall utilize the proceeds of the Term Loan, the Revolving Loan and the Swing Line Loan, for the financing of Borrower's ordinary working capital and general corporate purposes, including without limitation Consolidated Capital Expenditures, in each case to the extent not prohibited by this Agreement.

1.5 Interest and Applicable Margins.

(a) Borrower shall pay interest to Agent, for the ratable benefit of Lenders in accordance with the various Loans being made by each Lender, in arrears on each applicable Interest Payment Date, at the following rates: (i) with respect to the Revolving Credit Advances and the Term Loan, the Index Rate plus the Applicable Index Margin per annum or, at the election of Borrower, the applicable LIBOR Rate plus the Applicable LIBOR Margin per annum and (ii) with respect to the Swing Line Loan, the Index Rate plus the Applicable Index Margin per annum.

(b) If any payment on any Loan becomes due and payable on a day other than a Business Day, the maturity thereof will be extended to the next succeeding Business Day (except as set forth in the definition of LIBOR Period) and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

(c) All computations of Fees calculated on a per annum basis and interest shall be made by Agent on the basis of a 360-day year (or, in the case of interest on Index Rate Loans, a 365 or 366 day year, as applicable), in each case for the actual number of days occurring in the period for which such interest and Fees are payable. The Index Rate is a floating rate determined for each day. Each determination by Agent of an interest rate and Fees hereunder shall be final, binding and conclusive on Borrower, absent manifest error.

(d) So long as an Event of Default has occurred and is continuing, the interest rates applicable to the Loans shall be increased by two percentage points (2%) per annum above the rates of interest otherwise applicable hereunder (“ Loan Default Rate ”), and all outstanding Loans shall bear interest at the Loan Default Rate applicable to such Loans. Interest at the Loan Default Rate shall accrue from the initial date of such Event of Default until that Event of Default is cured or waived and shall be payable upon demand. Any other amounts payable hereunder (other than the Loans) or the other Loan Documents that are not paid when due shall bear interest, from the date when due until paid in full, at a rate per annum equal to the Index Rate plus the Applicable Index Margin plus two percentage points (2%).

(e) So long as no Event of Default has occurred and is continuing, Borrower shall have the option to (i) request that any Revolving Credit Advance be made as a LIBOR Loan, (ii) convert at any time all or any part of outstanding Loans (other than the Swing Line Loan) from Index Rate Loans to LIBOR Loans, (iii) convert any LIBOR Loan to an Index Rate Loan, subject to payment of LIBOR breakage costs in accordance with Section 1.13(b) if such conversion is made prior to the expiration of the LIBOR Period applicable thereto, or (iv) continue all or any portion of any Loan (other than the Swing Line Loan) as a LIBOR Loan upon the expiration of the applicable LIBOR Period and the succeeding LIBOR Period of that continued Loan shall commence on the first day after the last day of the LIBOR Period of the Loan to be continued. Any Loan or group of Loans having the same proposed LIBOR Period to be made or continued as, or converted into, a LIBOR Loan must be in a minimum amount of \$500,000. Any such election must be made by 11:00 a.m. (New York time) on the third Business Day prior to (1) the date of any proposed Advance which is to bear interest at the LIBOR Rate, (2) the end of each LIBOR Period with respect to any LIBOR Loans to be continued as such, or (3) the date on which Borrower wishes to convert any Index Rate Loan to a LIBOR Loan for a LIBOR Period designated by Borrower in such election. If no election is received with respect to a LIBOR Loan by 11:00 a.m. (New York time) on the third Business Day prior to the end of the LIBOR Period with respect thereto (or an Event of Default has occurred and is continuing), that LIBOR Loan shall be converted to an Index Rate Loan at the end of its LIBOR Period. Borrower must make such election by notice to Agent in writing, by telecopy or overnight courier. In the case of any conversion or continuation, such election must be made pursuant to a written notice or Electronic Transmission (a “ Notice of Conversion/Continuation ”) in the form of Exhibit 1.5(e).

(f) Notwithstanding anything to the contrary set forth in this Section 1.5, if a court of competent jurisdiction determines in a final order that the rate of interest payable hereunder exceeds the highest rate of interest permissible under law (the “ Maximum Lawful Rate ”), then so long as the Maximum Lawful Rate would be so exceeded, the rate of interest payable hereunder shall be equal to the Maximum Lawful Rate; provided, however, that if at any time thereafter the rate of interest payable hereunder is less than the Maximum Lawful Rate, Borrower shall continue to pay interest hereunder at the Maximum Lawful Rate until such time as the total interest received by Agent, on behalf of Lenders, is equal to the total interest that would have been received had the interest rate payable hereunder been (but for the operation of this paragraph) the interest rate payable since the Closing Date as otherwise provided in this Agreement. Thereafter, interest hereunder shall be paid at the rate(s) of interest and in the manner provided in Sections 1.5(a) through (e), unless and until the rate of interest again exceeds the Maximum Lawful Rate, and at that time this paragraph shall again apply. In no event shall the total interest received by any Lender pursuant to the terms hereof exceed the amount that such Lender could lawfully have received had the interest due hereunder been calculated for the full term hereof at the Maximum Lawful Rate. If the Maximum Lawful Rate is calculated pursuant to this paragraph, such interest shall be calculated at a daily rate equal to the Maximum Lawful Rate divided by the number of days in the year in which such calculation is made. If, notwithstanding the provisions of this Section 1.5(f), a court of competent jurisdiction shall finally determine that a Lender has received interest hereunder in excess of the Maximum Lawful Rate, Agent shall, to the extent permitted by applicable law, promptly apply such excess in the order specified in Section 1.11 and thereafter shall refund any excess to Borrower or as a court of competent jurisdiction may otherwise order.

1.6 [Intentionally Omitted].

1.7 [Intentionally Omitted].

1.8 Cash Management Systems . From and after the Closing Date, Borrower will maintain until the Termination Date the cash management systems described in Annex C (the “ Cash Management Systems ”).

1.9 Fees.

(a) On the Closing Date, Borrower shall issue to each Term Lender its Pro Rata Share of Class B Equity.

(b) As additional compensation for the Revolving Lenders, Borrower shall pay to Agent, for the ratable benefit of such Lenders, in arrears, on each Interest Payment Date for Index Rate Loans prior to the Commitment Termination Date and on the Commitment Termination Date, a Fee for Borrower ’ s non-use of available funds (the “ Unused Commitment Fee ”) in an amount equal to one-half of one percent (0.50%) per annum (calculated on the basis of a 360 day year for actual days elapsed) of the difference between (x) the Maximum Amount (as in effect from time to time) and (y) the average for the period of the daily closing balance of the Revolving Loan and Swing Line Loan outstanding during the period for which such Fee is due.

1.10 Receipt of Payments Borrower shall make each payment under this Agreement not later than 2:00 p.m. (New York time) on the day when due in immediately available funds in Dollars to the Collection Account. For purposes of computing interest and Fees and determining Borrowing Availability as of any date, all payments shall be deemed received on the Business Day on which immediately available funds therefor are received in the Collection Account prior to 2:00 p.m. New York time. Payments received after 2:00 p.m. New York time on any Business Day or on a day that is not a Business Day shall be deemed to have been received on the following Business Day.

1.11 Application and Allocation of Payments.

(a) So long as no Event of Default has occurred and is continuing, (i) payments matching specific scheduled payments then due shall be applied to those scheduled payments; (ii) voluntary prepayments shall be applied in accordance with the provisions of Section 1.3(a); and (iii) mandatory prepayments shall be applied as set forth in Section 1.3(c). All payments and prepayments applied to a particular Loan shall be applied ratably to the portion thereof held by each Lender as determined by its applicable Pro Rata Share. As to any other payment, and as to all payments made when an Event of Default has occurred and is continuing or following the Commitment Termination Date, Borrower hereby irrevocably waives the right to direct the application of any and all payments received from or on behalf of Borrower and unless expressly stated otherwise in this Agreement, payments shall be applied to amounts then due and payable in the following order: (1) to Fees and Agent's expenses reimbursable hereunder; (2) to interest on the Loans, ratably in proportion to the interest accrued as to each Loan; (3) to principal payments on the Loans, ratably in proportion to the outstanding principal balance of each Loan; and (4) to all other Obligations including expenses of Lenders to the extent reimbursable under Section 11.3.

(b) Agent is authorized to, and at its sole election may, charge to the Revolving Loan balance on behalf of Borrower and cause to be paid all Fees, expenses, Charges, costs (including insurance premiums in accordance with Section 5.4(a)) and interest and principal, other than principal of the Revolving Loan, owing by Borrower under this Agreement or any of the other Loan Documents if and to the extent Borrower fails to pay promptly any such amounts as and when due, even if the amount of such charges would exceed Borrowing Availability at such time. At Agent's option and to the extent permitted by law, any charges so made shall constitute part of the Revolving Loan hereunder.

1.12 Loan Account and Accounting .

(a) Agent shall maintain a loan account (the "Loan Account") on its books to record: all Advances and the Term Loan, all payments made by Borrower, and all other debits and credits as provided in this Agreement with respect to the Loans or any other Obligations. All entries in the Loan Account shall be made in accordance with Agent's customary accounting practices as in effect from time to time. The balance in the Loan Account, as recorded on Agent's most recent printout or other written statement, shall, absent manifest error, be presumptive evidence of the amounts due and owing to Agent and Lenders by Borrower; provided that any failure to so record or any error in so recording shall not limit or otherwise affect Borrower's duty to pay the Obligations. Agent shall render to Borrower a monthly accounting of transactions with respect to the Loans setting forth the balance of the Loan Account for the immediately preceding month. Unless Borrower notifies Agent in writing of any objection to any such accounting (specifically describing the basis for such objection), within 30 days after the date thereof, each and every such accounting shall, absent manifest error, be deemed final, binding and conclusive on Borrower in all respects as to all matters reflected therein. Only those items expressly objected to in such notice shall be deemed to be disputed by Borrower. Notwithstanding any provision herein contained to the contrary, any Lender may elect (which election may be revoked) to dispense with the issuance of Notes to that Lender and may rely on the Loan Account as evidence of the amount of Obligations from time to time owing to it.

(b) Agent, acting as a non-fiduciary agent of Borrower solely for tax purposes and solely with respect to the actions described in this Section 1.12(b), shall establish and maintain at its address referred to in Annex I (or at such other address as Agent may notify Borrower) (A) a record of ownership (the “Register”) in which Agent agrees to register by book entry the interests (including any rights to receive payment hereunder) of Agent and each Lender in the Term Loans, the Revolving Loans and the Swing Loans, each of their obligations under this Agreement to participate in each Loan, and any assignment of any such interest, obligation or right and (B) accounts in the Register in accordance with its usual practice in which it shall record (1) the names and addresses of the Lenders (and each change thereto pursuant to Sections 9.1 and 1.16(d)), (2) the Commitments of each Lender, (3) the amount of each Loan and each funding of any participation described in clause (A) above and, for LIBOR Loans, the LIBOR Period applicable thereto, (4) the amount of any principal or interest due and payable or paid and (5) any other payment received by Agent from Borrower and its application to the Obligations.

(c) Notwithstanding anything to the contrary contained in this Agreement, the Loans (including any Notes evidencing such Loans) are registered obligations, the right, title and interest of the Lenders and their assignees in and to such Loans shall be transferable only upon notation of such transfer in the Register and no assignment thereof shall be effective until recorded therein. This Section 1.12 and Section 9.1 shall be construed so that the Loans are at all times maintained in “registered form” within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the IRC.

1.13 Indemnity.

(a) Each Credit Party that is a signatory hereto shall jointly and severally indemnify and hold harmless each of Agent (including without limitation in its role as administrative agent and collateral agent under the Existing Credit Agreement), Lenders and their respective Affiliates, and each such Person’s respective officers, directors, employees, attorneys, agents and representatives (each, an “Indemnified Person”), from and against any and all suits, actions, proceedings, claims, damages, losses, liabilities and expenses (including reasonable attorneys’ fees and disbursements and other costs of investigation or defense, including those incurred upon any appeal) that may be instituted or asserted by any third party or by any Credit Party against or incurred by any such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents and the administration of such credit, and in connection with or arising out of the transactions contemplated hereunder and thereunder and any actions or failures to act in connection therewith, including any and all Environmental Liabilities and legal costs and expenses arising out of or incurred in connection with disputes between or among any parties to any of the Loan Documents (collectively, “Indemnified Liabilities”); provided, that no such Credit Party shall be liable for any indemnification to an Indemnified Person to the extent that any such suit, action, proceeding, claim, damage, loss, liability or expense results from (i) that Indemnified Person’s gross negligence or willful misconduct as finally determined by a court of competent jurisdiction, (ii) any dispute among any of Agent and the Lenders which dispute does not involve any Credit Party or (iii) any settlement effected without the consent of a Credit Party. NO INDEMNIFIED PERSON SHALL BE RESPONSIBLE OR LIABLE TO ANY OTHER PARTY TO ANY LOAN DOCUMENT, ANY SUCCESSOR, ASSIGNEE OR THIRD PARTY BENEFICIARY OF SUCH PERSON OR ANY OTHER PERSON ASSERTING CLAIMS DERIVATIVELY THROUGH SUCH PARTY, FOR INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHICH MAY BE ALLEGED AS A RESULT OF CREDIT HAVING BEEN EXTENDED, SUSPENDED OR TERMINATED UNDER ANY LOAN DOCUMENT OR AS A RESULT OF ANY OTHER TRANSACTION CONTEMPLATED HEREUNDER OR THEREUNDER.

(b) To induce Lenders to provide the LIBOR Rate option on the terms provided herein, if (i) any LIBOR Loans are repaid in whole or in part prior to the last day of any applicable LIBOR Period (whether that repayment is made pursuant to any provision of this Agreement or any other Loan Document or occurs as a result of acceleration, by operation of law or otherwise); (ii) Borrower shall default in payment when due of the principal amount of or interest on any LIBOR Loan; (iii) Borrower shall refuse to accept any borrowing of, or shall request a termination of, any borrowing of, conversion into or continuation of, LIBOR Loans after Borrower has given notice requesting the same in accordance herewith; or (iv) Borrower shall fail to make any prepayment of a LIBOR Loan after Borrower has given a notice thereof in accordance herewith, then Borrower shall indemnify and hold harmless each Lender from and against all losses, costs and expenses resulting from or arising from any of the foregoing. Such indemnification shall include any loss (excluding loss of margin) or expense arising from the reemployment of funds obtained by it or from fees payable to terminate deposits from which such funds were obtained. For the purpose of calculating amounts payable to a Lender under this Section 1.13(b), each Lender shall be deemed to have actually funded its relevant LIBOR Loan through the purchase of a deposit bearing interest at the LIBOR Rate in an amount equal to the amount of that LIBOR Loan and having a maturity comparable to the relevant LIBOR Period; provided, that each Lender may fund each of its LIBOR Loans in any manner it sees fit, and the foregoing assumption shall be utilized only for the calculation of amounts payable under this subsection. As promptly as practicable under the circumstances, each Lender shall provide Borrower with its written calculation of all amounts payable pursuant to this Section 1.13(b), and such calculation shall be binding on the parties hereto unless Borrower shall object in writing within ten (10) Business Days of receipt thereof, specifying the basis for such objection in detail.

1.14 Access. Each Credit Party that is a party hereto shall, during normal business hours, from time to time upon reasonable prior notice as frequently as Agent reasonably determines to be appropriate: (a) provide Agent and any of its officers, employees and agents access during normal business hours to its properties, facilities and senior management employees (including officers) of each Credit Party and to the Collateral, (b) permit Agent, and any of its officers, employees and agents, to inspect and make extracts from any Credit Party's books and records and to audit in scope and manner consistent with lending industry practices any Credit Party's books and records, and (c) permit Agent, and its officers, employees and agents, to inspect, review, evaluate and make test verifications and counts of the Accounts, Inventory and other Collateral of any Credit Party (collectively, an "Inspection"); provided that Borrower shall be obligated to reimburse Agent for its reasonable costs and expenses incurred in connection with an Inspection only (i) for each Inspection commenced while an Event of Default has occurred and is continuing and (ii) for one Inspection per year commenced while no Event of Default has occurred and is continuing. If an Event of Default has occurred and is continuing or if access is necessary to preserve or protect the Collateral as reasonably determined by Agent, each such Credit Party shall provide such access to Agent and to each Lender at all times and without advance notice. Furthermore, so long as any Event of Default has occurred and is continuing, Borrower shall provide Agent and each Lender with access to its suppliers and customers. Each Credit Party shall make available to Agent and its counsel, as promptly as reasonably practical under the circumstances, originals or copies of all books and records that Agent may reasonably request. Each Credit Party shall deliver any document or instrument necessary for Agent, as it may from time to time reasonably request, to obtain records from any service bureau or other Person that maintains records for such Credit Party, and shall maintain duplicate records or supporting documentation on media, including computer tapes and discs owned by such Credit Party. Agent will give Lenders at least five (5) days' prior written notice of regularly scheduled audits. Representatives of other Lenders may accompany Agent's representatives on regularly scheduled audits at no charge to Borrower.

1.15 Taxes.

(a) Any and all payments by Borrower hereunder or under the Notes shall be made, in accordance with this Section 1.15, free and clear of and without deduction for any and all present or future Taxes. If Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under the Notes, (i) the sum payable shall be increased as much as shall be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 1.15) Agent or Lenders, as applicable, receive an amount equal to the sum they would have received had no such deductions been made, (ii) Borrower shall make such deductions, and (iii) Borrower shall pay the full amount deducted to the relevant taxing or other authority in accordance with applicable law. Within thirty (30) days after the date of any payment of Taxes, Borrower shall furnish to Agent the original or a certified copy of a receipt evidencing payment thereof. Agent and Lenders shall not be obligated to return or refund any amounts received pursuant to this Section 1.15.

(b) Each Credit Party that is a signatory hereto shall jointly and severally indemnify and, within ten (10) days of demand therefore, pay Agent and each Lender for the full amount of Taxes (including any Taxes imposed by any jurisdiction on amounts payable under this Section 1.15) paid by Agent or such Lender, as appropriate, and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted.

(c) (i) Each Lender organized under the laws of the United States or any state thereof shall provide to Borrower and Agent a properly completed and executed IRS Form W-9. Each Lender organized under the laws of a jurisdiction outside the United States (a “Foreign Lender”) as to which payments to be made under this Agreement or under the Notes are exempt from United States withholding tax under an applicable statute or tax treaty shall provide to Borrower and Agent a properly completed and executed IRS Form W-8ECI or Form W-8BEN or other applicable form, certificate or document prescribed by the IRS or the United States certifying as to such Foreign Lender’s entitlement to such exemption (a “Certificate of Exemption”). Any Person that seeks to become a Lender under this Agreement shall, prior to becoming a Lender hereunder, provide to Borrower and Agent either a Certificate of Exemption if such Person is a Foreign Lender and otherwise a Form W-9.

(ii) Without limiting any obligation under Section 1.15(c)(i), each Foreign Lender that, at any of the following times, is entitled to an exemption from United States withholding tax or, after a change in any applicable law, is subject to such withholding tax at a reduced rate under an applicable tax treaty, shall (w) on or prior to the date such Foreign Lender becomes a “Foreign Lender” hereunder, (x) on or prior to the date on which any such form or certification expires or becomes obsolete, (y) after the occurrence of any event requiring a change in the most recent form or certification previously delivered by it hereunder and (z) from time to time if requested by Borrower or Agent (or, in the case of a participant or SPC, the relevant Lender), provide Agent and Borrower (or, in the case of a participant or SPC, the relevant Lender) with two completed originals of each of the following, as applicable: (A) Forms W-8ECI (claiming exemption from U.S. withholding tax because the income is effectively connected with a U.S. trade or business), W-8BEN (claiming exemption from, or a reduction of, U.S. withholding tax under an income tax treaty) and/or W-8IMY (together with appropriate forms, certifications and supporting statements) or any successor forms, or (B) in the case of a Foreign Lender claiming exemption under Section 871(h) or 881(c) of the IRC, Form W-8BEN (claiming exemption from U.S. withholding tax under the portfolio interest exemption) or any successor form and a certificate in form and substance acceptable to Agent that such Foreign Lender is not (1) a “bank” within the meaning of Section 881(c)(3)(A) of the IRC, (2) a “10 percent shareholder” of Borrower within the meaning of Section 881(c)(3)(B) of the IRC or (3) a “controlled foreign corporation” described in Section 881(c)(3)(C) of the IRC.

(d) Each Lender having sold a participation in any of its Obligations or identified an SPC as such to Agent shall collect from such participant or SPC the documents described in Section 1.15(c) and provide them to Agent.

(e) If a payment made to a Foreign Lender would be subject to United States federal withholding tax imposed by FATCA if such Foreign Lender fails to comply with the applicable reporting requirements of FATCA, such Foreign Lender shall deliver to Agent and Borrower any documentation under any applicable law or reasonably requested by Agent or Borrower sufficient for Agent or Borrower to comply with their obligations under FATCA and to determine that such Foreign Lender has complied with its obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for the purposes of this Section 1.15(e), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

1.16 Capital Adequacy; Increased Costs; Illegality.

(a) If any Lender shall have determined that any law, treaty, governmental (or quasi-governmental) rule, regulation, guideline or order regarding capital adequacy, reserve requirements or similar requirements or compliance by any Lender with any request or directive from any Governmental Authority charged with the administration or interpretation thereof or otherwise having jurisdiction in respect thereof regarding capital adequacy, reserve requirements or similar requirements (whether or not having the force of law) increases or would have the effect of increasing the amount of capital, reserves or other funds required to be maintained by such Lender and thereby reducing the rate of return on such Lender’s capital as a consequence of its obligations hereunder, then Borrower shall from time to time upon demand by such Lender (with a copy of such demand to Agent) pay to Agent, for the account of such Lender, additional amounts sufficient to compensate such Lender for such reduction. A certificate as to the amount of that reduction and showing the basis of the computation thereof submitted by such Lender to Borrower and to Agent shall, absent manifest error, be final, conclusive and binding for all purposes.

(b) If, due to either (i) the introduction of or any change in any law or regulation (or any change in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof or otherwise having jurisdiction in respect thereof) or (ii) the compliance with any guideline or request from any Governmental Authority (whether or not having the force of law there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining any LIBOR Loan, then Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to Agent), pay to Agent for the account of such Lender additional amounts sufficient to compensate such Lender for such increased cost. A certificate as to the amount of such increased cost, submitted to Borrower and to Agent by such Lender, shall be conclusive and binding on Borrower for all purposes, absent manifest error. Each Lender agrees that, as promptly as practicable after it becomes aware of any circumstances referred to above which would result in any such increased cost, the affected Lender shall, to the extent not inconsistent with such Lender's internal policies of general application, use reasonable commercial efforts to minimize costs and expenses incurred by it and payable to it by Borrower pursuant to this Section 1.16(b). In no event shall Borrower be obligated to compensate any Lender pursuant to this Section 1.16(b) for any increased cost incurred by such Lender more than 180 days prior to the date that such Lender notifies Borrower of such Lender's intention to claim compensation under this Section 1.16(b) (except that, if the circumstances referred to above which would result in any such increased cost is retroactive, then the 180 day period referred to above shall be extended to include the period of retroactive effect thereof). Notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all request, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall be deemed to be a change in law, regardless of the date enacted, adopted or issued.

(c) Notwithstanding anything to the contrary contained herein, if the introduction of or any change in any law or regulation (or any change in the interpretation thereof by any Governmental Authority charged with the administration or interpretation thereof or otherwise having jurisdiction in respect thereof) shall make it unlawful, or any Governmental Authority shall assert that it is unlawful, for any Lender to agree to make or to make or to continue to fund or maintain any LIBOR Loan, then, unless that Lender is able to make or to continue to fund or to maintain such LIBOR Loan at another branch or office of that Lender without, in that Lender's opinion, adversely affecting it or its Loans or the income obtained therefrom, on notice thereof and demand therefor by such Lender to Borrower through Agent, (i) the obligation of such Lender to agree to make or to make or to continue to fund or maintain LIBOR Loans shall terminate and (ii) Borrower shall forthwith (but not earlier than the last day of the applicable LIBOR Period, except if required by law) prepay in full all outstanding LIBOR Loans owing to such Lender, together with interest accrued thereon, unless Borrower, within five (5) Business Days after the delivery of such notice and demand, converts all LIBOR Loans into Index Rate Loans.

(d) Within fifteen (15) days after receipt by Borrower of written notice and demand from any Lender (an “Affected Lender”) for payment of additional amounts or increased costs as provided in Sections 1.15(a), 1.16(a) or 1.16(b), Borrower may, at its option, notify Agent and such Affected Lender of its intention to replace the Affected Lender. So long as no Default or Event of Default has occurred and is continuing, Borrower, with the consent of Agent, may obtain, at Borrower’s expense, a replacement Lender (“Replacement Lender”) for the Affected Lender, which Replacement Lender must be reasonably satisfactory to Agent. If Borrower obtains a Replacement Lender within 90 days following notice of its intention to do so, the Affected Lender must sell and assign its Loans and Commitments to such Replacement Lender for an amount equal to the principal balance of all Loans held by the Affected Lender and all accrued interest and Fees with respect thereto through the date of such sale; provided, that Borrower shall have reimbursed such Affected Lender for the additional amounts or increased costs that it is entitled to receive under this Agreement through the date of such sale and assignment. Notwithstanding the foregoing, Borrower shall not have the right to obtain a Replacement Lender if the Affected Lender rescinds its demand for increased costs or additional amounts within five (5) Business Days following its receipt of Borrower’s notice of intention to replace such Affected Lender. Furthermore, if Borrower gives a notice of intention to replace and does not so replace such Affected Lender within ninety (90) days thereafter, Borrower’s rights under this Section 1.16(d) shall terminate and Borrower shall promptly pay all increased costs or additional amounts demanded by such Affected Lender pursuant to Sections 1.15(a), 1.16(a) and 1.16(b).

1.17 Single Loan. All Loans to Borrower and all of the other Obligations of Borrower arising under this Agreement and the other Loan Documents shall constitute one general obligation of Borrower secured, until the Termination Date, by all of the Collateral.

2 CONDITIONS PRECEDENT

2.1 Conditions to the Effectiveness of this Agreement. This Agreement shall become effective and enforceable against all parties hereto on the date on which the following conditions have been satisfied or provided for in a manner satisfactory to Agent and Lenders, or waived in writing by Agent and Lenders:

(a) Credit Agreement; Loan Documents. This Agreement or counterparts hereof shall have been duly executed by, and delivered to, Borrower, each other Credit Party, Agent and Lenders; and Agent and Lenders shall have received such information, documents, instruments, agreements and legal opinions as Agent or any Lender shall reasonably request in connection with the transactions contemplated by this Agreement and the other Loan Documents, including all those listed in the Closing Checklist attached hereto as Annex D, each in form and substance reasonably satisfactory to Agent and Lenders; provided, however, that the Reorganization Plan, the Registration Rights Agreement, the Stockholders Agreement, the Organizational Documents shall be satisfactory to the Agent and Lenders in their sole discretion.

(b) Capital Structure: Other Indebtedness. The capital structure of each Credit Party, the corporate structure of the Credit Parties, the terms and conditions of all Indebtedness of each Credit Party, and all governing organizational documents of the Credit Parties shall be acceptable to Agent.

(c) Reorganization Plan. The Bankruptcy Court shall have entered a final non-appealable order (the “ Confirmation Order ”) confirming a Chapter 11 plan of reorganization (the “ Reorganization Plan ” and together with all exhibits and other attachments thereto, as any of the foregoing shall be amended, modified or supplemented from time to time or any of the terms or conditions thereof waived, the “ Plan Documents ”) in respect of the Chapter 11 Cases in accordance with Section 1129 of the Bankruptcy Code, which such Reorganization Plan shall be in form and substance satisfactory to the Bankruptcy Majority Lenders in their sole discretion. All conditions precedent to the effectiveness of the Reorganization Plan (other than the funding of the Loans to be made on the Closing Date and the final order requirement with respect to the Confirmation Order, provided, however, that the Confirmation Order remains unstayed) shall have been satisfied (or, with the prior written consent of Agent, waived) in the reasonable judgment of the Agent, no changes, modifications, amendments or waivers (other than such changes, modifications or waivers satisfactory to the Agent in its sole and absolute discretion) shall have been made to such Reorganization Plan since the filing thereof with the Bankruptcy Court on the Petition Date, and the Reorganization Plan shall be consummated provided, however, that except as consented to by the Agent, the Bankruptcy Court’s retention of jurisdiction under the Confirmation Order shall not govern the enforcement of the Loan Documents or any rights or remedies related thereto. Agent shall have received true and correct copies of each Plan Document, together with evidence that the transactions contemplated thereby shall have been consummated.

(d) Confirmation Order. The Confirmation Order shall be in form and substance reasonably satisfactory to the Bankruptcy Majority Lenders, shall have been entered on the docket of the Bankruptcy Court in full force and effect and shall not have been stayed, reversed, vacated or otherwise modified in any manner that is adverse to the rights or interests of the Lenders. The transactions contemplated by the Plan Documents shall have been consummated substantially contemporaneously with the effectiveness of this Agreement on the Closing Date.

(e) Equity Documents. Agent shall have received evidence that the Lenders shall have received the Class B Equity and that the Equity Documents shall have been entered into by Borrower and the applicable Credit Parties, together with true and complete copies of each Equity Document, in each case in form and substance satisfactory to the Agent and Bankruptcy Majority Lenders in their sole discretion.

(f) Cash on Hand. As of the Closing Date, immediately prior to making the payments required under the Reorganization Plan to be made on the Closing Date, the Borrower shall have cash on hand of no less than (i) \$5,000,000, plus (ii) \$28,700,000 (which is the amount equal to the Senior Secured Term Loan Payment amount as defined in the Reorganization Plan), plus (iii) \$4,287,966 (which is an amount equal to the Cash Distribution Amount).

(g) Approvals. Agent and Lenders shall have received (i) satisfactory evidence that the Credit Parties have obtained all required consents and approvals of all Persons including all requisite Governmental Authorities, including the FCC, any applicable PUC and any applicable Franchising Authority, to the execution, delivery and performance of this Agreement and the other Loan Documents, other than those consents and approvals listed on Schedule D-1 or (ii) an officer's certificate in form and substance reasonably satisfactory to Agent affirming that no such consents or approvals are required.

(h) Cash Payment. Borrower shall have made a cash payment to the Agent, on behalf of the Term Lenders, in an amount to reduce the principal amount of the Existing Term Loan to at most \$142,000,000; provided, however, that such payment shall not be less than \$20,000,000.

(i) Officer's Certificate. Agent shall have received a duly executed certificate of the chief executive officer of Borrower, confirming compliance with the conditions set forth in Section 2.2 as of the Closing Date.

(j) Financial Statements and Projections. Agent shall have received the Financial Statements and the Projections set forth in Section 3.4(a) and (b), certified by Borrower's chief financial officer, in each case in form and substance satisfactory to Agent, and Agent shall be satisfied, in its sole discretion, with all of the foregoing.

(k) Payment of Fees. Borrower shall have reimbursed Agent for all fees, costs and expenses of closing presented as of the Closing Date.

(l) Representations and Warranties. Each of the representations and warranties made by or on behalf of any Credit Party herein or in any other Loan Document shall be true and correct on the Closing Date, as if made on the Closing Date.

2.2 Further Conditions to Each Loan

(a) Except as otherwise expressly provided herein, no Revolving Lender shall be obligated to fund any Advance, if, as of the date thereof:

(i) any representation or warranty by any Credit Party contained herein or in any other Loan Document is untrue or incorrect as of such date (A) as stated if such representation or warranty contains an express materiality qualification or (B) in any material respect if such representation or warranty does not contain such a qualification, except to the extent that such representation or warranty expressly relates to an earlier date (in which case such representation or warranty shall not have been untrue or incorrect as of such earlier date (A) as stated if such representation or warranty contains an express materiality qualification or (B) in any material respect if such representation or warranty does not contain such a qualification) and except for changes therein expressly permitted or expressly contemplated by this Agreement, and Requisite Revolving Lenders have determined not to make such Advance (or have instructed the Swing Line Lender not to make such Advance) as a result of the fact that such representation or warranty is untrue or incorrect as aforesaid;

(ii) any event or circumstance having a Material Adverse Effect has occurred since the date hereof and Requisite Revolving Lenders have determined not to make such Advance (or have instructed the Swing Line Lender not to make such Advance) as a result of the fact that such event or circumstance has occurred;

(iii) any Default or Event of Default has occurred and is continuing or would result from the funding of such Advance, and Requisite Revolving Lenders shall have determined not to make such Advance (or have instructed the Swing Line Lender not to make such Advance) as a result of that Default or Event of Default; or

(iv) after giving effect to any Advance, the outstanding principal amount of the Revolving Loan would exceed the Maximum Amount less the sum of the then outstanding principal amount of the Swing Line Loan and the Reserves then in effect, or after giving effect to any Swing Line Advance, the outstanding principal amount of the Swing Line Loan would exceed the lesser of (A) the Swing Line Commitment and (B) the Maximum Amount less the sum of the then outstanding principal amount of the Revolving Loan and the Reserves then in effect.

(b) [Intentionally Omitted.]

The request and acceptance by Borrower of the proceeds of any Advance shall be deemed to constitute, as of the date thereof, (i) a representation and warranty by Borrower that the conditions in this Section 2.2 have been satisfied and (ii) a reaffirmation by Borrower of the granting and continuance of Agent's Liens, on behalf of itself and Lenders, pursuant to the Collateral Documents.

3 REPRESENTATIONS AND WARRANTIES

To induce Lenders to make the Loans and restructure Indebtedness outstanding under the Existing Credit Agreement, the Credit Parties executing this Agreement, jointly and severally, make the following representations and warranties to Agent and each Lender with respect to all Credit Parties each and all of which shall survive the execution and delivery of this Agreement.

3.1 Corporate Existence; Compliance with Law. Each Credit Party (a) is a corporation, limited liability company or limited partnership duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation or organization, and their respective jurisdiction of incorporation or organization are as set forth in Disclosure Schedule (3.1); (b) is duly qualified to conduct business and is in good standing in each other jurisdiction where its ownership or lease of property or the conduct of its business requires such qualification, except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect; (c) has the requisite power and authority and the legal right to own, pledge, mortgage or otherwise encumber and operate its properties, to lease the property it operates under lease and to conduct its business as now, heretofore and proposed to be conducted; (d) subject to specific representations regarding Environmental Laws, has all licenses, permits, consents or approvals from or by, and has made all filings with, and has given all notices to, all Governmental Authorities having jurisdiction, to the extent required for such ownership, operation and conduct, in each case except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; (e) is in compliance with its charter and bylaws or partnership or operating agreement, as applicable; and (f) subject to specific representations set forth herein regarding ERISA, Environmental Laws, Communications Laws, tax and other laws, is in compliance with all applicable provisions of law and regulation, except where the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Except as set forth in Disclosure Schedule (3.1), each Credit Party has all Communications Licenses and Governmental Authorizations and has filed all required federal and state applications and notifications, in each case necessary for the operation of the Telecommunications Businesses in the United States respectively conducted by the Credit Parties (the Communications Licenses, Governmental Authorizations and federal and state applications and notifications necessary for the operation of the Telecommunications Businesses in the United States respectively conducted by the Credit Parties, the “Telecommunications Approvals”), except for those Telecommunications Approvals the absence of which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. As of the Closing Date, Disclosure Schedule (3.1) correctly lists (i) all such Communications Licenses and Governmental Authorizations; (ii) the geographical area to which each of such Communications Licenses and Governmental Authorizations relates; (iii) the Governmental Authority that issued each of such Communications Licenses and Governmental Authorizations; (iv) the expiration date, if any, of each of such Communications Licenses and Governmental Authorizations; and (v) if not issued in the name of a Credit Party, the name of the Person in whose name such Communications Licenses and Governmental Authorizations are nominally issued. As of the Closing Date, all Telecommunications Approvals granted to the Credit Parties remain in full force and effect, except to the extent the failure thereof to be in full force and effect, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, and have not been revoked, suspended, canceled or modified in any adverse way, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, and are not subject to any conditions or requirements that are not generally imposed by the FCC, any PUC, any Franchising Authority or any other Governmental Authority upon the holders of such Telecommunications Approvals that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Except as set forth in Disclosure Schedule (3.1), each Credit Party has filed all required reports, applications and statements of account with the FCC, the Copyright Office, any PUC and any Franchising Authority, as the case may be, and has paid all Franchise, license, regulatory, copyright royalty or other fees and charges which have become due pursuant to any Telecommunications Approvals, except for fees or charges the failure to pay, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Except as set forth in Disclosure Schedule (3.1), no Credit Party is in violation of, or in default of, in a manner that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, any applicable Communications Law or the provisions, terms and conditions of any Telecommunications Approval. There are no pending or, to the knowledge of any Credit Party, threatened formal complaints, proceedings, letters of inquiry, notices of apparent liability, investigations, protests, petitions or other written objections against any Credit Party at the FCC or the PUC or Franchising Authority of any jurisdiction in which any Credit Party operates, except for matters which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.2 Executive Offices, Collateral Locations, FEIN. As of the Closing Date, Disclosure Schedule (3.2) sets forth (i) each Credit Party's name as it appears in official filings in the state of its incorporation or other organization, (ii) the type of entity of each Credit Party, (iii) the organizational identification number issued by each Credit Party's state of incorporation or organization or a statement that no such number has been issued, and (iv) each Credit Party's state of organization or incorporation. As of the Closing Date, the current location of each Credit Party's chief executive office and the warehouses and premises at which any Collateral is located are set forth in Disclosure Schedule (3.2), and none of such locations has changed within 12 months preceding the Closing Date. In addition, Disclosure Schedule (3.2) lists the federal employer identification number of each Credit Party, as of the Closing Date.

3.3 Corporate Power, Authorization, Enforceable Obligations. The execution, delivery and performance by each Credit Party of the Loan Documents to which it is a party and the creation of all Liens provided for therein: (a) are within such Person's power; (b) have been duly authorized by all necessary corporate, limited liability company or limited partnership action; (c) do not contravene any provision of such Person's charter, bylaws or partnership or operating agreement as applicable; (d) do not violate any law or regulation, or any order or decree of any court or other Governmental Authority except where such violation, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; (e) do not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which such Person is a party or by which such Person or any of its property is bound; (f) do not result in the creation or imposition of any Lien upon any of the property of such Person other than those in favor of Agent, on behalf of itself and Lenders, pursuant to the Loan Documents; and (g) do not require the consent or approval of any Governmental Authority or any other Person, except (i) those referred to in Section 2.1(e), all of which will have been duly obtained, made or complied with prior to the Closing Date and those referred to in Schedule D-1 all of which have been complied with as of the Closing Date and (ii) any consents or approvals of any Person other than a Governmental Authority where the failure to obtain such consents or approvals of any such Person, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each of the Loan Documents shall be duly executed and delivered by each Credit Party that is a party thereto and each such Loan Document shall constitute a legal, valid and binding obligation of such Credit Party enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors rights generally or by general principles of equity, regardless of whether considered in a proceeding in equity or at law.

3.4 Financial Statements and Projections. Except for the Projections, all Financial Statements concerning Borrower and its Subsidiaries that are referred to below have been prepared in accordance with GAAP consistently applied throughout the periods covered (except as disclosed therein and except, with respect to unaudited Financial Statements, for the absence of footnotes and normal year-end audit adjustments) and present fairly in all material respects the financial position of the Persons covered thereby as at the dates thereof and the results of their operations and cash flows for the periods then ended.

(a) **Financial Statements.** The following Financial Statements attached hereto as Disclosure Schedule (3.4(a)) have been delivered to Agent and Lenders on the Closing Date.

(i) The audited consolidated balance sheet of Borrower and its Subsidiaries as of December 31, 2012 and the related consolidated statements of operations, stockholders' equity and cash flows for the Fiscal Year then ended, certified by BDO USA, LLP.

(ii) The unaudited consolidated balance sheet of Borrower and its Subsidiaries as of March 31, 2013 and the related consolidated statements of operations, stockholders' equity and cash flows for the Fiscal Quarter then ended.

(b) **Projections.** The Projections delivered to the Lenders have been prepared by Borrower in light of the past operations of its businesses and the reorganization contemplated by the Reorganization Plan, but including future payments of known contingent liabilities, and reflect projections for the period beginning on the Closing Date through 2017 on a year-by-year basis. The Projections are based upon substantially the same accounting principles as those used in the preparation of financial statements described above and the estimates and assumptions stated therein, all of which Borrower believes to be reasonable in light of then-current conditions and then-current facts known to Borrower at the time prepared and as of the Closing Date and, as of the Closing Date, reflect Borrower's good faith and reasonable estimates of the future financial performance of Borrower and of the other information projected therein for the period set forth therein.

3.5 [Intentionally Omitted]

3.6 **Ownership of Property; Liens.** As of the Closing Date, (i) All Material Real Estate is listed on Disclosure Schedule (3.6), under the heading "Material Real Estate," and constitutes all of the Material Real Estate owned, leased or subleased by any Credit Party and (ii) the other real property listed in Disclosure Schedule (3.6) constitutes, to the best of each Credit Party's knowledge after due inquiry, all of the other real property owned, leased or subleased by any Credit Party. Each Credit Party owns good and marketable fee simple title to all of its owned Real Estate, and valid and marketable leasehold interests in all of its leased Real Estate, all as described on Disclosure Schedule (3.6), and copies of all such leases or a summary of terms thereof reasonably satisfactory to Agent have been delivered or otherwise made available to Agent. Disclosure Schedule (3.6) further describes (i) any Material Real Estate with respect to which any Credit Party is a lessor, sublessor or assignor as of the Closing Date and (ii) to the best of each Credit Party's knowledge after due inquiry, any other Real Estate with respect to which any Credit Party is a lessor, sublessor or assignor as of the Closing Date. Each Credit Party also has good and, as applicable, marketable title to, valid leasehold interests in, or other valid rights to use, all of its personal property and assets as of the Closing Date. None of the properties and assets of any Credit Party are subject to any Liens other than Permitted Encumbrances, and there are no facts, circumstances or conditions known to any Credit Party that may result in any Liens (including Liens arising under Environmental Laws) other than Permitted Encumbrances. Each Credit Party has received all deeds, assignments, waivers, consents, nondisturbance and attornment or similar agreements, bills of sale and other documents, and has duly effected all recordings, filings and other actions necessary to establish, protect and perfect such Credit Party's right, title and interest in and to all such Real Estate and other properties and assets. Disclosure Schedule (3.6) also describes any purchase options, rights of first refusal or other similar contractual rights in effect as of the Closing Date pertaining to any Real Estate owned by any Credit Party. Disclosure Schedule (3.6) also describes any purchase options, rights of first refusal or other similar contractual rights in effect on the Closing Date pertaining to any Credit Party's leasehold interest (1) in any Real Estate leased by such Credit Party which was created or granted by any Credit Party or any Person claiming by, through or under a Credit Party and (2) to the knowledge the Credit Parties, in any Material Real Estate leased by such Credit Party which was created or granted by any other Person. As of the Closing Date, no portion of any Credit Party's Real Estate has suffered any material damage by fire or other casualty loss that has not heretofore been repaired and restored in all material respects to its original condition or otherwise remedied. As of the Closing Date, all permits required to have been issued or appropriate to enable the Real Estate to be lawfully occupied and used for all of the purposes for which it is currently occupied and used have been lawfully issued and are in full force and effect, except for those permits the absence of which, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.7 Labor Matters. Except as set forth in Disclosure Schedule (3.7), as of the Closing Date: (a) no strikes or other material labor disputes against any Credit Party are pending or, to any Credit Party's knowledge, threatened; (b) hours worked by and payment made to employees of each Credit Party comply with the Fair Labor Standards Act and each other federal, state, local or foreign law applicable to such matters; (c) all payments due from any Credit Party for employee health and welfare insurance have been paid or accrued as a liability on the books of such Credit Party; (d) no Credit Party is a party to or bound by any collective bargaining agreement, management agreement, consulting agreement, employment agreement, bonus, restricted stock, stock option, or stock appreciation plan or agreement or any similar plan, agreement or arrangement (and true and complete copies of any agreements described on Disclosure Schedule (3.7) have been delivered to Agent); (e) there is no organizing activity involving any Credit Party pending or, to any Credit Party's knowledge, threatened by any labor union or group of employees; (f) there are no representation proceedings pending or, to any Credit Party's knowledge, threatened with the National Labor Relations Board, and no labor organization or group of employees of any Credit Party has made a pending demand for recognition; and (g) there are no complaints or charges against any Credit Party pending or, to the knowledge of any Credit Party, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment by any Credit Party of any individual, except any of the foregoing that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.8 Ventures, Subsidiaries and Affiliates; Outstanding Stock and Indebtedness. Except as set forth in Disclosure Schedule (3.8), as of the Closing Date, no Credit Party has any Subsidiaries, is engaged in any joint venture or partnership with any other Person, or is an Affiliate of any other Person. All of the issued and outstanding Stock of each Credit Party (other than Borrower) is owned by each of the Stockholders and in the amounts set forth in Disclosure Schedule (3.8). Except as set forth in Disclosure Schedule (3.8), there are no outstanding rights to purchase, options, warrants or similar rights or agreements pursuant to which any Credit Party (other than Borrower) may be required to issue, sell, repurchase or redeem any of its Stock or other equity securities or any Stock or other equity securities of its Subsidiaries. All outstanding Indebtedness and Guaranteed Indebtedness of each Credit Party as of the Closing Date (except for the Obligations) is described in Section 6.3 (including Disclosure Schedule (6.3)). The Borrower has not engaged in any trade or business, or has any assets (other than Stock of its Subsidiaries and assets incidental to the ownership thereof), or has Incurred any Indebtedness or Guaranteed Indebtedness (other than Indebtedness permitted under Section 6.3 and Guaranteed Indebtedness permitted under Section 6.6).

3.9 Government Regulation. No Credit Party is an “investment company” or an “affiliated person” of, or “promoter” or “principal underwriter” for, an “investment company,” as such terms are defined in the Investment Company Act of 1940. No Credit Party is subject to regulation under the Federal Power Act, or any other federal or state statute that restricts or limits its ability to incur Indebtedness or to perform its obligations hereunder. The making of the Loans by Lenders to Borrower, the application of the proceeds thereof and repayment thereof will not violate any provision of any such statute or any rule, regulation or order issued by the Securities and Exchange Commission.

3.10 Margin Regulations. No Credit Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of “purchasing” or “carrying” any “margin stock” as such terms are defined in Regulation U of the Federal Reserve Board as now and from time to time hereafter in effect (such securities being referred to herein as “Margin Stock”). No Credit Party owns any Margin Stock as of the Closing Date. None of the proceeds of the Loans or other extensions of credit under this Agreement will be used, directly or indirectly, for the purpose of purchasing or carrying any Margin Stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any Margin Stock or for any other purpose that could reasonably be expected to cause any of the Loans or other extensions of credit under this Agreement to be considered a “purpose credit” within the meaning of Regulations T, U or X of the Federal Reserve Board. No Credit Party will take or permit to be taken any action that could reasonably be expected to cause any Loan Document to violate any regulation of the Federal Reserve Board.

3.11 Taxes. All Federal, state and other material tax returns, reports and statements, including information returns, required by any Governmental Authority to be filed by any Credit Party have been filed with the appropriate Governmental Authority and all Charges have been paid prior to the date on which any fine, penalty, interest or late charge may be added thereto for nonpayment thereof, excluding Charges or other amounts being contested in accordance with Section 5.2(b). Proper and accurate amounts have been withheld by each Credit Party from its respective employees for all periods in full and complete compliance with all applicable federal, state, local and foreign laws and such withholdings have been timely paid to the respective Governmental Authorities. Disclosure Schedule (3.11) sets forth as of the Closing Date those taxable years for which any Credit Party’s tax returns are currently being audited by the IRS or any other applicable Governmental Authority and any assessments or threatened assessments in connection with such audit, or otherwise currently outstanding. Except as described in Disclosure Schedule (3.11), as of the Closing Date no Credit Party has executed or filed with the IRS or any other Governmental Authority any agreement or other document extending, or having the effect of extending, the period for assessment or collection of any Charges. None of the Credit Parties and their respective predecessors are liable for any Charges: (a) under any agreement (including any tax sharing agreements) or (b) to each Credit Party’s actual knowledge, as a transferee. As of the Closing Date, no Credit Party has agreed or been requested to make any adjustment under IRC Section 481(a), by reason of a change in accounting method or otherwise, which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

3.12 ERISA.

(a) Disclosure Schedule (3.12) lists all Plans and separately identifies all Pension Plans, including Title IV Plans, Multiemployer Plans, ESOPs and Welfare Plans, including all Retiree Welfare Plans in effect as of the Closing Date. Copies of all such listed Plans, together with a copy of the latest IRS/DOL 5500-series form required to be filed for each such Plan (other than any Multiple Employer Plan or any Multiemployer Plan) have been made available to Agent. Except with respect to Multiple Employer Plans and Multiemployer Plans, each Qualified Plan has been determined by the IRS to qualify under Section 401 of the IRC, the trusts created thereunder have been determined to be exempt from tax under the provisions of Section 501 of the IRC, and nothing has occurred that would cause the loss of such qualification or tax-exempt status except where the failure to so qualify or the loss of such qualification, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Plan is in compliance with the applicable provisions of ERISA and the IRC, including the timely filing of all reports required under the IRC or ERISA, including the statement required by 29 CFR Section 2520.104-23 except for any noncompliance that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Neither any Credit Party nor ERISA Affiliate has failed to make any material contribution or pay any material amount due as required by either Section 412 of the IRC or Section 302 of ERISA or the terms of any such Plan. Neither any Credit Party nor ERISA Affiliate has engaged in a “prohibited transaction,” as defined in Section 406 of ERISA and Section 4975 of the IRC, in connection with any Plan, that would subject any Credit Party to a material tax on prohibited transactions imposed by Section 502(i) of ERISA or Section 4975 of the IRC.

(b) Except as set forth in Disclosure Schedule (3.12): (i) no Title IV Plan (other than the NTCA Retirement and Security Program (the “NTCA Plan”)) has any Unfunded Pension Liability that, in the aggregate for all such Title IV Plans combined, exceeds \$100,000 and the liability of the Credit Parties and ERISA Affiliates with respect to the Unfunded Pension Liability under the NTCA Plan is not material; (ii) no ERISA Event or event described in Section 4062(e) of ERISA with respect to any Title IV Plan has occurred or is reasonably expected to occur in either case that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (iii) there are no pending, or to the knowledge of any Credit Party, threatened claims (other than claims for benefits in the normal course), sanctions, actions or lawsuits, asserted or instituted against any Plan (other than a Multiple Employer Plan or a Multiemployer Plan) or any Person as fiduciary or sponsor of any Plan (other than a Multiple Employer Plan or a Multiemployer Plan) that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (iv) no Credit Party or ERISA Affiliate has incurred or reasonably expects to incur any material liability as a result of a complete or partial withdrawal from a Multiemployer Plan; (v) within the last five years no Title IV Plan of any Credit Party or ERISA Affiliate has been terminated, whether or not in a “standard termination” as that term is used in Section 404(b)(1) of ERISA, nor has any Title IV Plan of any Credit Party or ERISA Affiliate (determined at any time within the past five years) with Unfunded Pension Liabilities been transferred outside of the “controlled group” (within the meaning of Section 4001(a)(14) of ERISA) of any Credit Party or ERISA Affiliate except for any Transfer or transaction that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; (vi) except in the case of any ESOP, as of the Closing Date, Stock of all Credit Parties and their ERISA Affiliates makes up, in the aggregate, no more than 10% of Fair Market Value of the assets of any Plan (other than a Multiple Employer Plan or a Multiemployer Plan) measured on the basis of Fair Market Value as of the latest valuation date of any Plan; and (vii) as of the Closing Date, no liability under any Title IV Plan has been satisfied with the purchase of a contract from an insurance company that is not rated AAA by the Standard & Poor’s Corporation or an equivalent rating by another nationally recognized rating agency.

3.13 No Litigation. No action, claim, lawsuit, demand, investigation or proceeding is now pending or, to the knowledge of any Credit Party, threatened against any Credit Party, before any Governmental Authority or before any arbitrator or panel of arbitrators (collectively, “Litigation”), (a) that challenges any Credit Party’s right or power to enter into or perform any of its obligations under the Loan Documents to which it is a party, or the validity or enforceability of any Loan Document or any action taken thereunder, or (b) that has a reasonable risk of being determined adversely to any Credit Party and that, if so determined, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Except as set forth on Disclosure Schedule (3.13), as of the Closing Date there is no Litigation pending or threatened that seeks damages in excess of \$1,000,000 or injunctive relief against, or alleges criminal misconduct of, any Credit Party.

3.14 Brokers. Except as set forth on Disclosure Schedule (3.14), no broker or finder acting on behalf of any Credit Party or Affiliate thereof brought about the obtaining, making or closing of the Loans and no Credit Party or Affiliate thereof has any obligation to any Person in respect of any finder’s or brokerage fees in connection therewith.

3.15 Intellectual Property. As of the Closing Date, each Credit Party owns or has rights to use all Intellectual Property necessary to continue to conduct its business as now or heretofore conducted by it or proposed to be conducted by it, and each Patent, Trademark and registered Copyright and each License with respect to any such Patent, Trademark or registered Copyright, is listed, together with application or registration numbers, as applicable, and together with each owner thereof, in Disclosure Schedule (3.15). Each Credit Party conducts its business and affairs without infringement of or interference with any Intellectual Property of any other Person except for any such infringement or interference that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Except as set forth in Disclosure Schedule (3.15), no Credit Party is aware of any infringement claim by any other Person with respect to any Intellectual Property except for any infringement or interference that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

3.16 Full Disclosure; Perfection of Liens. The information contained in this Agreement, any of the other Loan Documents, the Financial Statements, the Collateral Reports and the other written reports from time to time delivered hereunder or any written statement furnished by or on behalf of any Credit Party to Agent or any Lender pursuant to the terms of this Agreement do not contain and will not contain any untrue statement of a material fact or omit to state a material fact known to any Credit Party and necessary to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. Projections from time to time delivered hereunder are or will be based in all material respects upon the estimates and assumptions stated therein, all of which Borrower believed at the time of delivery to be reasonable in light of then current conditions and then current facts known to Borrower as of such delivery date, and reflect Borrower's good faith and reasonable estimates of the future financial performance of Borrower and of the other information projected therein for the period set forth therein, it being understood that the Projections are not facts and the actual performance of the entities covered by the Projections may differ significantly from that projected. The Liens granted to Agent, on behalf of itself and Lenders, pursuant to the Collateral Documents will at all times be fully perfected first priority Liens in and to the Collateral described therein, subject, as to priority, only to Permitted Encumbrances.

3.17 Environmental Matters.

(a) Except as set forth in Disclosure Schedule (3.17), as of the Closing Date: (i) the Real Estate is free of contamination from any Hazardous Material except for such contamination that would not materially and adversely impact any Credit Party's ability to use such Real Estate in the operation of its business and that would not result in Environmental Liabilities that, individually or in the aggregate, could reasonably be expected to exceed \$750,000; (ii) no Credit Party has caused or suffered to occur any Release of Hazardous Materials on, at, in, under, above, to, from or about any of its Real Estate that would result in Environmental Liabilities that, individually or in the aggregate, could reasonably be expected to exceed \$750,000; (iii) the Credit Parties are in compliance with all Environmental Laws, except for such noncompliance that would not result in Environmental Liabilities which, individually or in the aggregate, could reasonably be expected to exceed \$750,000; (iv) the Credit Parties have obtained, and are in compliance with, all Environmental Permits required by Environmental Laws for the operations of their respective businesses as presently conducted or as proposed to be conducted, except where the failure to so obtain or comply with such Environmental Permits would not result in Environmental Liabilities that, individually or in the aggregate, could reasonably be expected to exceed \$750,000, and to the knowledge of the Credit Parties all such Environmental Permits are valid, uncontested and in good standing; (v) no Credit Party has actual knowledge of any facts, circumstances or conditions, including any Releases of Hazardous Materials, that are likely to result in any Environmental Liabilities of any Credit Party which, individually or in the aggregate, could reasonably be expected to exceed \$750,000, and no Credit Party has knowingly permitted any current or former tenant or occupant of the Real Estate to engage in any such operations; (vi) there is no Litigation arising under or related to any Environmental Laws, Environmental Permits or Hazardous Material that seeks damages, penalties, fines, costs or expenses in excess of \$750,000 or injunctive relief against, or that alleges criminal misconduct by, any Credit Party; (vii) no written notice has been received by any Credit Party identifying it as a "potentially responsible party" or requesting information under CERCLA or analogous state statutes, and to the actual knowledge of the Credit Parties, there are no facts, circumstances or conditions that may result in any Credit Party being identified as a "potentially responsible party" under CERCLA or analogous state statutes; and (viii) the Credit Parties have provided to Agent copies of all environmental reports, reviews and audits and all material written information pertaining to actual or potential Environmental Liabilities, in each case if prepared by or at the instruction of, or otherwise in the possession or control of, any Credit Party, in each case relating to any Credit Party.

(b) Each Credit Party hereby acknowledges and agrees that none of the Lenders or Agent (i) is now, or has ever been, in control of any of the Real Estate or any Credit Party's affairs, and (ii) has the capacity through the provisions of the Loan Documents or otherwise to influence any Credit Party's conduct with respect to the ownership, operation or management of any of its Real Estate or compliance with Environmental Laws or Environmental Permits.

3.18 Insurance. Disclosure Schedule (3.18) lists all insurance policies of any nature maintained, as of the Closing Date, for current occurrences by each Credit Party, as well as a summary of the terms of each such policy. As of the Closing Date, each Credit Party is in compliance with its obligations under Section 5.4.

3.19 Accounts. Disclosure Schedule (3.19) lists all banks and other financial institutions at which any Credit Party maintains deposit or other accounts as of the Closing Date and such Schedule correctly identifies the name, address and telephone number of each depository, the name in which the account is held, a description of the purpose of the account, the complete account number therefor and, if such account is a deposit account, whether such account is (a) a "Blocked Account", "Excluded Account" or "Disbursement Account" for the purposes of Annex C or (b) a "PUC Restricted Subsidiary Account".

3.20 Government Contracts. Except as set forth in Disclosure Schedule (3.20), as of the Closing Date, no Credit Party is a party to any contract or agreement with any Governmental Authority and no Credit Party's Accounts are subject to the Federal Assignment of Claims Act (31 U.S.C. Section 3727) or any similar state or local law.

3.21 Customer and Trade Relations. As of the Closing Date, there exists no actual or, to the knowledge of any Credit Party, threatened termination or cancellation of, or any material adverse modification or change in the business relationship of any Credit Party with any customer or supplier that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

3.22 Agreements and Other Documents. As of the Closing Date, each Credit Party has provided to Agent or its counsel, on behalf of Lenders, accurate and complete copies (or summaries) of all of the following agreements or documents to which it is subject as of the Closing Date and each of which is listed in Disclosure Schedule (3.22): (i) supply agreements and purchase agreements not terminable by such Credit Party within 60 days following written notice issued by such Credit Party and involving transactions in excess of \$1,000,000 per annum; (ii) leases of Equipment having a remaining term of one year or longer and requiring aggregate rental and other payments in excess of \$500,000 per annum; (iii) licenses and permits held by the Credit Parties, the absence of which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (iv) instruments and documents evidencing any Indebtedness or Guaranteed Indebtedness of such Credit Party and any Lien granted by such Credit Party with respect thereto; and (v) instruments and agreements evidencing the issuance of any equity securities, warrants, rights or options to purchase equity securities of such Credit Party. Except as set forth on Disclosure Schedule (3.22), as of the Closing Date, no Credit Party is a party to or bound by any surety bond agreement or bonding requirement with respect to products or services sold by it or any trademark or patent license agreement with respect to products sold by it.

3.23 Solvency. On the Closing Date, each Credit Party is Solvent. After giving effect to (a) the Loans to be made on the Closing Date or such other date as Loans requested hereunder are made, (b) the disbursement of the proceeds of such Loans pursuant to the instructions of Borrower, (c) the consummation of the transactions contemplated by the Reorganization Plan, and (d) the payment and accrual of all transaction costs in connection with the foregoing, each Credit Party is and will be Solvent.

3.24 [Intentionally Omitted].

3.25 [Intentionally Omitted].

3.26 [Intentionally Omitted].

3.27 Capitalization. On the Closing Date, after giving effect to consummation of the Reorganization Plan, the authorized Stock of Borrower shall consist of (a) 10,000,000 shares of Class A common stock, par value \$0.01 per share (such authorized shares of Class A common stock, together with any subsequently authorized shares of such common stock, the "Class A Common Stock") of which 2,870,948 shares are issued and outstanding and (b) 250,000 shares of Class B limited voting common stock, par value \$0.01 per share (such authorized shares of Class B limited voting common stock, together with any subsequently authorized shares of such common stock, the "Class B Common Stock") of which 232,780 shares are issued and outstanding. All such outstanding shares have been duly and validly issued, are fully paid and nonassessable and are free of preemptive rights. Except as set forth in Disclosure Schedule (3.27), on the Closing Date, Borrower does not have outstanding any Stock convertible into or exchangeable for its Stock or outstanding any rights to subscribe for or to purchase, or any options for the purchase of, or any agreement providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any character relating to, its Stock or any Stock appreciation or similar rights.

3.28 OFAC. No Credit Party (i) is a person whose property or interest in property is blocked or subject to blocking pursuant to Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by such executive order, or is otherwise associated with any such person in any manner violative of such executive order, or (iii) is a person on the list of Specially Designated Nationals and Blocked Persons (as defined in Executive Order 13224) or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

3.29 Patriot Act. Each Credit Party is in compliance with (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, and (ii) the Patriot Act. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

4 FINANCIAL STATEMENTS AND INFORMATION

4.1 Reports and Notices.

(a) Each Credit Party hereby agrees that from and after the Closing Date and until the Termination Date, it shall deliver to Agent or to Agent and Lenders, as required, the Financial Statements, Compliance Certificates, notices, Projections and other information at the times, to the Persons and in the manner set forth in Annex E.

(b) Each Credit Party hereby agrees that from and after the Closing Date and until the Termination Date, it shall deliver to Agent or to Agent and Lenders, as required, the various Collateral Reports at the times, to the Persons and in the manner set forth in Annex F.

4.2 Communication with Accountants. Each Credit Party authorizes (a) Agent and (b) so long as an Event of Default has occurred and is continuing, each Lender, to communicate directly with its independent certified public accountants, including BDO USA LLP, and authorizes and shall request those accountants to disclose and make available to Agent and each Lender any and all Financial Statements and other supporting financial documents, schedules and information relating to any Credit Party (including copies of any issued management letters) with respect to the business, results of operations, financial condition and other affairs of any Credit Party, provided that an officer of Borrower will be given the reasonable opportunity to participate in any direct communication with the Credit Parties' independent public accountants.

5 AFFIRMATIVE COVENANTS

Each Credit Party jointly and severally agrees as to all Credit Parties that from and after the Closing Date and until the Termination Date:

5.1 Maintenance of Existence and Conduct of Business. Each Credit Party shall: do or cause to be done all things necessary to preserve and keep in full force and effect its corporate or organizational existence (except to the extent permitted by Section 6.1) and its material rights and franchises, including, without limitation, all Telecommunications Approvals; continue to conduct its business substantially as now conducted or as otherwise permitted hereunder; and at all times maintain, preserve and protect all of its material assets and properties used or useful in the conduct of its business, and keep the same in reasonable repair, working order and condition in all material respects (taking into consideration ordinary wear and tear) and from time to time make, or cause to be made, all necessary or appropriate repairs, replacements and improvements thereto consistent with industry practices.

5.2 Payment of Charges.

(a) Subject to Section 5.2(b), each Credit Party shall pay and discharge or cause to be paid and discharged promptly all Charges payable by it, including (i) Charges imposed upon it, its income and profits, or any of its material property (real, personal or mixed) and all Charges with respect to tax, social security and unemployment withholding with respect to its employees, except such unpaid Charges which will not cumulatively in the aggregate for all unpaid Charges of all Credit Parties result in more than \$500,000 in liabilities for all Credit Parties combined, (ii) lawful claims for labor, materials, supplies and services or otherwise, and (iii) all storage or rental charges payable to warehousemen and bailees, in each case, before any thereof shall become past due, except in the case of clauses (ii) and (iii) where the failure to pay or discharge such Charges, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

(b) Each Credit Party may in good faith contest, by appropriate proceedings, the validity or amount of any Charges, Taxes or claims described in Section 5.2(a); provided, that (i) adequate reserves with respect to such contest are maintained on the books of such Credit Party, in accordance with GAAP, (ii) no Lien shall be imposed to secure payment of such Charges (other than payments to warehousemen and/or bailees) that is superior to any of the Liens securing payment of the Obligations and such contest is maintained and prosecuted continuously and with diligence and operates to suspend collection or enforcement of such Charges, (iii) none of the Collateral becomes subject to forfeiture or loss as a result of such contest, and (iv) such Credit Party shall promptly pay or discharge such contested Charges, Taxes or claims and all additional charges, interest, penalties and expenses, if any, and shall deliver to Agent evidence reasonably acceptable to Agent of such compliance, payment or discharge, if such contest is terminated or discontinued adversely to such Credit Party or the conditions set forth in this Section 5.2(b) are no longer met.

5.3 Books and Records. Each Credit Party shall keep adequate books and records with respect to its business activities in which proper entries, reflecting all financial transactions, are made in order to permit the preparation of financial statements in accordance with GAAP.

5.4 Insurance; Damage to or Destruction of Collateral.

(a) The Credit Parties shall, at their sole cost and expense, maintain (i) the policies of insurance described on Disclosure Schedule (3.18) as in effect on the date hereof or (ii) casualty insurance on all real and personal property on an all risks basis (including the perils of flood and quake), covering the repair and replacement cost of all such property and coverage for business interruption and public liability insurance (including products/completed operations liability coverage) in each case of the kinds customarily carried or maintained by Persons of established reputation engaged in similar businesses and in each case with insurers and in amounts reasonably acceptable to Agent (it being agreed that any insurer having an A.M. Best policy holders rating of at least "A- minus" shall be acceptable to Agent). Such policies of insurance shall contain provisions pursuant to which the insurer agrees to provide 30 days (or, in the case of cancellation for nonpayment of premium, 10 days') prior written notice to Agent in the event of any non-renewal, cancellation or amendment of any such insurance policy. Notwithstanding the requirement in subsection (a) hereof, Federal Flood Insurance shall not be required for (i) real property that is not required to be subject to a mortgage in favor of the Agent for the benefit of itself and the Lenders, (ii) real property not located in a Special Flood Hazard Area, or (iii) real property located in a Special Flood Hazard Area in a community that does not participate in the National Flood Insurance Program. If any Credit Party at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required above or to pay all premiums relating thereto, Agent may at any time or times thereafter obtain and maintain such policies of insurance and pay such premiums and take any other action with respect thereto that Agent reasonably deems advisable. Agent shall have no obligation to obtain insurance for any Credit Party or pay any premiums therefor. By doing so, Agent shall not be deemed to have waived any Default or Event of Default arising from any Credit Party's failure to maintain such insurance or pay any premiums therefor. All sums so disbursed, including reasonable attorneys' fees, court costs and other charges related thereto, shall be payable on demand by Borrower to Agent and shall be additional Obligations hereunder secured by the Collateral.

(b) Agent reserves the right at any time upon any change in any Credit Party's insurance risk profile (including any change in the product mix maintained by any Credit Party or any laws affecting the potential liability of such Credit Party) to require additional forms and limits of insurance to, in Agent's opinion, adequately protect both Agent's and Lenders' interests in all or any portion of the Collateral and to ensure that each Credit Party is protected by insurance in amounts and with coverage customary for its industry; provided that so long as no Event of Default has occurred and is continuing, the Credit Parties shall be required to obtain such additional forms and limits of insurance only on the annual renewal date of the applicable insurance policy (or on a date reasonably selected by Agent if there is no such annual renewal date). If reasonably requested by Agent, each Credit Party shall deliver to Agent from time to time a report of a reputable insurance broker, reasonably satisfactory to Agent, with respect to its insurance policies.

(c) Each Credit Party shall deliver to Agent, in form and substance reasonably satisfactory to Agent, certificates of insurance and endorsements to all general liability and other liability policies naming Agent, on behalf of itself and Lenders, as additional insured. Each Credit Party (other than a PUC Restricted Subsidiary) shall deliver to Agent, in form and substance reasonably satisfactory to Agent, certificates of insurance and endorsements to all “All Risk” and business interruption insurance naming Agent, on behalf of itself and Lenders, as lender’s loss payee (via a Lenders Loss Payable endorsement). Each Credit Party (other than a PUC Restricted Subsidiary) irrevocably makes, constitutes and appoints Agent (and all officers, employees or agents designated by Agent), so long as any Default or Event of Default has occurred and is continuing or the anticipated insurance proceeds exceed \$1,000,000, as each such Credit Party’s true and lawful agent and attorney-in-fact for the purpose of making, settling and adjusting claims under such “All Risk” policies of insurance, endorsing the name of each such Credit Party on any check or other item of payment for the proceeds of such “All Risk” policies of insurance and for making all determinations and decisions with respect to such “All Risk” policies of insurance. Agent shall have no duty to exercise any rights or powers granted to it pursuant to the foregoing power-of-attorney. Borrower shall promptly notify Agent and Lenders of any loss, damage or destruction to the Collateral in the amount of \$1,000,000 or more, whether or not covered by insurance, and if any Credit Party receives insurance proceeds in respect of any such loss, damage or destruction to the Collateral, it shall immediately pay them to Agent for application in accordance with this Section 5.4(c) (it being understood that proceeds of business interruption insurance shall be retained by the applicable Credit Party except during the occurrence and continuance of a Default or an Event of Default). After deducting from such proceeds the expenses, if any, incurred by Agent in the collection or handling thereof, Agent may, at its option, apply such proceeds to the reduction of the Obligations of Borrower in accordance with Section 1.3(c) or permit or require each Credit Party to use such money, or any part thereof, to promptly begin and diligently pursue the replacement, repair, restoration or rebuilding of the Collateral with materials and workmanship of substantially the same quality as existed before the loss, damage or destruction. Notwithstanding the foregoing, if the casualty giving rise to such insurance proceeds could not reasonably be expected to have a Material Adverse Effect and such insurance proceeds do not exceed \$ 1,500,000 in the aggregate, Agent shall permit the applicable Credit Party either to replace, restore, repair or rebuild the property or to reinvest such proceeds in revenue producing capital assets used in the businesses of the Credit Parties of the type engaged in by the Credit Parties as of the Closing Date, or businesses reasonably related thereto; provided that if such Credit Party has not completed or entered into binding agreements to complete such replacement, restoration, repair or rebuilding within 180 days following such casualty or has not consummated such reinvestment within 180 days following such casualty, Agent may apply such insurance proceeds to the Obligations of Borrower in accordance with Section 1.3(c). All insurance proceeds that are to be made available to any Credit Party to replace, repair, restore or rebuild such Collateral or to fund such reinvestment shall either be (x) deposited in a cash collateral account held by Agent or (y) applied by Agent to reduce the outstanding principal balance of the Revolving Loan (which application shall not result in a permanent reduction of the Revolving Loan Commitment) and upon such application, Agent shall establish a Reserve against the Borrowing Availability in an amount equal to the amount of such proceeds so applied. Thereafter, such funds shall be made available to Borrower to provide funds to replace, repair, restore or rebuild such Collateral or to fund such reinvestment as follows: (i) Borrower shall request a Revolving Credit Advance or release from such cash collateral account be made to fund such replacement, repair, restoration or rebuilding or to fund such reinvestment in the amount requested to be released; (ii) so long as the conditions in Section 2.2 have been met, Revolving Lenders shall make such Revolving Credit Advance or Agent shall release funds from such cash collateral account; and (iii) in the case of insurance proceeds applied against the Revolving Loan, the Reserve established with respect to such insurance proceeds shall be reduced by the amount of such Revolving Credit Advance. To the extent not used to replace, repair, restore or rebuild the Collateral or to fund such reinvestment, such insurance proceeds shall be applied in accordance with Section 1.3(c) and such Reserve shall be immediately utilized through the borrowing by Borrower of a Revolving Credit Advance, the proceeds of which shall be applied to prepay the Loans in accordance with Section 1.3(c).

5.5 Compliance with Laws. Each Credit Party shall comply in all respects with all federal, state, local and foreign laws and regulations applicable to it, including those relating to ERISA and labor matters, Communications Laws and Environmental Laws and Environmental Permits, except to the extent that the failure to comply, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Credit Party shall duly and timely comply in all respects with the provisions, terms and conditions of all Telecommunications Approvals, except to the extent that such failure, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.6 Supplemental Disclosure. From time to time as may be reasonably requested by Agent (which request will not be made more frequently than once each year absent the occurrence and continuance of a Default or an Event of Default), the Credit Parties shall supplement each Disclosure Schedule hereto, or any representation herein or in any other Loan Document, with respect to any matter hereafter arising that, if existing or occurring at the date of this Agreement, would have been required to be set forth or described in such Disclosure Schedule or as an exception to such representation or that is necessary to correct any information in such Disclosure Schedule or representation which has been rendered materially inaccurate thereby (and, in the case of any supplements to any Disclosure Schedule, such Disclosure Schedule shall be appropriately marked to show the changes made therein); provided that no such supplement to any such Disclosure Schedule or representation shall (x) amend, supplement or otherwise modify any Disclosure Schedule or representation, or (y) be deemed a waiver of any Default or Event of Default resulting from the matters disclosed therein, except as consented to by Agent and Requisite Lenders in writing and in the case of clause (x) except for changes permitted or required by Annex C and changes otherwise constituting matters expressly permitted or expressly contemplated by this Agreement.

5.7 Intellectual Property. Each Credit Party will conduct its business and affairs without infringement of or interference with any Intellectual Property of any other Person and shall comply with the terms of its Licenses, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.8 Environmental Matters. Each Credit Party shall and shall cause each Person within its control to: (a) conduct its operations and keep and maintain its Real Estate in compliance with all Environmental Laws and Environmental Permits other than noncompliance that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; (b) implement any and all investigation, remediation, removal and response actions that are appropriate or necessary to operate the Real Estate in the manner presently operated or to otherwise materially comply with Environmental Laws and Environmental Permits pertaining to the presence, generation, treatment, storage, use, disposal, transportation or Release of any Hazardous Material on, at, in, under, above, to, from or about any of its Real Estate; (c) notify Agent promptly after such Credit Party has actual knowledge of any violation of Environmental Laws or Environmental Permits or any Release on, at, in, under, above, to, from or about any Real Estate that is reasonably likely to result in Environmental Liabilities in excess of \$750,000; and (d) promptly forward to Agent a copy of any written order, notice, request for information or any communication or report received by such Credit Party in connection with any such violation or Release or any other matter relating to any Environmental Laws or Environmental Permits that could reasonably be expected to result in Environmental Liabilities in excess of \$750,000, in each case whether or not the Environmental Protection Agency or any other Governmental Authority has taken or threatened any action in connection with any such violation, Release or other matter. If Agent at any time has a reasonable basis to believe that there is a violation of any Environmental Laws or Environmental Permits by any Credit Party or any Environmental Liability arising thereunder, or a Release of Hazardous Materials on, at, in, under, above, to, from or about any of its Real Estate, that, in each case, could reasonably be expected to have a Material Adverse Effect, then each Credit Party shall, upon Agent's written request (i) cause the performance of such environmental audits relating to the suspected violation or Release, including subsurface sampling of soil and groundwater, and preparation of such environmental reports, at Borrower's expense, as Agent may from time to time reasonably request, which shall be conducted by reputable environmental consulting firms reasonably acceptable to Agent and shall be in form and substance reasonably acceptable to Agent, and (ii) permit Agent or its representatives to have access to all Real Estate for the purpose of conducting such environmental audits and testing as Agent deems reasonably appropriate relating to the suspected violation or Release, including subsurface sampling of soil and groundwater. Borrower shall reimburse Agent for the costs of such audits and tests and the same will constitute a part of the Obligations secured hereunder.

5.9 Landlords' Agreements, Mortgagee Agreements, Bailee Letters and Real Estate Purchases. Each Credit Party shall use commercially reasonable efforts to obtain a landlord's agreement, mortgagee agreement or bailee letter, as applicable, from the lessor of each leased property, mortgagee of owned property or bailee with respect to any warehouse, processor or converter facility or other location where Collateral having a value, individually or in the aggregate, in excess of \$100,000 is stored or located, which agreement or letter shall contain a waiver or subordination of all Liens or claims that the landlord, mortgagee or bailee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to Agent. No real property or warehouse space shall be leased having annual rental payments in excess of \$250,000 by any Credit Party and no Inventory (other than Inventory of a PUC Restricted Subsidiary) shall be shipped to a processor or converter under arrangements established without the prior written consent of Agent, unless and until a satisfactory landlord agreement or bailee letter, as appropriate, shall first have been obtained with respect to such location. To the extent permitted hereunder, if any Credit Party (other than a PUC Restricted Subsidiary) proposes to acquire a fee ownership interest or leasehold interest in any Material Real Estate, it shall concurrently provide to Agent a mortgage or deed of trust or leasehold mortgage or deed of trust, as applicable, granting Agent a first priority Lien on such Real Estate or leasehold interest therein, as applicable, together with environmental audits, mortgage title insurance commitment, real property survey, local counsel opinion(s), and, if required by Agent, supplemental casualty insurance and flood insurance, and such other documents, instruments or agreements, in each case, reasonably requested by Agent, and in each case, in form and substance reasonably satisfactory to Agent. In addition, if any Real Property owned or leased by any Credit Party (other than a PUC Restricted Subsidiary) shall subsequently become or be determined to be Material Real Estate, promptly following a request from Agent, such Credit Party shall provide to Agent a mortgage or deed of trust or leasehold mortgage or deed of trust, as applicable, granting Agent a first priority Lien on such Real Estate, or leasehold interest therein, as applicable, together with environmental audits, mortgage title insurance commitment, real property survey, local counsel opinion(s), and, if required by Agent, supplemental casualty insurance and flood insurance, and such other documents, instruments or agreements, in each case, reasonably requested by Agent, and in each case, in form and substance reasonably satisfactory to Agent.

5.10 [Intentionally Omitted] .

5.11 CoBank Capital. So long as CoBank is a Lender hereunder, Borrower will acquire or maintain ownership of non-voting participation certificates in CoBank in such amounts and at such times as CoBank may require in accordance with CoBank's Bylaws and Capital Plan (as each may be amended from time to time), except that the maximum amount of non-voting participation certificates that Borrower may be required to purchase in CoBank in connection with the Loans may not exceed the maximum amount permitted by the Bylaws at the time this Agreement is entered into. The rights and obligations of the parties with respect to such non-voting participation certificates and any distributions made on account thereof or on account of Borrower's patronage with CoBank shall be governed by CoBank's Bylaws. Borrower hereby consents and agrees that the amount of any distributions with respect to its patronage with CoBank that are made in qualified written notices of allocation (as defined in 26 U.S.C. § 1388) and that are received by Borrower from CoBank, will be taken into account by Borrower at the stated dollar amounts whether the distribution is evidenced by a participation certificate or other form of written notice that such distribution has been made and recorded in the name of Borrower on the records of CoBank. CoBank's Pro Rata Share of the Loans and other Obligations due to CoBank shall be secured by a statutory first lien on all equity which Borrower may now own or hereafter acquire in CoBank. Such equity shall not, however, constitute security for the Obligations due to any other Lender. CoBank shall not be obligated to set off or otherwise apply such equities to Borrower's obligations to CoBank.

5.12 Further Assurances. Each Credit Party agrees that it shall and shall cause each other Credit Party to, at such Credit Party's expense and upon request of Agent or Requisite Lenders, duly execute and deliver, or cause to be duly executed and delivered, to Agent and Lenders such further instruments and do and cause to be done such further acts as may be necessary or proper in the reasonable opinion of Agent or Requisite Lenders to carry out more effectively the provisions and purposes of this Agreement and each other Loan Document.

5.13 Subsidiaries and Collateral. The Credit Parties will take such action from time to time as shall be necessary to ensure that (i) all Subsidiaries of Borrower are Credit Parties hereunder, (ii) all Subsidiaries of Borrower (other than a PUC Restricted Subsidiary) are Guarantors under the Guaranty and Security Agreement and (iii) Borrower and all Subsidiaries of Borrower (other than a PUC Restricted Subsidiary) are Grantors under the Guaranty and Security Agreement and Agent (for the benefit of itself and the Lenders) has first priority perfected Liens (subject to Permitted Encumbrances), in substantially all the assets of Borrower and such Subsidiaries, consistent with the provisions of the Guaranty and Security Agreement.

5.14 [Intentionally Omitted].

5.15 Change of Law Applicable to Mid-Maine Telecom.

(a) Mid-Maine Telecom shall execute and deliver to Agent (i) a guaranty substantially in the form of the guaranty contained in the Guaranty and Security Agreement (or a Joinder Agreement) not later than 30 days after Mid-Maine Telecom shall have obtained knowledge that Mid-Maine Telecom shall not be required by applicable law to obtain consent from the PUC in the State of Maine in order to execute and deliver such a guaranty and (ii) a security agreement substantially in the form of the Guaranty and Security Agreement (or a Joinder Agreement) not later than 30 days after Mid-Maine Telecom shall not be required by applicable law to obtain consent from the PUC in the State of Maine in order to execute and deliver such a security agreement.

(b) Upon the execution and delivery by Mid-Maine Telecom of (i) the guaranty (or Joinder Agreement) referred to in paragraph (a) of this Section 5.15 and (ii) the security agreement (or Joinder Agreement) referred to in paragraph (a) of this Section 5.15, any provision in the Loan Documents that specifically excludes Mid-Maine Telecom shall, *mutatis mutandis*, be deemed to also apply to Mid-Maine Telecom.

(c) The Credit Parties shall notify Agent and the Lenders promptly upon obtaining knowledge that Mid-Maine Telecom will be required to execute and deliver documents pursuant to the foregoing clauses of this Section 5.15. In such event, if and to the extent reasonably requested by Agent or Requisite Lenders, Mid-Maine Telecom will cause to be delivered to Agent and Lenders all other relevant documentation of the type described in Section 2 and the Closing Checklist with respect thereto.

5.16 Change of Law Applicable to War Telephone.

(a) War Telephone shall execute and deliver to Agent (i) a guaranty substantially in the form of the guaranty contained in the Guaranty and Security Agreement (or a Joinder Agreement) not later than 30 days after War Telephone shall have obtained knowledge that War Telephone shall not be required by applicable law to obtain consent from the PUC in the State of West Virginia in order to execute and deliver such a guaranty and (ii) a security agreement substantially in the form of the Guaranty and Security Agreement (or a Joinder Agreement) not later than 30 days after War Telephone shall not be required by applicable law to obtain consent from the PUC in the State of West Virginia in order to execute and deliver such a security agreement.

(b) The Borrower shall execute and deliver to Agent a Pledge Amendment (as defined in the Guaranty and Security Agreement) and shall pledge all of the Stock of War Telephone pursuant to the terms of the Guaranty and Security Agreement not later than 30 days after the Borrower shall have obtained knowledge that War Telephone shall not be required by applicable law to obtain consent from the PUC in the State of West Virginia in order for its Stock to be pledged to Agent under the Guaranty and Security Agreement.

(c) Upon the execution and delivery by War Telephone of (i) the guaranty (or Joinder Agreement) referred to in paragraph (a) of this Section 5.16 and (ii) the security agreement (or Joinder Agreement) referred to in paragraph (a) of this Section 5.16, any provision in the Loan Documents that specifically excludes War Telephone shall, *mutatis mutandis*, be deemed to also apply to War Telephone.

(d) The Credit Parties shall notify Agent and the Lenders promptly upon obtaining knowledge that War Telephone will be required to execute and deliver documents pursuant to the foregoing clauses of this Section 5.16. In such event, if and to the extent reasonably requested by Agent or Requisite Lenders, War Telephone will cause to be delivered to Agent and Lenders all other relevant documentation of the type described in Section 2 and the Closing Checklist with respect thereto.

5.17 Post-Closing Regulatory Deliverables.

(a) Within thirty (30) days after the Closing Date, Borrower shall cause to be delivered to Agent copies of (i) the consummation notices filed with the FCC regarding the transfer of control of the international Section 214 authorizations; (ii) notices to the FCC of pro forma assignment of wireless telecommunications licenses from the Debtor-in-Possession to Otelco or appropriate subsidiary entities; and (iii) evidence of the filing of such notices.

(b) Within thirty (30) days after receipt of FCC approval of assignment of private wireless licenses from the Debtor-in-Possession to Otelco or appropriate subsidiary entities, Borrower shall cause to be delivered to Agent copies of consummation notices filed with the FCC with respect to such assignment of licenses.

(c) Within thirty (30) days after the Closing Date, Borrower shall cause to be delivered to Agent a copy of the post-closing notification of the transaction sent to the Public Service Commission of West Virginia.

(d) Within 180 days after the Closing Date (or such later date as agreed to by Agent in its sole discretion), Borrower shall cause to be delivered to Agent a landlord's agreement from the lessor of each leased property set forth on Schedule 5.17, which agreement shall contain a waiver or subordination of all Liens or claims that the landlord may assert against the Collateral at that location and shall otherwise be reasonably satisfactory in form and substance to Agent; provided that this covenant shall be deemed to be satisfied if the Borrower uses its commercially reasonable efforts to deliver such landlord's agreements (whether or not any such landlord's agreements are delivered).

5.18 Sale Covenant.

(a) In the event that either (i) the Borrower's Consolidated Total Leverage Ratio, at the end of any Fiscal Quarter, is more than 4.25 to 1.00 or (ii) an Event of Default shall have occurred under Section 8.1(a) hereof (the events described in the foregoing subsection (i) and (ii) are referred to herein as a "Trigger Event" or "Trigger Events"), the Borrower and its Subsidiaries shall within one hundred and eighty (180) days of the occurrence of a Trigger Event (the "Initial Outside Date"), effectuate the sale of their assets or equity interests (a "Liquidity Transaction"). Notwithstanding anything to the contrary contained herein, nothing herein shall constitute or be deemed to constitute (i) a consent by the Agent or any Lender to a Liquidity Transaction under this Section 5.18 or otherwise or (ii) an agreement by the Agent or any Lender to accept an amount less than the full amount of all Obligations in satisfaction of the claims and obligations hereunder. Notwithstanding anything herein to the contrary, any Credit Party's determination as to whether to consummate any Liquidity Transaction shall be determined by the Credit Party's board of directors in the exercise of such board of directors' reasonable business judgment, which determination and business judgment shall take into consideration the board of directors' fiduciary duties and its obligations, if any, to the Credit Party's stockholders and creditors.

(b) In furtherance of the Liquidity Transaction under Section 5.18(a), (i) on or prior to the date which is forty-five (45) days after the occurrence of a Trigger Event, the Credit Parties shall engage a nationally recognized investment bank selected by the Borrower (the "Investment Bank") that is reasonably satisfactory to the Requisite Lenders and who has been retained pursuant to an engagement letter whose final form has been disclosed to the Agent, and has been executed in a form reasonably satisfactory to the Agent, (ii) on or prior to the date which is seventy-five (75) days after the occurrence of a Trigger Event, the Borrower shall have distributed to prospective buyers and prospective investors (or to the Investment Bank for distribution to such buyers and investors) a confidential information memorandum for the potential Liquidity Transaction in customary form and in a form approved by the Investment Bank, (iii) on or prior to the date which is one hundred thirty (130) days after the occurrence of a Trigger Event, the Borrower shall have received final bids related to the Liquidity Transaction; (iv) on or prior to the date which is one hundred forty-five (145) days after the occurrence of a Trigger Event, the Borrower shall have selected the final bidder or bidders for the Liquidity Transaction; and (v) on or prior to the Initial Outside Date, the Liquidity Transaction shall have been consummated. Notwithstanding anything herein to the contrary, any Credit Party's determination as to whether to consummate any Liquidity Transaction shall be determined by the Credit Party's board of directors in the exercise of such board of directors' reasonable business judgment, which determination and business judgment shall take into consideration the board of directors' fiduciary duties and its obligations, if any, to the Credit Party's stockholders and creditors. If (i) Governmental Authorization for the Liquidity Transaction has not been obtained or (ii) the waiting period (and extensions thereof) applicable to the Liquidity Transaction under the Hart-Scott Rodino Antitrust Improvement Act of 1976 have not expired or been early terminated by the Initial Outside Date and the Borrower is working in good faith to obtain such approval, expiration or termination, as the case may be, the Borrower may extend the Initial Outside Date for a period of up to one hundred twenty (120) days by giving notice of such extension to the Agent or alternatively, if stockholder approval of the Liquidity Transaction has not been obtained by the Initial Outside Date and the Borrower is working in good faith to obtain such approval, provided the Borrower has executed a definitive, written agreement memorializing the Liquidity Transaction, on or prior to the date which is one hundred eighty (180) days after the occurrence of a Trigger Event, the Borrower may extend the Initial Outside Date for a period of forty-five (45) days by giving notice of such extension to the Agent. The Initial Outside Date may be extended solely to the extent necessary to enable the Borrower to obtain the applicable Governmental Authorization, stockholder approval or expiration or termination for the Liquidity Transaction and in no event shall the Initial Outside Date be extended by more than one hundred twenty (120) days in the aggregate.

(c) Subject to the execution by the Agent and its advisors and Borrower of a mutually acceptable confidentiality agreement and applicable law, the Borrower will at all times keep the Agent and its advisors reasonably informed as to the status of the pursuit of a Liquidity Transaction and will in any event provide current and frequent (no less frequently than twice per month and in any event promptly following the occurrence of a material event in connection with the pursuit of a Liquidity Transaction) updates of the amount, number and status of all bids, the range of values of the Borrower reflected in bids or refinancing proposals, the timing and occurrence of visits by representatives of prospective buyers or investors, copies of all management presentations and sale memorandum submitted to prospective buyers or investors, copies of letters of intent or final commitment letters submitted by prospective buyers and investors and copies of all draft and final material documents for the Liquidity Transaction, provided, that until delivery of final letters of intent or final commitment letters, as the case may be, the Borrower may redact the names (and other identifying information) of the prospective buyers and investors, at which time the Borrower shall disclose the name of the prospective buyer or investor providing such final document. At the written request of the Agent or the Requisite Lenders, the Borrower will participate in conference calls (at times to be mutually agreed with the Borrower, such agreement not to be unreasonably withheld or delayed) with the Lenders and the Agent regarding the progress of the pursuit of the Liquidity Transaction; provided, such calls shall not occur more than twice per month and any such call shall constitute the fulfillment of the requirement to keep the Lenders informed as to the status of the pursuit of a Liquidity Transaction required by this Section 5.18(c), but shall not be deemed to fulfill any document delivery requirements under this Section 5.18(c). All requests for information by the Lenders relative to the Liquidity Transaction shall be made either through the Agent or at such conference calls.

(d) Without limitation of the foregoing, the Borrower shall be deemed to have fulfilled its twice per month reporting obligations under Section 5.18(c) if the Borrower on a twice per month basis from and after the occurrence of a Trigger Event, shall deliver to the Agent, which reports and information are subject to the Agent's and each Lender's confidentiality requirements pursuant to Section 11.8 and applicable law, an updated chart prepared by the Borrower or the Investment Bank, in form and substance reasonably satisfactory to the Agent, for each prospective buyer and investor (whose names and other identifying information may be redacted until delivery of a final letter of intent or commitment letter, as the case may be, in which the name and other identifying information of the prospective buyer or investor providing such final document shall be disclosed) that has been contacted by the Investment Bank, (i) whether and/or when a teaser letter was sent to any such prospective buyer or investor, (ii) whether and/or when the prospective buyer or investor entered into a confidentiality agreement, (iii) whether and/or when a sale memorandum was delivered to any such prospective buyer, (iv) whether and/or when the prospective buyer or investor delivered a written indication of interest (or any revised version), (v) whether and/or when the prospective buyer or investor delivered a letter of intent or commitment letter or term sheet (or any revised version), (vi) to the extent such information is contained in similar charts prepared by the Investment Bank for distribution to representatives of the Credit Parties, the dates and, to the extent not prohibited by an agreement or by applicable law, the substance of communications between any representatives of the Credit Parties and representatives of the prospective buyer or investor and (vii) to the extent such information is contained in similar charts prepared by the Investment Bank for distribution to representatives of the Credit Parties, any other material information relating to the status of the prospective buyer's or investor's participation in the sale process.

6 NEGATIVE COVENANTS

Each Credit Party jointly and severally agrees as to all Credit Parties that from and after the Closing Date until the Termination Date:

6.1 Mergers, Subsidiaries, Etc. No Credit Party shall directly or indirectly, by operation of law or otherwise, (x) form or acquire any Subsidiary, or (y) merge with, consolidate with, acquire all or substantially all of any division, unit or business of, acquire all or substantially all of the assets of, acquire all or a substantial portion of the Stock of, or otherwise combine with or acquire, any Person, whether in a single transaction or a series of related transactions, individually or together with any other Credit Parties, except, so long as no Default or Event of Default has occurred and is continuing or would result therefrom, (A) any Subsidiary of Borrower may merge or consolidate with or convey all or substantially all of its assets to Borrower provided that Borrower is the surviving entity from any such transaction, (B) any Subsidiary of Borrower may merge or consolidate with or convey all or substantially all of its assets to a Subsidiary Guarantor provided that such Subsidiary Guarantor is the surviving entity from any such transaction and (C) Borrower or any Subsidiary of Borrower may form a Subsidiary organized under the laws of the United States so long as contemporaneously therewith such Subsidiary becomes a Credit Party, becomes a Subsidiary Guarantor and grants a Lien on its assets to Agent in accordance with Section 5.13.

6.2 Investments; Loans and Advances. Except as otherwise expressly permitted by this Section 6, no Credit Party shall make or permit to exist any Investment in any Person, except:

(a) Investments comprised of (i) notes payable, or stock or other securities issued by Account Debtors to the Credit Parties pursuant to negotiated agreements with respect to settlement of such Account Debtor's Accounts in the ordinary course of business and (ii) Investments received in connection with the bankruptcy or reorganization of suppliers or customers and in settlement of delinquent obligations of, and other disputes with, suppliers or customers arising in the ordinary course of business;

(b) Investments existing on the Closing Date and listed on Disclosure Schedule (6.2);

(c) so long as Agent has not delivered an Activation Notice, Borrower may make Investments, subject to Control Letters in favor of Agent for the benefit of Lenders or otherwise subject to a perfected security interest in favor of Agent for the benefit of Lenders, in (i) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency thereof maturing within one year from the date of acquisition thereof, (ii) commercial paper maturing no more than one year from the date of creation thereof and currently having the highest rating obtainable from either Standard & Poor's Corporation or Moody's, (iii) certificates of deposit maturing no more than one year from the date of creation thereof issued by commercial banks incorporated under the laws of the United States of America, each having combined capital, surplus and undivided profits of not less than \$300,000,000 and having a senior unsecured rating of "A" or better by a nationally recognized rating agency (an "A Rated Bank"), (iv) time deposits maturing no more than 30 days from the date of creation thereof with A Rated Banks, (v) mutual funds that invest substantially all their assets in one or more of the Investments described in clauses (i) through (iv) above, and (vi) others approved by Agent in its reasonable discretion;

(d) any Credit Party may make capital contributions to any other Credit Party; provided that the aggregate amount of (i) all capital contributions to, intercompany loans to and other Investments in the PUC Restricted Subsidiaries made after the Closing Date shall not at any time exceed \$3,000,000 for all Credit Parties combined and (ii) all intercompany loans by each PUC Restricted Subsidiary shall not at any time exceed such amounts permitted under Section 6.3(a)(viii)(F);

(e) intercompany loans and advances by any Credit Party to any other Credit Party to the extent permitted by Section 6.3(a)(viii);

(f) [Intentionally Omitted];

(g) Investments consisting of deferred payment obligations received as consideration from Asset Sales effected in accordance with the requirements of Section 6.8, so long as such Investments do not in the aggregate exceed \$500,000 at any time for all Credit Parties combined;

(h) prepaid expenses, negotiable instruments held for collection and lease, and utility and workers' compensation, performance and other similar deposits, in each case, created in the ordinary course of business;

(i) Guaranteed Indebtedness permitted by Section 6.6;

(j) [Intentionally Omitted];

(k) Loans and advances to employees of any Credit Party in the ordinary course of business, in each case to the extent permitted by Section 6.4(b);

(l) other Investments by the Credit Parties not exceeding \$2,000,000 in the aggregate at any time outstanding for all Credit Parties combined, provided that this Section 6.2(l) shall not be applicable to Investments in a PUC Restricted Subsidiary.

6.3 Indebtedness.

(a) No Credit Party shall create, incur, assume or permit to exist any Indebtedness, except (without duplication):

(i) Indebtedness secured by purchase money security interests and Capital Leases permitted in Section 6.7(c) and refinancings thereof or amendments or modifications thereof that do not have the effect of increasing the principal amount thereof or changing the amortization thereof (other than to extend the same) and that are otherwise on terms and conditions no less favorable to any Credit Party, Agent or any Lender, as determined by Agent, than the terms of the Indebtedness or Capital Lease being refinanced, amended or modified;

(ii) the Loans and the other Obligations;

(iii) unfunded pension fund and other employee benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law;

(iv) existing Indebtedness described in Disclosure Schedule (6.3) and refinancings thereof or amendments or modifications thereof that do not have the effect of increasing the principal amount thereof or changing the amortization thereof (other than to extend the same) and that are otherwise on terms and conditions no less favorable to any Credit Party, Agent or any Lender, as determined by Agent, than the terms of the Indebtedness being refinanced, amended or modified;

(v) [Intentionally Omitted];

(vi) [Intentionally Omitted];

(vii) [Intentionally Omitted];

(viii) Indebtedness consisting of intercompany loans and advances made by a Credit Party to any other Credit Party; provided, that: (A) the Credit Party that is the recipient of any intercompany loan or advance (for purposes of this paragraph, the “Obligor”) shall have executed and delivered a demand note in the form of Exhibit 6.3(a)(viii) (an “Intercompany Note”) to evidence any such intercompany Indebtedness owing at any time to the Credit Party providing such intercompany loan or advance (for purposes of this paragraph, the “Holder”), which Intercompany Note shall be pledged and delivered to Agent pursuant to the Guaranty and Security Agreement as additional collateral security for the Obligations (except for any such Intercompany Note executed and delivered to a PUC Restricted Subsidiary); (B) Borrower, the applicable Obligor and the applicable Holder shall record all intercompany transactions on its respective books and records in a manner reasonably satisfactory to Agent; (C) the obligations of the applicable Obligor and the applicable Holder under any such Intercompany Note shall be subordinated to the Obligations of Borrower and each other Credit Party hereunder in accordance with the terms of the Intercompany Note; (D) at the time any such intercompany loan or advance is made by any Credit Party and after giving effect thereto, Borrower and such Credit Party shall be Solvent; (E) Agent has not delivered a notice to Borrower prohibiting such intercompany loans and advances following the occurrence and during the continuance of a Default or Event of Default; and (F) the aggregate amount of (I) intercompany loans to, capital contributions to and other Investments in the PUC Restricted Subsidiaries made after the Closing Date shall not at any time exceed \$1,000,000 for all Credit Parties combined and (II) intercompany loans by the PUC Restricted Subsidiaries shall not at any time exceed \$1,000,000 for all PUC Restricted Subsidiaries combined;

(ix) [Intentionally Omitted];

(x) [Intentionally Omitted];

(xi) Guaranteed Indebtedness permitted by Section 6.6;

(xii) [Intentionally Omitted];

(xiii) Indebtedness constituting temporary bank overdrafts in the ordinary course of business that are promptly repaid;

(xiv) [Intentionally Omitted];

(xv) [Intentionally Omitted];

(xvi) additional unsecured Indebtedness of Borrower, so long as (A) the aggregate outstanding principal amount thereof does not exceed \$2,500,000 at any time, (B) the Indebtedness accrues interest at a market rate of interest, (C) no Default or Event of Default has occurred and is continuing or would result as of the date of issuance thereof, (D) on a Pro Forma Basis after giving effect to the Incurrence of such Indebtedness, the Credit Parties shall be in compliance with the Financial Covenants, and (E) Borrower shall have furnished to Agent and Lenders prior to the Incurrence thereof a certificate from a Responsible Officer of Borrower certifying as to compliance with the requirements of the preceding clauses (A), (B), (C) and (D) and containing the calculations demonstrating compliance with the preceding clause (D).

(b) No Credit Party shall, directly or indirectly, voluntarily purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness, other than (i) the Obligations; (ii) Indebtedness secured by a Permitted Encumbrance if the asset securing such Indebtedness has been sold or otherwise disposed of in accordance with Sections 6.8(b) or (c); (iii) Indebtedness permitted by Section 6.3(a)(iv) upon any refinancing thereof in accordance with Section 6.3(a)(iv); (iv) Indebtedness permitted by Sections 6.3(a)(i) and (viii) so long as no Default or Event of Default has occurred and is continuing or would result therefrom; (vi) Indebtedness permitted by Section 6.3(a)(iii); and (vii) as otherwise permitted in Section 6.14.

6.4 Employee Loans and Affiliate Transactions.

(a) Except as otherwise expressly permitted in this Section 6 with respect to Affiliates and except for transactions referred to on Disclosure Schedule (6.4(a)), no Credit Party shall enter into or be a party to any transaction with any other Credit Party or any Affiliate thereof except in the ordinary course of, and pursuant to the reasonable requirements of, such Credit Party's business and upon fair and reasonable terms that are no less favorable to such Credit Party than would be obtained in a comparable arm's length transaction with a Person not an Affiliate of such Credit Party. In addition, if any such transaction or series of related transactions, except for such transactions between Borrower and any Subsidiary Guarantor or between Subsidiary Guarantors in the ordinary course of business, involves payments in excess of \$1,000,000 in the aggregate, the terms of these transactions must be disclosed in advance to Agent and Lenders. All such transactions existing as of the date hereof are described in Disclosure Schedule (6.4(a)).

(b) No Credit Party shall enter into any lending or borrowing transaction with any employees of any Credit Party, except loans to its respective employees on an arm's-length basis in the ordinary course of business consistent with past practices for travel and entertainment expenses, relocation costs and similar purposes and stock purchase and option financing up to a maximum of \$1,000,000 in the aggregate at any one time outstanding for all Credit Parties combined.

6.5 Capital Structure and Business.

(a) No Credit Party shall:

(i) permit any Person (other than Borrower or any Credit Party that is a Grantor under the Guaranty and Security Agreement) to own any Stock of any Subsidiary of Borrower;

(ii) issue or sell any Stock to any Person, except that:

(A) any Subsidiary of Borrower may issue Stock to Borrower or any Grantor under the Guaranty and Security Agreement;

(B) Borrower may issue or sell its Class A Common Stock for Fair Market Value so long as no Change of Control occurs after giving effect thereto, no holding company of Borrower exists after giving effect thereto and such Class A Common Stock is issued for cash and not later than 90 days after the date of issuance thereof the Net Cash Proceeds from the issuance thereof are applied (1) to finance a permitted Consolidated Capital Expenditure, or (2) to prepay the Loans as required by Section 1.3(b)(iii); and

(b) No Credit Party shall amend its charter, bylaws, operating agreement or other organizational documents. Each Credit Party that is a limited liability company agrees that at all times (i) the limited liability company interests, membership interests, units or other interests in such Credit Party shall be represented by one or more certificates and (ii) such certificates and such Credit Party's operating agreement or other organizational documents shall expressly provide that it is a security governed by Article 8-102 of the Code.

(c) No Credit Party shall engage in any business other than the businesses engaged in by it on the Closing Date or businesses reasonably related or ancillary thereto.

6.6 Guaranteed Indebtedness. No Credit Party shall create, incur, assume or permit to exist any Guaranteed Indebtedness except:

(a) Guaranteed Indebtedness by endorsement of instruments or items of payment for deposit to the general account of any Credit Party;

(b) Guaranteed Indebtedness incurred for the benefit of any other Credit Party if the primary obligation of such other Credit Party is permitted by this Agreement, provided that if the payment of such primary obligation is subordinated to the payment of any of the Obligations, then the payment of such Guaranteed Indebtedness shall be subordinated to the payment of the Obligations on the same basis that such primary obligation is so subordinated;

(c) Guaranteed Indebtedness existing on the Closing Date and described in Disclosure Schedule 6.6;

(d) the Guaranties;

(e) Guaranteed Indebtedness incurred in the ordinary course of business of a Credit Party with respect to surety and appeal bonds, performance and return-of-money bonds and other similar obligations of such Credit Party up to \$500,000 in the aggregate for all Credit Parties combined;

(f) Guaranteed Indebtedness arising under indemnity agreements with title insurers to cause such title insurers to issue in favor of Agent mortgagee title insurance policies;

(g) [Intentionally Omitted]; and

(h) additional Guaranteed Indebtedness of the Credit Parties not to exceed an aggregate outstanding principal amount of \$500,000 at any time for all Credit Parties combined.

6.7 Liens. No Credit Party shall create, incur, assume or permit to exist any Lien on or with respect to its Accounts or any of its other properties or assets (whether now owned or hereafter acquired) except for:

(a) Permitted Encumbrances;

(b) Liens in existence on Closing Date and summarized on Disclosure Schedule (6.7) securing Indebtedness described on Disclosure Schedule (6.3) and permitted refinancings, extensions and renewals thereof, including extensions or renewals of any such Liens; provided that the principal amount so secured is not increased and the Lien does not attach to any other property;

(c) Liens created after the Closing Date by conditional sale or other title retention agreements (including Capital Leases) or in connection with purchase money Indebtedness with respect to Equipment and Fixtures acquired by any Credit Party in the ordinary course of business or in connection with purchase money Indebtedness, involving the Incurrence of an aggregate amount of purchase money Indebtedness (including any assumed purchase money Indebtedness) and Capital Lease Obligations (including any assumed Capital Lease Obligations) of not more than \$3,000,000 outstanding at any one time for all such Liens for all Credit Parties combined (provided that such Liens attach only to the assets subject to such purchase money Indebtedness and such Indebtedness is incurred within ninety (90) days following such purchase and does not exceed 100% of the purchase price of the subject assets);

(d) leases and subleases of Real Property of a Credit Party granted to others which do not materially interfere with the ordinary conduct of the business of Borrower or any of its Subsidiaries; and

(e) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by Borrower and its Subsidiaries in the ordinary course of business.

In addition, no Credit Party shall become a party to any agreement, note, indenture or instrument, or take any other action, that would prohibit the creation of a Lien on any of its properties or other assets in favor of Agent, on behalf of itself and Lenders, as additional collateral for the Obligations, except (i) operating leases, Capital Leases, Licenses and agreements evidencing purchase money Indebtedness, in each case which only prohibit Liens upon the assets that are subject thereto, (ii) customary non-assignment clauses in agreements entered into in the ordinary course of business, (iii) contracts for the sale of assets permitted by Section 6.8, and (iv) restrictions imposed by applicable law.

6.8 Sale of Stock and Assets. No Credit Party shall sell, lease, license, transfer, convey, assign or otherwise dispose of, in a single transaction or a series of related transactions, any of its Properties or other assets, including the Stock of any of its Subsidiaries (whether in a public or a private offering or otherwise) or any of its Accounts (each, an “Asset Sale”), other than:

(a) the sale of Inventory in the ordinary course of business;

(b) the sale, transfer, conveyance or other disposition by a Credit Party of Equipment, Fixtures or Real Estate that are obsolete, surplus or no longer used or useful in such Credit Party's business and having a book value not exceeding \$500,000 in any single transaction or \$1,000,000 in the aggregate in any Fiscal Year for all Credit Parties combined;

(c) the sale of other Equipment and Fixtures having a book value not exceeding \$500,000 in any single transaction or \$1,000,000 in the aggregate in any Fiscal Year for all Credit Parties combined;

(d) the sale of Investments permitted by Section 6.2(c) in the ordinary course of business;

(e) the sale of Investments acquired in settlements or bankruptcies of customers and suppliers;

(f) Sale/Leaseback Transactions permitted by and entered into in accordance with Section 6.12;

(g) dispositions of customer accounts by a Credit Party in connection with compromise or collections in the ordinary course of business;

(h) leases and subleases permitted under Section 6.7(d);

(i) transfers of assets by Borrower or any Subsidiary thereof to Borrower or any Subsidiary Guarantor;

(j) Restricted Payments permitted by Section 6.14;

(k) Condemnations and casualties; and

(l) [Intentionally Omitted];

provided that each Asset Sale pursuant to the foregoing clauses of this Section 6.8 (other than clauses (j) and (k)) shall be for Fair Market Value and (other than Section 6.8(i)) for proceeds consisting of at least 75% cash or, solely in the case of Section 6.8(m), 100% cash. With respect to any Asset Sale permitted by this Section 6.8 (other than Sections 6.8(h), (j) and (k)), subject to Section 1.3(b), Agent agrees on reasonable prior written notice to release its Lien on such assets or other properties in order to permit the applicable Credit Party to effect such disposition and shall execute and deliver to Borrower, at Borrower's expense, appropriate documentation to acknowledge the release of Lien in respect thereof as reasonably requested by Borrower.

6.9 ERISA. No Credit Party shall, or shall cause or permit any ERISA Affiliate to, cause or permit to occur (i) an event that could result in the imposition of a Lien under Section 412 or 430 of the IRC or Section 302, 303 or 4068 of ERISA or (ii) an ERISA Event to the extent such ERISA Event could reasonably be expected to result in taxes, penalties or other liability of \$1,000,000 in the aggregate.

6.10 Financial Covenants. Borrower shall not breach or fail to comply with any of the Financial Covenants.

6.11 Hazardous Materials. No Credit Party shall cause or permit a Release of any Hazardous Material on, at, in, under, above, to, from or about any of the Real Estate where such Release would (a) violate in any respect, or form the basis for any Environmental Liabilities under, any Environmental Laws or Environmental Permits or (b) otherwise adversely impact any Credit Party's ability to use any of the Real Estate or any of the Collateral, in each case in the operation of its business, other than such violations or Environmental Liabilities that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.12 Sale/Leasebacks. No Credit Party shall engage in any Sale/Leaseback Transaction, synthetic lease or similar transaction involving any of its assets, except that within ninety (90) days following the date on which any Equipment or Fixtures are put in service by any Credit Party, such Credit Party may enter into a Sale/Leaseback Transaction with respect to such Equipment or Fixtures to the extent permitted by Section 6.7(c).

6.13 Cancellation of Indebtedness. No Credit Party shall cancel any claim or debt owing to it, except for reasonable consideration negotiated on an arm's-length basis and in the ordinary course of its business.

6.14 Restricted Payments. No Credit Party shall make any Restricted Payment, except that:

(a) intercompany loans and advances may be made by any Credit Party to any other Credit Party to the extent permitted by Section 6.3(a)(viii);

(b) Subsidiaries of Borrower may pay dividends and distributions to Borrower or any Subsidiary Guarantor;

(c) any Credit Party may make employee loans permitted under Section 6.4(b);

(d) any Credit Party may make payments of principal and interest of Intercompany Notes issued in accordance with Section 6.3(a)(viii);

(e) [Intentionally Omitted]

(f) [Intentionally Omitted]

(g) [Intentionally Omitted]

(h) [Intentionally Omitted]

(i) Borrower may redeem or repurchase shares of its common stock from its officers, employees, consultants and directors in connection with the termination of employment or engagement of any such Person, provided that (i) no Default or Event of Default has occurred and is continuing or would result therefrom and (ii) the aggregate amount paid in respect of all such shares so redeemed or repurchased does not exceed \$500,000 in any Fiscal Year;

(j) [Intentionally omitted]

(k) Borrower may pay dividends on its common stock solely in shares of common stock of Borrower; and

(l) [Intentionally Omitted].

6.15 Change of Corporate Name or Location: Change of Fiscal Year. No Credit Party shall (a) change its name as it appears in official filings in the state of its incorporation or other organization, (b) change its chief executive office, principal place of business or corporate offices, (c) change the type of entity that it is, (d) change its organization identification number, if any, issued by its state of incorporation or other organization, or (e) change its state of incorporation or organization, in each case without at least 30 days prior written notice to Agent and after any action required to be taken in accordance with Section 5.13 and any other action reasonably requested by Agent in connection therewith, including to continue the perfection of any Liens in favor of Agent, on behalf of Lenders, in any Collateral, has been completed or taken, and provided that any such new location shall be in the continental United States. No Credit Party shall change its Fiscal Year.

6.16 No Impairment of Intercompany Transfers. No Credit Party shall directly or indirectly enter into or become bound by any agreement, instrument, indenture or other obligation (other than this Agreement and the other Loan Documents) that could directly or indirectly restrict, prohibit or require the consent of any Person with respect to the payment of dividends or distributions or the making or repayment of intercompany loans by a Subsidiary of Borrower to Borrower except for (a) the Loan Documents, and (b) restrictions imposed by applicable law or any applicable rule, regulation or order.

6.17 No Speculative Transactions. No Credit Party shall engage in any transaction involving commodity options, futures contracts or similar transactions.

6.18 [Intentionally Omitted].

6.19 Changes Relating to Material Contracts.

(a) [intentionally omitted]

(b) No Credit Party shall make any payment on any Indebtedness (other than the Obligations) in contravention of the terms of the subordination provisions with respect to any Indebtedness including, without limitation, terms which prohibit payments (other than payments of Obligations) (i) during the continuance of a default, or (ii) if specified Indebtedness is accelerated, or (iii) if a payment blockage notice is delivered.

(c) After the issuance thereof, no Credit Party shall change or amend the terms of any Indebtedness (other than the Obligations) in a manner adverse to any Credit Party, Agent or any Lender.

(d) No Credit Party shall change or amend in any manner adverse to the interests of the Lenders the terms of its certificate of incorporation, formation or organization, its bylaws or operating agreement, or other organizational documents (including by-laws) or any agreement entered into by any Credit Party with respect to its Stock, or enter into any new agreement with respect to its Stock.

(e) [Intentionally Omitted].

6.20 [Intentionally Omitted].

6.21 Designated Senior Debt. Borrower shall not designate any Indebtedness (other than the Obligations) as “Designated Senior Indebtedness” or “Senior Lender Indebtedness” or like term.

6.22 Limitations on Accumulation of Funds.

(a) [Intentionally omitted]

(b) To the extent permitted by the Maine PUC without seeking Maine PUC consent, (i) the Borrower shall not permit Mid-Maine Telecom to accumulate cash or cash equivalents (including funds on deposit in bank accounts and Investments of the type permitted by Section 6.2(c)) in excess of cash balances as may be reasonably required to be maintained by it to pay expenses incurred by it in the ordinary course of business, and (ii) the Borrower shall cause Mid-Maine Telecom to immediately pay cash dividends or otherwise make cash distributions to the Borrower or, to the extent permitted by Section 6.2(d) and Section 6.3(a)(viii), advance intercompany loans to Borrower in an aggregate amount equal to all such cash and cash equivalents then accumulated by Mid-Maine Telecom in excess of such cash balances.

(c) To the extent permitted by the West Virginia PUC, without seeking West Virginia PUC consent, (i) the Borrower shall not permit War Telephone to accumulate cash or cash equivalents (including funds on deposit in bank accounts and Investments of the type permitted by Section 6.2(c)) in excess of cash balances as may be reasonably required to be maintained by it to pay expenses incurred by it in the ordinary course of business, and (ii) the Borrower shall cause War Telephone to immediately pay cash dividends or otherwise make cash distributions to the Borrower or, to the extent permitted by Section 6.2(d) and Section 6.3(a)(viii), intercompany loans to Borrower in an aggregate amount equal to all such cash and cash equivalents then accumulated by War Telephone in excess of such cash balances. No Credit Party (other than Borrower and the PUC Restricted Subsidiaries) shall accumulate cash or cash equivalents (including funds on deposit in bank accounts and Investments of the type permitted by Section 6.2(c)) in excess of cash balances as may be reasonably required to be maintained by it to pay expenses incurred by it in the ordinary course of business, and each such Credit Party shall immediately from time to time pay cash dividends or otherwise make cash distributions to the Credit Party of which it is a Subsidiary or, to the extent permitted by Section 6.2(d) and Section 6.3(a)(viii), intercompany loans to Borrower in an aggregate amount equal to all such cash and cash equivalents then accumulated by it in excess of such cash balances.

6.23 Limitations on Creation of Subsidiaries. No Credit Party will establish, create or acquire any Subsidiary on or after the Closing Date, provided that the Credit Parties shall be permitted to establish, create and, to the extent permitted by Section 6.1, acquire Subsidiaries so long as (i) each such new Subsidiary is a Wholly-Owned Subsidiary, (ii) all of the Stock of each such new Subsidiary is pledged pursuant to the Guaranty and Security Agreement and the certificates representing such Stock, together with stock or other powers duly executed in blank, are delivered to Agent for the benefit of Lenders, and (iii) each such new Subsidiary executes and delivers to Agent and Lenders (1) a Joinder Agreement whereby such Subsidiary becomes a party to this Agreement as a “Credit Party” hereunder, a party to the Guaranty and Security Agreement as a “Guarantor” and a “Grantor” thereunder and (2) if and to the extent reasonably requested by Agent or Requisite Lenders, all other relevant documentation of the type described in Section 2 and the Closing Checklist as such new Subsidiary would have had to deliver if such new Subsidiary were a Credit Party on the Closing Date.

6.24 Financial Advisors. The Credit Parties shall not, and shall not cause or permit their Subsidiaries to, retain the services of a financial advisor or investment bank pursuant to an arrangement providing for the payment of a success fee, contingency fee or completion fee in connection with a restructuring or reorganization of the Credit Parties’ liabilities without the prior written consent of Agent.

7 TERM

7.1 Termination. The financing arrangements contemplated hereby shall be in effect until the Commitment Termination Date, and the Loans and all other Obligations (other than contingent indemnity and expense reimbursement provisions for which no claim has been made) shall be automatically due and payable in full on such date.

7.2 Survival of Obligations Upon Termination of Financing Arrangements. Except as otherwise expressly provided for herein or in any other Loan Document, no termination or cancellation (regardless of cause or procedure) of any financing arrangement under this Agreement shall in any way affect or impair the obligations, duties and liabilities of the Credit Parties or the rights of Agent and Lenders relating to any unpaid portion of the Loans or any other Obligations, due or not due, liquidated, contingent or unliquidated or any transaction or event occurring prior to such termination, or any transaction or event, the performance of which is required after the Commitment Termination Date. Except as otherwise expressly provided herein or in any other Loan Document, all undertakings, agreements, covenants, warranties and representations of or binding upon the Credit Parties, and all rights of Agent and each Lender, all as contained in the Loan Documents, shall not terminate or expire, but rather shall survive any such termination or cancellation and shall continue in full force and effect until the Termination Date; provided, that the provisions of Section 11, the payment obligations under Sections 1.15 and 1.16, and the indemnities contained in the Loan Documents shall survive the Termination Date.

8 EVENTS OF DEFAULT; RIGHTS AND REMEDIES

8.1 Events of Default. The occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute an “Event of Default” hereunder:

(a) Borrower (i) fails to make any payment of principal of any of the Loans when due and payable, or (ii) fails to make any payment of interest on, or Fees owing in respect of, any of the Loans or any of the other Obligations within three (3) days following the due date thereof, or (iii) fails to pay or reimburse Agent or Lenders for any expense reimbursable hereunder or under any other Loan Document within five (5) Business Days following Agent’s demand for such reimbursement or payment of expenses.

(b) Any Credit Party fails or neglects to perform, keep or observe any of the provisions of Sections 1.4, 1.8, 5.4(a), 5.15, 5.16, 5.17, 5.18 or 6, or any of the provisions set forth in Annex C or G, respectively.

(c) Any Credit Party fails or neglects to perform, keep or observe any of the provisions of Section 4 or any provisions set forth in Annex E or F, respectively, and the same shall remain unremedied for three (3) Business Days or more.

(d) Any Credit Party fails or neglects to perform, keep or observe any other provision of this Agreement or of any of the other Loan Documents (other than any provision embodied in or covered by any other clause of this Section 8.1) and the same shall remain unremedied for thirty (30) days or more after any Credit Party first obtains knowledge or is notified of such failure or neglect.

(e) A default or breach occurs under any other agreement, document or instrument to which any Credit Party is a party that is not cured within any applicable grace period therefor, and such default or breach (i) involves the failure to make any payment when due in respect of any Indebtedness or Guaranteed Indebtedness (other than the Obligations and other than Guaranteed Indebtedness with respect to which the primary obligation is not itself Indebtedness) of any Credit Party in excess of \$500,000 in the aggregate (including (x) undrawn committed or available amounts and (y) amounts owing to all creditors under any combined or syndicated credit arrangements), or (ii) causes, or permits any holder of such Indebtedness or Guaranteed Indebtedness or a trustee to cause, such Indebtedness or Guaranteed Indebtedness or a portion thereof in excess of \$500,000 in the aggregate to become due prior to its stated maturity or prior to its regularly scheduled dates of payment, or cash collateral to be demanded in respect thereof, in each case, regardless of whether such right is exercised by such holder or trustee.

(f) Any representation or warranty herein or in any other Loan Document or in any written statement, report, financial statement or certificate made or delivered to Agent or any Lender by any Credit Party is untrue or incorrect as of the date when made or deemed made (i) as stated if such representation or warranty contains an express materiality qualification or (ii) in any material respect if such representation and warranty does not contain such a qualification.

(g) Assets of any Credit Party with a Fair Market Value of \$750,000 or more are attached, seized, levied upon or subjected to a writ or distress warrant, or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors of any Credit Party and such condition continues for thirty (30) days or more.

(h) A case or proceeding is commenced against any Credit Party seeking a decree or order in respect of such Credit Party (i) under the Bankruptcy Code or any other applicable federal, state or foreign bankruptcy or other similar law, (ii) appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for such Credit Party or for any substantial part of any such Credit Party's assets, or (iii) ordering the winding-up or liquidation of the affairs of such Credit Party, and such case or proceeding shall remain undismissed or unstayed for sixty (60) days or more or a decree or order granting the relief sought in such case or proceeding is granted by a court of competent jurisdiction.

(i) Any Credit Party (i) files a petition seeking relief under the Bankruptcy Code or any other applicable federal, state or foreign bankruptcy or other similar law, (ii) consents to or fails to contest in a timely and appropriate manner to the institution of proceedings thereunder or to the filing of any such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee or sequestrator (or similar official) for such Credit Party or for any substantial part of any such Credit Party's assets, (iii) makes an assignment for the benefit of creditors, (iv) takes any action in furtherance of any of the foregoing, or (v) admits in writing its inability to, or is generally unable to, pay its debts as such debts become due.

(j) A final judgment or judgments for the payment of money in excess of \$500,000 in the aggregate at any time are outstanding against one or more of the Credit Parties and the same are not, within thirty (30) days after the entry thereof, discharged or execution thereof stayed or bonded pending appeal, or such judgments are not discharged prior to the expiration of any such stay.

(k) Any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Credit Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms), or any Lien created under any Loan Document ceases to be a valid and perfected first priority Lien (except as otherwise permitted herein or therein) in any of the Collateral purported to be covered thereby.

(l) Any Change of Control occurs.

(m) [Intentionally Omitted.]

(n) [Intentionally Omitted.]

(o) Any Telecommunications Approval, including any FCC License, PUC Authorization or Franchise, of any Credit Party shall expire or terminate or be modified, revoked or otherwise lost which in any case could reasonably be expected to have a Material Adverse Effect.

(p) [Intentionally Omitted.]

(q) [Intentionally Omitted.]

8.2 Remedies.

(a) If any Default or Event of Default has occurred and is continuing, Agent, at the written request of the Requisite Revolving Lenders, shall, without notice, suspend the Revolving Loan and Swing Line Loan facilities with respect to additional Advances, whereupon any additional Advances shall be made in the sole discretion of the Requisite Revolving Lenders so long as such Default or Event of Default is continuing.

(b) If any Event of Default has occurred and is continuing, Agent may (and at the written request of the Requisite Lenders, shall), without notice: (i) terminate the Revolving Loan Commitment and Swing Line Commitment with respect to further Advances; (ii) declare all or any portion of the Obligations, including all or any portion of any Loan to be forthwith due and payable, all without presentment, demand, protest or further notice of any kind, all of which are expressly waived by Borrower and each other Credit Party; or (iii) exercise any rights and remedies provided to Agent under the Loan Documents or at law or equity, including all remedies provided under the Code; provided, that upon the occurrence of an Event of Default specified in Sections 8.1(h) or (i), the Revolving Loan Commitment and Swing Line Commitment shall be immediately terminated and all of the Obligations, including the Revolving Loan and the Swing Line Loan, shall become immediately due and payable without declaration, notice or demand by any Person.

8.3 Waivers by Credit Parties. Except as otherwise provided for in this Agreement or by applicable law, each Credit Party waives: (a) presentment, demand and protest and notice of presentment, dishonor, notice of intent to accelerate, notice of acceleration, protest, default, nonpayment, maturity, release, compromise, settlement, extension or renewal of any or all commercial paper, accounts, contract rights, documents, instruments, chattel paper and guaranties at any time held by Agent on which any Credit Party may in any way be liable, and hereby ratifies and confirms whatever Agent may do in this regard, (b) all rights to notice and a hearing prior to Agent's taking possession or control of, or to Agent's replevy, attachment or levy upon, the Collateral or any bond or security that might be required by any court prior to allowing Agent to exercise any of its remedies, and (c) the benefit of all valuation, appraisal, marshaling and exemption laws.

9 ASSIGNMENT AND PARTICIPATIONS; APPOINTMENT OF AGENT

9.1 Assignment and Participations.

(a) Subject to the terms of this Section 9.1, any Lender may make an assignment to a Qualified Assignee of, or sale of participations in, at any time or times, the Loan Documents, Loans and any Commitment or any portion thereof or interest therein, including any Lender's rights, title, interests, remedies, powers or duties thereunder. Any assignment by a Lender shall: (i)(A) except for an assignment to any other Lender or an Affiliate (as defined in clause (a) and/or (b) of the definition of "Affiliate" in Annex A) of the assigning Lender, require the consent of Agent (which consent shall not be unreasonably withheld or delayed with respect to a Qualified Assignee) and (B) require the execution of an assignment agreement (an "Assignment Agreement") substantially in the form attached hereto as Exhibit 9.1(a) and otherwise in form and substance reasonably satisfactory to, and acknowledged by, Agent; (ii) be conditioned on the assignee Lender representing to the assigning Lender and Agent that it is purchasing the applicable Loans to be assigned to it for its own account, for investment purposes and not with a view to the distribution thereof; (iii) after giving effect to any such partial assignment, the assignee Lender shall have Commitments in an amount at least equal to \$2,500,000 and the assigning Lender shall have retained Commitments in an amount at least equal to \$2,500,000; and (iv) except for an assignment to an Affiliate (as defined in clause (a) and/or (b) of the definition of "Affiliate" in Annex A) of the assigning Lender, include a payment to Agent of an assignment fee of \$3,500. In the case of an assignment by a Lender under this Section 9.1, the assignee shall have, to the extent of such assignment, the same rights, benefits and obligations as all other Lenders hereunder. The assigning Lender shall be relieved of its obligations hereunder with respect to its Commitments or assigned portion thereof from and after the date of such assignment. Borrower hereby acknowledges and agrees that any assignment shall give rise to a direct obligation of Borrower to the assignee and that the assignee shall be considered to be a "Lender". In all instances, each Lender's liability to make Loans hereunder shall be several and not joint and shall be limited to such Lender's Pro Rata Share of the applicable Commitment. In the event Agent or any Lender assigns or otherwise transfers all or any part of the Obligations, Agent or any such Lender shall so notify Borrower and Borrower shall, upon the request of Agent or such Lender, execute new Notes in exchange for the Notes, if any, being assigned. Notwithstanding the foregoing provisions of this Section 9.1(a), any Lender may at any time pledge the Obligations held by it and such Lender's rights under this Agreement and the other Loan Documents to a Federal Reserve Bank, and any lender that is an investment fund may assign the Obligations held by it and such Lender's rights under this Agreement and the other Loan Documents to another investment fund managed by the same investment advisor; provided, that no such pledge to a Federal Reserve Bank shall release such Lender from such Lender's obligations hereunder or under any other Loan Document.

(b) Any participation by a Lender of all or any part of its Commitments shall be made with the understanding that all amounts payable by Borrower hereunder shall be determined as if that Lender had not sold such participation, and that the holder of any such participation shall not be entitled to require such Lender to take or omit to take any action hereunder except actions directly affecting (i) any reduction in the principal amount of, or interest rate or Fees payable with respect to, any Loan in which such holder participates, (ii) any extension of the scheduled amortization of the principal amount of any Loan in which such holder participates or the final maturity date thereof, and (iii) any release of all or substantially all of the Collateral (other than in accordance with the terms of this Agreement, the Collateral Documents or the other Loan Documents). Solely for purposes of Sections 1.13, 1.15, 1.16 and 9.8, Borrower acknowledges and agrees that a participation shall give rise to a direct obligation of Borrower to the participant and the participant shall be considered to be a "Lender". Except as set forth in the preceding sentence neither Borrower nor any other Credit Party shall have any obligation or duty to any participant. Neither Agent nor any Lender (other than the Lender selling a participation) shall have any duty to any participant and may continue to deal solely with the Lender selling a participation as if no such sale had occurred. Each Lender that sells a participation shall, acting solely for this purpose as an agent of Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans or other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(c) Except as expressly provided in this Section 9.1, no Lender shall, as between Borrower and that Lender, or Agent and that Lender, be relieved of any of its obligations hereunder as a result of any sale, assignment, transfer or negotiation of, or granting of participation in, all or any part of the Loans, the Notes or other Obligations owed to such Lender.

(d) Each Credit Party shall assist any Lender permitted to sell assignments or participations under this Section 9.1 as reasonably required to enable the assigning or selling Lender to document any such assignment or participation, including the execution and delivery of any and all agreements, notes and other documents and instruments as shall be reasonably requested.

(e) A Lender may furnish any information concerning Credit Parties in the possession of such Lender from time to time to assignees and participants (including prospective assignees and participants); provided that such Lender shall obtain from assignees or participants confidentiality covenants substantially equivalent to those contained in Section 11.8.

(f) Any entity that purchases a participation in the Loans pursuant to Section 9.2(b) shall not be entitled to receive any greater payment under Section 1.16(a) with respect to capital adequacy or similar requirements, Section 1.16(b) with respect to increased costs, Section 1.16(c) with respect to the inability to make LIBOR Loans or Section 1.15(a) with respect to withholding taxes, than the applicable Lender would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with the Borrower's prior written consent or unless such sale is made while an Event of Default has occurred and is continuing.

(g) Notwithstanding anything to the contrary contained herein, any Lender (a “ Granting Lender ”), may grant to a special purpose funding vehicle (an “ SPC ”), identified as such in writing by the Granting Lender to Agent and Borrower, the option to provide to Borrower all or any part of any Loans that such Granting Lender would otherwise be obligated to make to Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPC to make any Loan; and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if such Loan were made by such Granting Lender. No SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). Any SPC may (i) with notice to, but without the prior written consent of, Borrower and Agent and assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by Borrower and Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. This Section 9.1(g) may not be amended without the prior written consent of each Granting Lender, all or any of whose Loans are being funded by an SPC at the time of such amendment. For the avoidance of doubt, the Granting Lender shall for all purposes, including without limitation, the approval of any amendment or waiver of any provision of any Loan Document or the obligation to pay any amount otherwise payable by the Granting Lender under the Loan Documents, continue to be the Lender of record hereunder.

(h) Notwithstanding any provision herein or in any Equity Document to the contrary, in no event shall a Lender make an assignment to a Qualified Assignee pursuant to Section 9.1(a) unless such Lender concurrently transfers to such Qualified Assignee a ratable portion of such Lender’s Class B Common Stock, and its respective rights and obligations in respect thereof.

9.2 Appointment of Agent. GE Capital is hereby appointed to act on behalf of all Lenders as Agent under this Agreement and the other Loan Documents, and each Lender hereby authorizes Agent (i) to execute and deliver the Loan Documents and accept delivery thereof on its behalf from any Credit Party, (ii) to take such action on its behalf and to exercise all rights, powers and remedies and perform the duties as are expressly delegated to Agent under such Loan Documents and (iii) to exercise such powers as are reasonably incidental thereto. The provisions of this Section 9.2 are solely for the benefit of Agent and Lenders and no Credit Party nor any other Person shall have any rights as a third party beneficiary of any of the provisions hereof. In performing its functions and duties under this Agreement and the other Loan Documents, Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with or for any Credit Party or any other Person. Agent shall have no duties or responsibilities except for those expressly set forth in this Agreement and the other Loan Documents. The duties of Agent shall be mechanical and administrative in nature and Agent shall not have, or be deemed to have, by reason of this Agreement, any other Loan Document or otherwise a fiduciary relationship in respect of any Lender. Except as expressly set forth in this Agreement and the other Loan Documents, Agent shall not have any duty to disclose, and shall not be liable for failure to disclose, any information relating to any Credit Party or any of their respective Subsidiaries or any Account Debtor that is communicated to or obtained by GE Capital or any of its Affiliates in any capacity. Neither Agent nor any of its Affiliates nor any of their respective officers, directors, employees, agents or representatives shall be liable to any Lender for any action taken or omitted to be taken by it hereunder or under any other Loan Document, or in connection herewith or therewith, except for damages caused by its or their own gross negligence or willful misconduct.

If Agent shall request instructions from Requisite Lenders, Requisite Revolving Lenders, Requisite Term Lenders or all affected Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any other Loan Document (other than any action or failure to act that is the subject of a mandatory provision of this Agreement or any Loan Documents), then Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from Requisite Lenders, Requisite Revolving Lenders, Requisite Term Lenders, or all affected Lenders, as the case may be, and Agent shall not incur liability to any Person by reason of so refraining. Agent shall be fully justified in failing or refusing to take any action hereunder or under any other Loan Document (a) if such action would, in the opinion of Agent, be contrary to law or the terms of this Agreement or any other Loan Document, (b) if such action would, in the opinion of Agent, expose Agent to Environmental Liabilities or (c) if Agent shall not first be indemnified to its satisfaction against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Without limiting the foregoing, no Lender shall have any right of action whatsoever against Agent as a result of Agent acting or refraining from acting hereunder or under any other Loan Document in accordance with the instructions of Requisite Lenders, Requisite Revolving Lenders, Requisite Term Lenders or all affected Lenders, as applicable.

9.3 Agent's Reliance, Etc. Neither Agent nor any of its Affiliates nor any of their respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement or the other Loan Documents, except for damages caused by its or their own gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limiting the generality of the foregoing, Agent: (a) may treat the payee of any Note as the holder thereof until Agent receives written notice of the assignment or transfer thereof signed by such payee and in form reasonably satisfactory to Agent; (b) may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts; (c) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with this Agreement or the other Loan Documents; (d) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement or the other Loan Documents on the part of any Credit Party or to inspect the Collateral (including the books and records) of any Credit Party; (e) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; and (f) shall incur no liability under or in respect of this Agreement or the other Loan Documents by acting upon any notice, consent, certificate or other instrument or writing (which may be by telecopy, telegram, cable or telex, including those transmitted by Electronic Transmission) believed by it to be genuine and signed or sent by the proper party or parties.

9.4 GE Capital and Affiliates. With respect to its Commitments hereunder, GE Capital shall have the same rights and powers under this Agreement and the other Loan Documents as any other Lender and may exercise the same as though it were not Agent; and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated, include GE Capital in its individual capacity. GE Capital and its Affiliates may lend money to, invest in, and generally engage in any kind of business with, any Credit Party, any of their Affiliates and any Person who may do business with or own securities of any Credit Party or any such Affiliate, all as if GE Capital were not Agent and without any duty to account therefor to Lenders. GE Capital and its Affiliates may accept fees and other consideration from any Credit Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders. Each Lender acknowledges the potential conflict of interest between GE Capital as a Lender holding disproportionate interests in the Loans and GE Capital as Agent.

9.5 Lender Credit Decision. Each Lender acknowledges that it has, independently and without reliance upon Agent or any other Lender and based on the Financial Statements referred to in Section 3.4(a) and such other documents and information as it has deemed appropriate, made its own credit and financial analysis of the Credit Parties and its own decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement. Each Lender acknowledges the potential conflict of interest of each other Lender as a result of Lenders holding disproportionate interests in the Loans, and expressly consents to, and waives any claim based upon, such conflict of interest.

9.6 Indemnification. Lenders agree to indemnify Agent (to the extent not reimbursed by Credit Parties and without limiting the obligations of Borrower hereunder), ratably according to their respective Pro Rata Shares, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against Agent in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted to be taken by Agent in connection therewith; provided, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Agent’s gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Without limiting the foregoing, each Lender agrees to reimburse Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement and each other Loan Document, to the extent that Agent is not reimbursed for such expenses by Credit Parties.

9.7 Successor Agent. Agent may resign at any time by giving not less than 30 days' prior written notice thereof to Lenders and Borrower. Upon any such resignation, the Requisite Lenders shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Requisite Lenders and shall have accepted such appointment within 30 days after the resigning Agent's giving notice of resignation, then the resigning Agent may, on behalf of Lenders, appoint a successor Agent, which shall be a Lender, if a Lender is willing to accept such appointment, or otherwise shall be a commercial bank or financial institution or a subsidiary of a commercial bank or financial institution if such commercial bank or financial institution is organized under the laws of the United States of America or of any State thereof and has a combined capital and surplus of at least \$300,000,000. If no successor Agent has been appointed pursuant to the foregoing, within 30 days after the date such notice of resignation was given by the resigning Agent, such resignation shall become effective and the Requisite Lenders shall thereafter perform all the duties of Agent hereunder until such time, if any, as the Requisite Lenders appoint a successor Agent as provided above. Any successor Agent appointed by Requisite Lenders hereunder shall be subject to the approval of Borrower, such approval not to be unreasonably withheld or delayed; provided that such approval shall not be required if a Default or an Event of Default has occurred and is continuing. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall succeed to and become vested with all the rights, powers, privileges and duties of the resigning Agent. Upon the earlier of the acceptance of any appointment as Agent hereunder by a successor Agent or the effective date of the resigning Agent's resignation, the resigning Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents, except that any indemnity rights or other rights in favor of such resigning Agent shall continue. After any resigning Agent's resignation hereunder, the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was acting as Agent under this Agreement and the other Loan Documents.

9.8 Setoff and Sharing of Payments. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default and subject to Section 9.9(f), each Lender is hereby authorized at any time or from time to time, without notice to any Credit Party or to any other Person, any such notice being hereby expressly waived, to offset and to appropriate and to apply any and all balances held by it at any of its offices for the account of Borrower or any Guarantor (regardless of whether such balances are then due to Borrower or any Guarantor) and any other properties or assets at any time held or owing by that Lender or that holder to or for the credit or for the account of Borrower or any Guarantor against and on account of any of the Obligations that are not paid when due. Any Lender exercising a right of setoff or otherwise receiving any payment on account of the Obligations in excess of its Pro Rata Share thereof shall purchase for cash (and the other Lenders or holders shall sell) such participations in each such other Lender's or holder's Pro Rata Share of the Obligations as would be necessary to cause such Lender to share the amount so offset or otherwise received with each other Lender or holder in accordance with their respective Pro Rata Shares (other than offset rights exercised by any Lender with respect to Sections 1.13, 1.15 or 1.16). Each Lender's obligation under this Section 9.8 shall be in addition to and not in limitation of its obligations to purchase a participation in an amount equal to its Pro Rata Share of the Swing Line Loans under Section 1.1. Borrower and each Guarantor agrees, to the fullest extent permitted by law, that (a) any Lender may exercise its right to offset with respect to amounts in excess of its Pro Rata Share of the Obligations and may sell participations in such amounts so offset to other Lenders and holders and (b) any Lender so purchasing a participation in the Loans made or other Obligations held by other Lenders or holders may exercise all rights of offset, bankers' lien, counterclaim or similar rights with respect to such participation as fully as if such Lender or holder were a direct holder of the Loans and the other Obligations in the amount of such participation. Notwithstanding the foregoing, if all or any portion of the offset amount or payment otherwise received is thereafter recovered from the Lender that has exercised the right of offset, the purchase of participations by that Lender shall be rescinded and the purchase price restored without interest.

9.9 Advances; Payments; Non-Funding Lenders; Information; Actions in Concert.

(a) Advances; Payments.

(i) Agent shall notify Revolving Lenders, promptly after receipt of a Notice of Revolving Credit Advance and in any event prior to 1:00 p.m. (New York time) on the date such Notice of Revolving Credit Advance is received, by telecopy, telephone or other similar form of transmission. Each Revolving Lender shall make the amount of such Lender's Pro Rata Share of such Revolving Credit Advance available to Agent in same day funds by wire transfer to Agent's account as set forth in Annex H not later than 3:00 p.m. (New York time) on the requested funding date, in the case of an Index Rate Loan and not later than 11:00 a.m. (New York time) on the requested funding date in the case of a LIBOR Loan. After receipt of such wire transfers (or, in Agent's sole discretion, before receipt of such wire transfers), subject to the terms hereof, Agent shall make the requested Revolving Credit Advance to Borrower. All payments by each Revolving Lender shall be made without setoff, counterclaim or deduction of any kind.

(ii) Not less than once during each calendar week or more frequently at Agent's election (each, a "Revolving Lender Settlement Date"), Agent shall advise each Revolving Lender by telephone, or telecopy of the amount of such Revolving Lender's Pro Rata Share of principal, interest and Fees paid for the benefit of Revolving Lenders with respect to each applicable Revolving Loan. Provided that each Revolving Lender is not a Non-Funding Lender as of such Revolving Lender Settlement Date, Agent shall pay to each Revolving Lender such Revolving Lender's Pro Rata Share of principal, interest and Fees paid by Borrower since the previous Revolving Lender Settlement Date for the benefit of such Revolving Lender on the Revolving Loans held by it. Such payments shall be made by wire transfer to such Revolving Lender's account (as specified by such Lender in the applicable administrative questionnaire provided to Agent, or the applicable Assignment Agreement or by such Lender to Agent in a separate notice) not later than 2:00 p.m. (New York time) on the next Business Day following each Revolving Lender Settlement Date.

(iii) Provided that each Term Lender is not a Non-Funding Lender as of the Term Lender Settlement Date, Agent shall pay to each Term Lender such Term Lender's Pro Rata Share of principal, interest and Fees paid by Borrower for the benefit of such Term Lender on the Term Loan held by it on the day Agent receives such payments from Borrower if received by Agent prior to 2:00 p.m. (New York time) and on the next Business Day after receipt by Agent if received after 2:00 p.m. (New York time) (as applicable, the "Term Lender Settlement Date"). Such payments shall be made by wire transfer to such Term Lender's account (as specified by such Lender in the applicable administrative questionnaire provided to Agent, or the applicable Assignment Agreement or by such Lender to Agent in a separate notice).

(b) Availability of Lender's Pro Rata Share. Agent may assume that each Revolving Lender will make its Pro Rata Share of each Revolving Credit Advance available to Agent on each funding date. If such Pro Rata Share is not, in fact, paid to Agent by such Revolving Lender when due, Agent will be entitled to recover such amount on demand from such Revolving Lender without setoff, counterclaim or deduction of any kind. If any Revolving Lender fails to pay the amount of its Pro Rata Share forthwith upon Agent's demand, Agent shall promptly notify Borrower and Borrower shall promptly (and, in any event, within one (1) Business Day after receipt of such notice) repay such amount to Agent. Nothing in this Section 9.9(b) or elsewhere in this Agreement or the other Loan Documents shall be deemed to require Agent to advance funds on behalf of any Revolving Lender or to relieve any Revolving Lender from its obligation to fulfill its Commitments hereunder or to prejudice any rights that Borrower may have against any Revolving Lender as a result of any default by such Revolving Lender hereunder. To the extent that Agent advances funds to Borrower on behalf of any Revolving Lender and is not reimbursed therefor on the same Business Day as such Advance is made, Agent shall be entitled to retain for its account all interest accrued on such Advance until reimbursed by the applicable Revolving Lender.

(c) Return of Payments.

(i) If Agent pays an amount to a Lender under this Agreement in the belief or expectation that a related payment has been or will be received by Agent from Borrower and such related payment is not received by Agent, then Agent will be entitled to recover such amount from such Lender on demand without setoff, counterclaim or deduction of any kind.

(ii) If any amount received by Agent under this Agreement must be returned to Borrower or paid to any other Person pursuant to any insolvency law or otherwise, then, notwithstanding any other term or condition of this Agreement or any other Loan Document, Agent will not be required to distribute any portion thereof to any Lender. In addition, each Lender will repay to Agent on demand any portion of such amount that Agent has distributed to such Lender, together with interest at such rate, if any, as Agent is required to pay to Borrower or such other Person, without setoff, counterclaim or deduction of any kind.

(d) Non-Funding Lenders.

(i) Responsibility. The failure of any Non-Funding Lender to make any Revolving Loan, or to fund any purchase of any participation to be made or funded by it, or to make any payment required by it under any Loan Document on the date specified therefor shall not relieve any other Lender of its obligations to make such loan, fund the purchase of any such participation, or make any other such required payment on such date, and neither Agent nor, other than as expressly set forth herein, any other Lender shall be responsible for the failure of any Non-Funding Lender to make a loan, fund the purchase of a participation or make any other required payment under any Loan Document.

(ii) Voting Rights. Notwithstanding anything set forth herein to the contrary, including Section 9.1, a Non-Funding Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a "Lender" or a "Revolving Lender" (or be, or have its Loans and Commitments, included in the determination of "Requisite Lenders", "Requisite Revolving Lenders" or "Lenders directly affected" pursuant to Section 11.2) for any voting or consent rights under or with respect to any Loan Document. Moreover, for the purposes of determining Requisite Lenders and Requisite Revolving Lenders, the Loans and Commitments held by Non-Funding Lenders shall be excluded from the total Loans and Commitments outstanding.

(iii) Borrower Payments to a Non-Funding Lender. Agent shall apply all payments received by Agent for the benefit of any Non-Funding Lender pursuant to this Agreement to pay in full the Aggregate Excess Funding Amount to the appropriate Secured Parties. Agent shall be entitled to hold as cash collateral in a non-interest bearing account up to an amount equal to such Non-Funding Lender's pro rata share of the Revolving Loan Commitments and upon any such unfunded obligations owing by a Non-Funding Lender becoming due and payable, use such cash collateral to make such payment on behalf of such Non-Funding Lender. If any payments received by Agent have not been applied or held as cash collateral pursuant to the preceding two sentences, and no Default or Event of Default is continuing, such payments may be applied to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Non-Funding Lender as a result of such Non-Funding Lender's breach of its obligations under this Agreement. With respect to such Non-Funding Lender's failure to fund Revolving Loans, any amounts applied by Agent to satisfy such funding shortfalls shall be deemed to constitute a Revolving Loan or amount of the participation required to be funded and, if necessary to effectuate the foregoing, the other Revolving Lenders shall be deemed to have sold, and such Non-Funding Lender shall be deemed to have purchased, Revolving Loans from the other Revolving Lenders until such time as the aggregate amount of the Revolving Loans are held by the Revolving Lenders in accordance with their Commitment Percentages of the Aggregate Revolving Loan Commitment. Any amounts owing by a Non-Funding Lender to Agent which are not paid when due shall accrue interest at the interest rate applicable during such period to Revolving Loans that are Base Rate Loans. In the event that Agent is holding cash collateral of a Non-Funding Lender that cures pursuant to clause (iv) below, Agent shall return the unused portion of such cash collateral to such Lender. The "Aggregate Excess Funding Amount" of a Non-Funding Lender shall be the aggregate amount of all unpaid obligations owing by such Lender to Agent and other Lenders under the Loan Documents, including such Lender's pro rata share of all Revolving Loans.

(iv) Cure. A Lender may cure its status as a Non-Funding Lender under clause (a) of the definition of Non-Funding Lender if such Lender fully pays to Agent, on behalf of the applicable Secured Parties, the Aggregate Excess Funding Amount, plus all interest due thereon. A Lender shall not otherwise cure its status as a Non-Funding Lender until such time as Agent has agreed in writing that such Lender is no longer a Non-Funding Lender. Any such cure shall not relieve any Lender from liability for breaching its contractual obligations hereunder.

(v) Fees. A Lender that is a Non-Funding Lender shall not earn and shall not be entitled to receive, and the Borrower shall not be required to pay, such Lender's portion of the Unused Commitment Fee during the time such Lender is a Non-Funding Lender.

(e) Dissemination of Information. Agent shall use reasonable efforts to provide Lenders with any notice of Default or Event of Default received by Agent from, or delivered by Agent to, any Credit Party, with notice of any Event of Default of which Agent has actually become aware and with notice of any action taken by Agent following any Event of Default; provided, that Agent shall not be liable to any Lender for any failure to do so, except to the extent that such failure is attributable to Agent's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction. Lenders acknowledge that Borrower is required to provide Financial Statements and Collateral Reports to Lenders in accordance with Annexes E and F hereto and agree that Agent shall have no duty to provide the same to Lenders.

(f) Actions in Concert. Anything in this Agreement to the contrary notwithstanding, each Lender hereby agrees with each other Lender that no Lender shall take any action to protect or enforce its rights arising out of this Agreement or the Notes (including exercising any rights of setoff) without first obtaining the prior written consent of the Requisite Lenders, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the Notes shall be taken in concert and at the direction or with the consent of the Requisite Lenders.

10 SUCCESSORS AND ASSIGNS

10.1 Successors and Assigns. This Agreement and the other Loan Documents shall be binding on and shall inure to the benefit of each Credit Party, Agent, Lenders and their respective successors and assigns (including, in the case of any Credit Party, a debtor-in-possession on behalf of such Credit Party and any surviving corporation in a merger to which such Credit Party is a party which merger is permitted by this Agreement), except as otherwise provided herein or therein. No Credit Party may assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder or under any of the other Loan Documents without the prior express written consent of Agent and Lenders. Any such purported assignment, transfer, hypothecation or other conveyance by any Credit Party without the prior express written consent of Agent and Lenders shall be void. The terms and provisions of this Agreement are for the purpose of defining the relative rights and obligations of each Credit Party, Agent and Lenders with respect to the transactions contemplated hereby and no Person shall be a third party beneficiary of any of the terms and provisions of this Agreement or any of the other Loan Documents.

11 MISCELLANEOUS

11.1 Complete Agreement; Modification of Agreement. The Loan Documents constitute the complete agreement between the parties with respect to the subject matter thereof and may not be modified, altered or amended except as set forth in Section 11.2. Any letter of interest, commitment letter, fee letter (other than the Fee Letter) or confidentiality agreement, if any, between any Credit Party and Agent or any Lender or any of their respective Affiliates, predating this Agreement and relating to a financing of substantially similar form, purpose or effect shall be superseded by this Agreement.

11.2 Amendments and Waivers; Joinder Agreement

(a) Except for actions expressly permitted to be taken by Agent, no amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document (other than the Fee Letter), or any consent to any departure by any Credit Party therefrom, shall in any event be effective unless the same shall be in writing and (i) in the case of this Agreement, signed by Borrower, by Requisite Lenders, Requisite Revolving Lenders, Requisite Term Lenders or all affected Lenders, as applicable, and by Agent (if the same affects the rights or duties of Agent) and (ii) in the case of any other Loan Document, signed by the parties thereto and consented to by Requisite Lenders, Requisite Revolving Lenders, Requisite Term Lenders or all affected Lenders, as applicable. Except as set forth in clauses (b) and (c) below, all such amendments, modifications, terminations or waivers requiring the consent of any Lenders shall require the written consent of Requisite Lenders.

(b) No amendment, modification, termination or waiver of or consent with respect to any provision of this Agreement that waives compliance with the conditions precedent set forth in Section 2.2(a) to the funding of any Advance shall be effective unless the same shall be in writing and signed by the Requisite Revolving Lenders and Borrower. Notwithstanding anything contained in this Agreement to the contrary, no waiver or consent with respect to any Default or any Event of Default shall be effective for purposes of (A) the conditions precedent to the funding of any Advance set forth in Section 2.2(a) unless the same shall be in writing and signed by the Requisite Revolving Lenders and Borrower, and (B) Section 1.5(e) relating to the conversion or continuation of any Advance unless the same shall be in writing and signed by the Requisite Revolving Lenders and Borrower.

(c) No amendment, modification, termination or waiver shall, unless in writing and signed by each Lender directly affected thereby: (i) increase the principal amount of any Lender's Commitment (which action shall be deemed to directly affect all Lenders); (ii) reduce the principal of, rate of interest on or prepayment premiums or other Fees payable with respect to any Loan of any affected Lender; (iii) extend any scheduled payment date (other than payment dates of mandatory prepayments under Section 1.3(b)(ii)-(iii)) or final maturity date of the principal amount of any Loan of any affected Lender; (iv) waive, forgive, defer, extend or postpone any payment of interest or Fees as to any affected Lender; (v) release any Guaranty or, except as otherwise permitted herein or in the other Loan Documents, release, or permit any Credit Party to sell or otherwise dispose of, any Collateral with a value exceeding \$10,000,000 in the aggregate (which action shall be deemed to directly affect all Lenders); (vi) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Loans that shall be required for Lenders or any of them to take any action hereunder; and (vii) amend or waive this Section 11.2 or the definitions of the terms " Requisite Lenders " , "Requisite Term Lenders" or "Requisite Revolving Lenders" insofar as such definitions affect the substance of this Section 11.2. Furthermore, no amendment, modification, termination or waiver affecting the rights or duties of Agent under this Agreement or any other Loan Document, including any release of any Guaranty or Collateral requiring a writing signed by all Lenders, shall be effective unless in writing and signed by Agent in addition to Lenders required hereinabove to take such action. Each amendment, modification, termination or waiver shall be effective only in the specific instance and for the specific purpose for which it was given. No amendment, modification, termination or waiver shall be required for Agent to take additional Collateral pursuant to any Loan Document. No amendment, modification, termination or waiver of any provision of any Note shall be effective without the written concurrence of the holder of that Note. No notice to or demand on any Credit Party in any case shall entitle such Credit Party or any other Credit Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 11.2 shall be binding upon each Lender at the time such amendment, modification, termination, waiver or consent is effected and each future Lender. For the avoidance of doubt, any waiver, amendment or modification of Section 5.18 hereof shall require the consent of Requisite Lenders.

(d) If, (x) in connection with any proposed amendment, modification, waiver or termination (a “ Proposed Change ”) requiring the consent of all affected Lenders, the consent of Requisite Lenders is obtained, but the consent of one or more other Lenders whose consent is required is not obtained or (y) in connection with the execution of this Agreement, the other Loan Documents and the Equity Documents to be executed by each Lender, the signature of the Requisite Lenders to any such document is obtained, but the signature of one or more other Lenders is not obtained (any such Lender referred to in clause (x) or (y) whose consent or signature is not obtained being referred to as “ Non Consenting Lender ”), then, so long as Agent is not a Non Consenting Lender, Agent, or a Person reasonably acceptable to Agent, shall have the right (but shall have no obligation) to purchase (at par) all of the Commitments and Loans held by such Non Consenting Lender for an amount equal to the principal balance of all Loans held by the Non Consenting Lenders and all accrued interest and Fees with respect thereto through the date of such purchase (the “ Payoff Amount ”), and such Non Consenting Lender shall be deemed to have sold such Commitments and Loans to the Agent or such Person upon receipt of the Payoff Amount; each Non Consenting Lender agrees that it shall, upon Agent’s request, execute an Assignment Agreement to reflect such purchase and sale. Notwithstanding anything set forth herein to the contrary, including Section 9.1, a Non Consenting Lender shall not have any voting or consent rights under or with respect to any Loan Document or constitute a “Lender” or a “Revolving Lender” (or be, or have its Loans and Commitments, included in the determination of “Requisite Lenders”, “Requisite Revolving Lenders” or “Lenders directly affected” pursuant to Section 11.2) for any voting or consent rights under or with respect to any Loan Document. Moreover, for the purposes of determining Requisite Lenders and Requisite Revolving Lenders, the Loans and Commitments held by Non Consenting Lenders shall be excluded from the total Loans and Commitments outstanding.

(e) Upon payment in full in cash of all of the Obligations (other than contingent indemnity and expense reimbursement obligations for which no claim has been made) and termination of the Commitments, and so long as no suits, actions proceedings, or claims are pending or threatened against any Indemnified Person asserting any damages, losses or liabilities that are Indemnified Liabilities, Agent shall, at the request and expense of Borrower, deliver to Borrower termination statements, mortgage releases and other documents necessary or appropriate to evidence the termination of the Liens securing payment of the Obligations.

(f) Notwithstanding anything to the contrary herein, this Agreement may be amended (or amended and restated) without the consent of any Lender (but with the consent of the Borrower and the Agent) if, upon giving effect to such amendment and restatement, such Lender shall no longer be a party to this Agreement (as so amended and restated), the Commitments of such Lender shall have terminated (but such Lender shall continue to be entitled to the benefits of Sections 1.13, 1.15, 1.16 and 11.3), such Lender shall have no other commitment or other obligation hereunder and such Lender shall have been paid in full all principal, interest and other amounts owing to it or accrued for its account under this Agreement.

(g) Upon the execution and delivery by any Person to Agent of a Joinder Agreement, as applicable as provided in such Joinder Agreement, (a) such Person shall become and be a Credit Party hereunder, and each reference in this Agreement or any other Loan Document to a "Credit Party" shall also mean and be a reference to such Person, (b) such Person shall become and be a Guarantor under the Guaranty and Security Agreement, and each reference in this Agreement or any other Loan Document to a "Guarantor" shall also mean and be a reference to such Person, (c) such Person shall become and be a Grantor under the Guaranty and Security Agreement, and each reference in this Agreement or any other Loan Document to a "Grantor" shall also mean and be a reference to such Person, and (d) each reference in this Agreement and the Guaranty and Security Agreement to "this Agreement", "hereunder", "hereof" or words of like import, and each reference in any Loan Document to the "Credit Agreement" or the "Guaranty and Security Agreement" or "thereunder", "thereof" or words of like import referring to this Agreement or the Guaranty and Security Agreement shall mean and be a reference to this Agreement or the Guaranty and Security Agreement, as applicable, as supplemented by such Joinder Agreement. Each Credit Party agrees that (i) no consent of such Credit Party is required for the execution and delivery by any other Person of a Joinder Agreement or for such Person to become a party to this Agreement or any other Loan Document by executing and delivering such Joinder Agreement and (ii) its obligations under this Agreement and the other Loan Documents shall not be affected or diminished by any other Person becoming or failing to become a party to this Agreement or any other Loan Document.

11.3 Fees and Expenses. Borrower shall reimburse Agent for all fees, costs and expenses (including the reasonable fees and expenses of all of its counsel, advisors, consultants (provided that such consultants were engaged with the consent (not to be unreasonably withheld) of Borrower) and auditors) incurred in connection with the negotiation, preparation and filing and/or recordation of the Loan Documents. Borrower shall reimburse Agent (and, with respect to clauses (c), (d), (e) and (f) below, all Lenders) for all fees, costs and expenses, including the reasonable fees, costs and expenses of counsel or other advisors (including environmental and management consultants and appraisers) incurred in connection with:

- (a) the forwarding to Borrower or any other Person on behalf of Borrower by Agent of the proceeds of any Loan;
- (b) any amendment, modification or waiver of, or consent with respect to, or termination of, any of the Loan Documents, or advice in connection with the administration of the Loans made pursuant hereto or its rights hereunder or thereunder;
- (c) any litigation, contest, dispute, suit, proceeding or action (whether instituted by Agent, any Lender, any Credit Party or any other Person and whether as a party, witness or otherwise) in any way relating to the Collateral, any of the Loan Documents or any other agreement to be executed or delivered in connection herewith or therewith, including any litigation, contest, dispute, suit, case, proceeding or action, and any appeal or review thereof, in connection with a case commenced by or against any or all of the Credit Parties or any other Person that may be obligated to Agent by virtue of the Loan Documents, including any such litigation, contest, dispute, suit, proceeding or action arising in connection with any work-out or restructuring of the Loans during the pendency of one or more Events of Default; provided, that no Person shall be entitled to reimbursement under this clause (c) in respect of any litigation, contest, dispute, suit, proceeding or action to the extent any of the foregoing results from such Person's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction or to the extent any of the foregoing results from any dispute among any of Agent and the Lenders which dispute does not involve any Credit Party;

(d) any attempt to enforce any remedies of Agent or any Lender against any or all of the Credit Parties or any other Person that may be obligated to Agent or any Lender by virtue of any of the Loan Documents, including any such attempt to enforce any such remedies in the course of any work-out or restructuring of the Loans during the pendency of one or more Events of Default;

(e) any workout or restructuring of the Loans during the pendency of one or more Events of Default; and

(f) upon the occurrence and during the continuation of any Default, Event of Default or any Trigger Event efforts to verify, protect, evaluate, assess, appraise, collect, sell, liquidate or otherwise dispose of any of the Collateral;

including, as to each of clauses (a) through (f) above, all reasonable attorneys' and other professional and service providers' fees arising from such services and other advice, assistance or other representation, including those in connection with any appellate proceedings, and all expenses, costs, charges and other fees incurred by such counsel and others in connection with or relating to any of the events or actions described in this Section 11.3, all of which shall be payable, on demand, by Borrower to Agent or Lender, as applicable. Without limiting the generality of the foregoing, such expenses, costs, charges and fees may include: fees, costs and expenses of accountants, environmental advisors, appraisers, investment bankers, management and other consultants and paralegals; court costs and expenses; photocopying and duplication expenses; court reporter fees, costs and expenses; long distance telephone charges; air express charges; telegram or telecopy charges; secretarial overtime charges; and expenses for travel, lodging and food paid or incurred in connection with the performance of such legal or other advisory services.

11.4 No Waiver. Agent's or any Lender's failure, at any time or times, to require strict performance by the Credit Parties of any provision of this Agreement or any other Loan Document shall not waive, affect or diminish any right of Agent or such Lender thereafter to demand strict compliance and performance herewith or therewith. Any suspension or waiver of an Event of Default shall not suspend, waive or affect any other Event of Default whether the same is prior or subsequent thereto and whether the same or of a different type. Subject to the provisions of Section 11.2, none of the undertakings, agreements, warranties, covenants and representations of any Credit Party contained in this Agreement or any of the other Loan Documents and no Default or Event of Default by any Credit Party shall be deemed to have been suspended or waived by Agent or any Lender, unless such waiver or suspension is by an instrument in writing signed by an officer of or other authorized employee of Agent and the applicable required Lenders and directed to Borrower specifying such suspension or waiver.

11.5 Re remedies. Agent's and Lenders' rights and remedies under this Agreement shall be cumulative and nonexclusive of any other rights and remedies that Agent or any Lender may have under any other agreement, including the other Loan Documents, by operation of law or otherwise. Recourse to the Collateral shall not be required.

11.6 Severability. Wherever possible, each provision of this Agreement and the other Loan Documents shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement or any other Loan Document shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or such other Loan Document.

11.7 Conflict of Terms. Except as otherwise provided in this Agreement or any of the other Loan Documents by specific reference to the applicable provisions of this Agreement, if any provision contained in this Agreement conflicts with any provision in any of the other Loan Documents, the provision contained in this Agreement shall govern and control.

11.8 Confidentiality. Agent and each Lender agree to use commercially reasonable efforts (equivalent to the efforts Agent or such Lender applies to maintain the confidentiality of its own confidential information) to maintain as confidential all confidential information provided to them by the Credit Parties and designated as confidential for a period of three (3) years following receipt thereof, except that Agent and each Lender may disclose such information (a) to Persons employed or engaged by Agent or such Lender; (b) to any bona fide assignee or participant or potential assignee or participant that has agreed to comply with the covenant contained in this Section 11.8 (and any such bona fide assignee or participant or potential assignee or participant may disclose such information to Persons employed or engaged by them as described in clause (a) above); (c) as required or requested by any Governmental Authority or reasonably believed by Agent or such Lender (based on advice of Agent's or such Lender's counsel) to be compelled by any court decree, subpoena or legal or administrative order or process; (d) as, on the advice of Agent's or such Lender's counsel, is required by law; (e) in connection with the exercise of any right or remedy under the Loan Documents or in connection with any Litigation to which Agent or such Lender is a party; or (f) that ceases to be confidential through no fault of Agent or any Lender.

11.9 GOVERNING LAW . EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN ANY OF THE LOAN DOCUMENTS, IN ALL RESPECTS, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THE LOAN DOCUMENTS AND THE OBLIGATIONS SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THAT STATE AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA. EACH CREDIT PARTY HEREBY CONSENTS AND AGREES THAT THE STATE OR FEDERAL COURTS LOCATED IN NEW YORK COUNTY, CITY OF NEW YORK, NEW YORK SHALL HAVE NON-EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE CREDIT PARTIES, AGENT AND LENDERS PERTAINING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY MATTER ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS; PROVIDED , THAT NOTHING IN THIS AGREEMENT SHALL BE DEEMED OR OPERATE TO PRECLUDE AGENT FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION TO REALIZE ON THE COLLATERAL OR ANY OTHER SECURITY FOR THE OBLIGATIONS, OR TO ENFORCE A JUDGMENT OR OTHER COURT ORDER IN FAVOR OF AGENT. EACH CREDIT PARTY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURT, AND EACH CREDIT PARTY HEREBY WAIVES ANY OBJECTION THAT SUCH CREDIT PARTY MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS AND HEREBY CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY SUCH COURT. EACH CREDIT PARTY HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS, COMPLAINT AND OTHER PROCESS ISSUED IN ANY SUCH ACTION OR SUIT AND AGREES THAT SERVICE OF SUCH SUMMONS, COMPLAINTS AND OTHER PROCESS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH CREDIT PARTY AT THE ADDRESS SET FORTH IN ANNEX I OF THIS AGREEMENT AND THAT SERVICE SO MADE SHALL BE DEEMED COMPLETED UPON THE EARLIER OF SUCH CREDIT PARTY'S ACTUAL RECEIPT THEREOF OR FIVE (5) BUSINESS DAYS AFTER DEPOSIT IN THE UNITED STATES MAELS, PROPER POSTAGE PREPAID.

11.10 Noti ces . Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other parties, or whenever any of the parties desires to give or serve upon any other parties any communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be deemed to have been validly served, given or delivered (a) upon the earlier of actual receipt and five (5) Business Days after deposit in the United States mail, when sent by registered or certified mail, return receipt requested, with proper postage prepaid, (b) upon transmission, when sent by telecopy or other similar facsimile transmission (with such telecopy or facsimile promptly confirmed by delivery of a copy by personal delivery or United States mail as otherwise provided in this Section 11.10) ; (c) on the later of the Business Day of such posting and the Business Day access to such posting is given to the recipient thereof in accordance with the standard procedures applicable to such E-System, when posted to any E-System approved by or set up by or at the direction of Agent; (d) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (e) when delivered, if hand-delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address or facsimile number indicated in Annex I or to such other address (or facsimile number) as may be substituted by notice given as herein provided; provided, however, that no communications to Agent pursuant to Section 1 shall be effective until received by Agent. Transmissions made by electronic mail or E-Fax to Agent shall be effective only (x) for notices where such transmission is specifically authorized by this Agreement, (y) if such transmission is delivered in compliance with procedures of Agent applicable at the time and previously communicated to Borrower, and (z) if receipt of such transmission is acknowledged by Agent. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to any Person (other than Borrower or Agent) designated in Annex I to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

11.11 Section Titles. The Section titles and Table of Contents contained in this Agreement are and shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

11.12 Counterparts. This Agreement may be executed in any number of separate counterparts, each of which shall be an original and all of which shall collectively constitute one agreement. Delivery of an executed signature page of this Agreement by facsimile transmission or Electronic Transmission shall be as effective as delivery of a manually executed counterpart hereof.

11.13 WAIVER OF JURY TRIAL. **BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY, THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, THE PARTIES HERETO WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG AGENT, LENDERS AND ANY CREDIT PARTY ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO.**

11.14 Press Releases and Related Matters. Each Credit Party agrees that neither it nor its Affiliates will in the future issue any press releases or other public disclosure using the name of GE Capital or any Lender or its affiliates or referring to this Agreement, the other Loan Documents without at least 2 Business Days' prior notice to GE Capital (and, if such disclosure will use the name of any Lender, to such Lender) and without the prior written consent of GE Capital (and, if such disclosure will use the name of any Lender, such Lender) unless (and only to the extent that) such Credit Party or Affiliate is required to do so under law and then, in any event, such Credit Party or Affiliate will consult with GE Capital (and, if such disclosure will use the name of any Lender, such Lender) before issuing such press release or other public disclosure. Each Credit Party consents to the publication by Agent or any Lender of advertising material relating to the financing transactions contemplated by this Agreement using any Credit Party's name, product photographs, logo or trademark. Agent or such Lender shall provide a draft of any such tombstone or similar advertising material to each Credit Party for review and approval (such approval not to be unreasonably withheld or delayed) prior to the publication thereof. Agent reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

11.15 Reins tatement. This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Credit Party for liquidation or reorganization, should any Credit Party become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of any Credit Party's assets, and shall continue to be effective or to be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

11.16 Advic e of Counsel. Each of the parties represents to each other party hereto that it has discussed this Agreement and, specifically, the provisions of Sections 11.9 and 11.13, with its counsel.

11.17 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

11.18 Electroni c Transmissions.

(a) Authorization. Subject to the provisions of Section 11.10, each of Agent, each Lender and each Credit Party is authorized (but not required) to transmit, post or otherwise make or communicate, in its sole discretion, Electronic Transmissions in connection with any Loan Document and the transactions contemplated therein. Each of Agent, each Lender and each Credit Party acknowledges and agrees that the use of Electronic Transmissions is not necessarily secure and that there are risks associated with such use, including risks of interception, disclosure and abuse, and each indicates it assumes and accepts such risks by hereby authorizing the transmission of Electronic Transmissions.

(b) Signatures. Subject to the provisions of Section 11.10, (i) (A) no posting to any E-System shall be denied legal effect merely because it is made electronically, (B) each E-Signature on any such posting shall be deemed sufficient to satisfy any requirement for a "signature" and (C) each such posting shall be deemed sufficient to satisfy any requirement for a "writing", in each case including pursuant to any Loan Document, any applicable provision of any UCC, the federal Uniform Electronic Transactions Act, the Electronic Signatures in Global and National Commerce Act and any substantive or procedural provision of any applicable law governing such subject matter, (ii) each such posting that is not readily capable of bearing either a signature or a reproduction of a signature may be signed, and shall be deemed signed, by attaching to, or logically associating with such posting, an E-Signature, upon which Agent, each Lender and each Credit Party may rely on and assume the authenticity thereof, (iii) each such posting containing a signature, a reproduction of a signature or an E-Signature shall, for all intents and purposes, have the same effect and weight as a signed paper original and (iv) each party hereto or beneficiary hereto agrees not to contest the validity or enforceability of any posting on any E-System or E-Signature on any such posting under the provisions of any applicable law requiring certain documents to be in writing or signed; provided, however, that nothing herein shall limit such party's or beneficiary's right to contest whether any posting to any E-System or E-Signature has been altered after transmission.

(c) Separate Agreements. All uses of an E-System shall be governed by and subject to, in addition to Section 11.10 and this Section 11.18, the separate terms, conditions and privacy policy posted or referenced in such E-System (or such terms, conditions and privacy policy as may be updated from time to time, including on such E-System) and related contractual obligations executed by Agent, Lenders and Credit Parties in connection with the use of such E-System.

(d) LIMITATION OF LIABILITY. ALL E-SYSTEMS AND ELECTRONIC TRANSMISSIONS SHALL BE PROVIDED “AS IS” AND “AS AVAILABLE”. NONE OF AGENT OR ANY LENDER WARRANTS THE ACCURACY, ADEQUACY OR COMPLETENESS OF ANY E-SYSTEMS OR ELECTRONIC TRANSMISSIONS AND DISCLAIMS ALL LIABILITY FOR ERRORS OR OMISSIONS THEREIN. NO WARRANTY OF ANY KIND IS MADE BY AGENT OR ANY LENDER IN CONNECTION WITH ANY E-SYSTEMS OR ELECTRONIC TRANSMISSIONS, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS. Each of Borrower, each other Credit Party and each Lender agrees that Agent has no responsibility for maintaining or providing any equipment, software, services or any testing required in connection with any Electronic Transmission or otherwise required for any E-System.

(e) Representation with Respect to E-System. The posting, completion and/or submission by any Credit Party of any communication pursuant to an E-System shall constitute a representation and warranty by the Credit Parties that any representation, warranty, certification or other similar statement required by the Loan Documents to be provided, given or made by a Credit Party in connection with any such communication is true, correct and complete except as expressly noted in such communication or E-System.

(f) Distribution of Materials to Lenders. The Credit Parties acknowledge and agree that the Loan Documents and all reports, notices, communications and other information or materials provided or delivered by, or on behalf of, the Credit Parties hereunder (collectively, the “Borrower Materials”) may be disseminated by, or on behalf of, Agent and made available to Lenders by posting such Borrower Materials on an E-System. The Credit Parties authorize Agent to download copies of their logos from its website and post copies thereof on an E-System.

11.19 Patriot Act. Each Lender that is subject to the Patriot Act hereby notifies the Credit Parties that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Credit Party, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act.

11.20 Effect of Amendment and Restatement of the Existing Credit Agreement. Upon this Agreement becoming effective, from and after the Closing Date: (a) the revolving credit commitments available under the Existing Credit Agreement will be restated in accordance with the terms hereof; (b) the terms and conditions of the Existing Credit Agreement shall be amended as set forth herein and, as so amended, shall be restated in their entirety, but shall be amended only with respect to the rights, duties and obligations among Borrower, Lenders and Agent accruing from and after the Closing Date; (c) this Agreement shall not in any way release or impair the rights, duties, Obligations or Liens created pursuant to the Existing Credit Agreement or any other Loan Document (as defined therein) or affect the relative priorities thereof, in each case to the extent in force and effect thereunder as of the Closing Date, except as modified hereby or by documents, instruments and agreements executed and delivered in connection herewith, and all of such rights, duties, Obligations and Liens are assumed, ratified and affirmed by each Borrower; (d) all indemnification obligations of the Credit Parties under the Existing Credit Agreement and any other Loan Documents shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of Lenders, Agent, and any other Person indemnified under the Existing Credit Agreement or any other Loan Document at any time prior to the Closing Date; (e) the Obligations incurred under the Existing Credit Agreement shall, to the extent outstanding on the Closing Date after giving effect to the amendments and other transactions contemplated by this Agreement and the Reorganization Plan, continue outstanding under this Agreement and shall not be deemed to be paid, released, discharged or otherwise satisfied by the execution of this Agreement, and this Agreement shall not constitute a refinancing, substitution or novation of such Obligations or any of the other rights, duties and obligations of the parties hereunder; and (f) any and all references in the Loan Documents to the Existing Credit Agreement shall, without further action of the parties, be deemed a reference to the Existing Credit Agreement, as amended and restated by this Agreement, and as this Agreement shall be further amended or amended and restated from time to time hereafter.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the date first written above.

OTELCO INC.

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

OTELCO TELECOMMUNICATIONS LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

OTELCO TELEPHONE LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

HOPPER TELECOMMUNICATIONS LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

**BRINDLEE MOUNTAIN TELEPHONE
LLC**

By: /s/ Curtis L. Garner , Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

BLOUNTSVILLE TELEPHONE LLC

By: /s/ Curtis L. Garner , Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

MID-MAINE TELECOM LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

MID-MAINE TELPLUS LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

I-LAND INTERNET SERVICES LLC

By: /s/ Curtis L. Garner , Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

**COMMUNICATIONS DESIGN ACQUISITION
LLC**

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

CRC COMMUNICATIONS LLC

By: /s/ Curtis L. Garner , Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

SHOREHAM TELEPHONE LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

SACO RIVER TELEPHONE LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

PINE TREE TELEPHONE LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

WAR TELEPHONE LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

OTELCO MID-MISSOURI LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

GRANBY TELEPHONE LLC

By: /s/ Curtis L. Garner, Jr.

Name: Curtis L. Garner, Jr.

Title: Chief Financial Officer

**GENERAL ELECTRIC CAPITAL
CORPORATION, as Agent and a Lender**

By: /s/ Thomas Costello

Duly Authorized Signatory
Thomas Costello

COBANK, ACB, as a Lender

By: /s/ Ken Allen

Name: Ken Allen

Title: Vice President

RAYMOND JAMES BANK, N.A., as a Lender

By:/s/ H. Fred Coble, Jr.

Name: H. Fred Coble, Jr.

Title: Senior Vice President

UNION BANK, N.A., as a Lender

By: /s/ M. David Dinges

Name: M. David Dinges

Title: Vice President

**WEBSTER BANK, NATIONAL
ASSOCIATION, as a Lender**

By: /s/ Eric Ratner

Name: Eric Ratner

Title: VP

CIBC INC., as a Lender

By: /s/ Eric J. De Santis

Name: Eric J. De Santis

Title: Agent

ANNEX A (Recitals)

to

CREDIT AGREEMENT

DEFINITIONS

Capitalized terms used in the Loan Documents shall have (unless otherwise provided elsewhere in the Loan Documents) the following respective meanings and all references to Sections, Exhibits, Schedules or Annexes in the following definitions shall refer to Sections, Exhibits, Schedules or Annexes of or to the Agreement:

“ Account Debtor ” means any Person who may become obligated to any Credit Party under, with respect to, or on account of, an Account, Chattel Paper or General Intangibles (including a payment intangible).

“ Accounts ” means all “accounts,” as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, including (a) all accounts receivable, other receivables, book debts and other forms of obligations (other than forms of obligations evidenced by Chattel Paper or Instruments), (including any such obligations that may be characterized as an account or contract right under the Code), (b) all of each Credit Party’s rights in, to and under all purchase orders or receipts for goods or services, (c) all of each Credit Party’s rights to any goods represented by any of the foregoing (including unpaid sellers’ rights of rescission, replevin, reclamation and stoppage in transit and rights to returned, reclaimed or repossessed goods), (d) all rights to payment due to any Credit Party for property sold, leased, licensed, assigned or otherwise disposed of, for a policy of insurance issued or to be issued, for a secondary obligation incurred or to be incurred, for energy provided or to be provided, for the use or hire of a vessel under a charter or other contract, arising out of the use of a credit card or charge card, or for services rendered or to be rendered by such Credit Party or in connection with any other transaction (whether or not yet earned by performance on the part of such Credit Party), (e) all healthcare insurance receivables, and (f) all collateral security of any kind, now or hereafter in existence, given by any Account Debtor or other Person with respect to any of the foregoing.

“ Activation Event ” and “ Activation Notice ” have the meanings ascribed thereto in Annex C.

“ Advance ” means any Revolving Credit Advance or Swing Line Advance, as the context may require.

“ Affiliate ” means, with respect to any Person, (a) each Person that, directly or indirectly, owns or controls, whether beneficially, or as a trustee, guardian or other fiduciary, 10% or more of the Stock having ordinary voting power in the election of directors of such Person, (b) each Person that controls, is controlled by or is under common control with such Person, (c) each of such Person’s officers, directors, joint venturers and partners and (d) in the case of Borrower, the immediate family members, including spouses and lineal descendants of individuals who are Affiliates of Borrower. For the purposes of this definition, “ control ” of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of its management or policies, whether through the ownership of voting securities, by contract or otherwise; provided, however, that the term “ Affiliate ” shall specifically exclude Agent and each Lender.

“ Agent ” means GE Capital in its capacity as Agent for Lenders or its successor appointed pursuant to Section 9.7.

“ Aggregate Excess Funding Amount ” has the meaning ascribed to it in Section 9.9(d).

“ Agreement ” means this Third Amended and Restated Credit Agreement dated as of the date hereof by and among Borrower, the other Credit Parties party thereto, GE Capital, as Agent and Lender and the other Lenders from time to time party thereto as the same may be amended, supplemented, restated or otherwise modified from time to time.

“ Appendices ” has the meaning ascribed to it in the recitals to the Agreement.

“ Applicable Margins ” means collectively the Applicable Index Margin and the Applicable LIBOR Margin.

“ Applicable Index Margin ” means 3.25% per annum.

“ Applicable LIBOR Margin ” means 3.50% per annum.

“ Asset Sale ” has the meaning ascribed to it in Section 6.8.

“ Assignment Agreement ” has the meaning ascribed to it in Section 9.1(a).

“ Bankruptcy Code ” means the provisions of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq.

“ Bankruptcy Court ” has the meaning ascribed to it in the recitals to the Agreement.

“ Bankruptcy Majority Lenders ” means those Term Lenders holding at least two third in principal amount of the Term Loans and constituting more than one-half in number of the Lenders under the Existing Credit Agreement as of the Closing Date.

“ Blocked Account ” means each deposit account of each Credit Party that is not a Disbursement Account, an Excluded Account or a PUC Restricted Subsidiary Account.

“ Borrower ” has the meaning ascribed thereto in the preamble to the Agreement.

“ Borrowing Availability ” means as of any date of determination the Maximum Amount less the sum of (i) the Revolving Loan and Swing Line Loan then outstanding and (ii) the Reserves as then in effect.

“Business Day” means any day that is not a Saturday, a Sunday or a day on which banks are required or permitted to be closed in the State of New York and in reference to LIBOR Loans shall mean any such day that is also a LIBOR Business Day.

“Capital Lease” means, with respect to any Person, any lease of any property (whether real, personal or mixed) by such Person as lessee that, in accordance with GAAP, would be required to be classified and accounted for as a capital lease on a balance sheet of such Person.

“Capital Lease Obligation” means, with respect to any Capital Lease of any Person, the amount of the obligation of the lessee thereunder that, in accordance with GAAP, would appear on a balance sheet (excluding the footnotes thereto) of such lessee in respect of such Capital Lease.

“Cash Distribution Amount” has the meaning ascribed to such term in the Reorganization Plan.

“Cash Management Systems” has the meaning ascribed to it in Section 1.8.

“CERCLA” has the meaning ascribed to it in the definition of Environmental Laws.

“Change of Control” means any of the following: (a) any person or group of persons (within the meaning of the Securities Exchange Act of 1934), other than Permitted Holders, shall have acquired beneficial ownership (within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934) of 50% or more of the issued and outstanding shares of capital Stock of Borrower having the right to vote for the election of directors of Borrower under ordinary circumstances; (b) during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted the board of directors of Borrower (together with any new directors whose election by the board of directors of Borrower or whose nomination for election by the Stockholders of Borrower was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason other than death or disability to constitute a majority of the directors then in office; (c) Borrower ceases to own and control all of the economic and voting rights associated with all of the outstanding capital Stock of any of its Subsidiaries; (d) a sale of all or substantially all of the assets of the Borrower or any of its Subsidiaries; or (e) a merger of Borrower or any of its Subsidiaries other than a merger of the Borrower with any Subsidiary or the merger of any Subsidiary with any other Subsidiary.

“Charges” means all federal, state, county, city, municipal, local, foreign or other governmental taxes (including taxes owed to the PBGC at the time due and payable), levies, assessments, charges or claims upon or relating to (a) the Collateral, (b) the Obligations, (c) the employees, payroll, income or gross receipts of any Credit Party, (d) any Credit Party’s ownership or use of any properties or other assets, or (e) any other aspect of any Credit Party’s business.

“Chattel Paper” means any “chattel paper,” as such term is defined in the Code, including electronic chattel paper, now owned or hereafter acquired by any Credit Party, wherever located.

“Chapter 11 Cases” has the meaning ascribed to it in the recitals to the Agreement.

“Class B Equity” means limited voting shares of the Borrower, representing 7.5% of the total economic and voting interests in the Borrower, which is subject to dilution only by the Management Equity Plan.

“Closing Checklist” means the schedule, including all appendices, exhibits or schedules thereto, listing certain documents and information to be delivered in connection with the Agreement, the other Loan Documents and the transactions contemplated thereunder, substantially in the form attached hereto as Annex D.

“Closing Date” means May 24, 2013.

“Code” means the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the State of New York; provided, that to the extent that the Code is used to define any term herein or in any Loan Document and such term is defined differently in different Articles or Divisions of the Code, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Agent’s or any Lender’s Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term “Code” shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

“Collateral” means the property covered by the Guaranty and Security Agreement, the Mortgages and the other Collateral Documents and any other property, real or personal, tangible or intangible, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of Agent, on behalf of itself and Lenders, to secure the Obligations.

“Collateral Documents” means the Guaranty and Security Agreement, the Guaranties, the Mortgages, the Patent Security Agreements, the Trademark Security Agreements, the Copyright Security Agreements, the Omnibus Reaffirmation Agreement and all similar agreements entered into guaranteeing payment of, or granting a Lien upon property as security for payment of, the Obligations.

“Collateral Reports” means the reports with respect to the Collateral referred to in Annex F.

“Collection Account” means that certain account of Agent, account number 502-797-91 in the name of Agent at Deutsche Bank Trust Company Americas in New York, New York ABA No. 021 001 033, or such other account as may be specified in writing by Agent as the “Collection Account.”

“ Commitment Termination Date ” means the earliest of (a) April 30, 2016, (b) the date of termination of Lenders’ obligations to make Advances or permit existing Loans to remain outstanding pursuant to Section 8.2(b), and (c) the date of indefeasible prepayment in full by Borrower of the Loans and the permanent reduction of the Commitments to zero dollars (\$0).

“ Commitments ” means (a) as to any Lender, the aggregate of such Lender’s Revolving Loan Commitment (including without duplication the Swing Line Lender’s Swing Line Commitment as a subset of its Revolving Loan Commitment) and the Total Term Loan Commitment as set forth on Annex J to the Agreement or in the most recent Assignment Agreement executed by such Lender and (b) as to all Lenders, the aggregate of all Lenders’ Revolving Loan Commitments (including without duplication the Swing Line Lender’s Swing Line Commitment as a subset of its Revolving Loan Commitment) and Total Term Loan Commitments, as such Commitments may be reduced, amortized or adjusted from time to time in accordance with the Agreement.

“ Communications Laws ” means, collectively, (i) the Communications Act of 1934, as amended, and the rules, orders, regulations and other applicable requirements of the FCC promulgated thereunder, as from time to time in effect and applicable to the Telecommunications Business; (ii) the Copyright Act of 1976, as amended, and the rules, orders, regulations and other applicable requirements of the Copyright Office promulgated thereunder, as from time to time in effect and applicable to the Telecommunications Business; (iii) the laws of any state governing or regulating the provision of any telecommunications services offered as part of the Telecommunications Business; (iv) the rules, orders, regulations and other applicable requirements of any PUC as from time to time in effect and applicable to the Telecommunications Business; and (v) the ordinances, rules, orders, regulations agreements and other applicable requirements of any Franchising Authority as from time to time in effect and applicable to the Telecommunications Business.

“ Communications License ” means any license, authorization, certification, waiver or permit required from the FCC, any PUC, any Franchising Authority or any other relevant Governmental Authority acting under applicable law or regulations pertaining to or regulating the Telecommunications Business of the Credit Parties, including any FCC License, any PUC Authorization and any Franchise.

“ Compliance Certificate ” has the meaning ascribed to it in Annex D.

“ Condemnation ” means any taking of Property, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, by reason of any public improvement or condemnation proceeding, or in any other manner.

“ Confirmation Order ” has the meaning ascribed to it in Section 2.1 (c).

“ Consolidated Capital Expenditures ” means, with respect to the Credit Parties, all expenditures (by the expenditure of cash or the Incurrence of Indebtedness) by the Credit Parties during any measuring period that are required to be capitalized under GAAP.

“ Consolidated Depreciation and Amortization Expense ” means with respect to the Credit Parties for any period, the total amount of depreciation and amortization expense of the Credit Parties for such period on a consolidated basis and otherwise determined in accordance with GAAP.

“ Consolidated EBITDA ” means, with respect to the Credit Parties for any period, Consolidated Net Income for such period plus, without duplication: (i) taxes paid and provision for taxes based on income or profits of the Credit Parties for such period to the extent such taxes or provision for taxes were deducted in computing Consolidated Net Income, plus (ii) Consolidated Interest Expense for such period to the extent such Consolidated Interest Expense was deducted in computing Consolidated Net Income, plus (iii) Consolidated Depreciation and Amortization Expense for such period to the extent such Consolidated Depreciation and Amortization Expense was deducted in computing Consolidated Net Income, plus (iv) any non-recurring fees, expenses or charges related to any Securities Offering, any Investment permitted pursuant to Section 6.2, acquisition or Indebtedness permitted to be Incurred by this Agreement, deducted in such period in computing Consolidated Net Income, plus (v) non-recurring costs incurred in connection with the reorganization contemplated by the Reorganization Plan (not to exceed \$9,850,000.00 in the aggregate), plus (vi) any other non-cash charges reducing Consolidated Net Income for such period (excluding any such charge (x) that is an accrual of, or cash reserve for, anticipated cash charges for any future period or (y) relating to a write-down, write off or reserve with respect to Accounts and Inventory). Notwithstanding the foregoing, the provision for taxes based on the income or profits of, and the depreciation and amortization of, a Subsidiary of Borrower shall be added to Consolidated Net Income to compute Consolidated EBITDA only to the extent (and in the same proportion) that the Net Income of such Subsidiary was included in calculating Consolidated Net Income and only if a corresponding amount would be permitted at the date of determination to be paid as a dividend to Borrower by such Subsidiary without prior approval (that has not been obtained), pursuant to the terms of its charter and all agreements, instruments, judgments, decrees, orders, statutes, rules and governmental regulations applicable to such Subsidiary or its Stockholders.

“ Consolidated Fixed Charges ” means, with respect to the Credit Parties for any fiscal period, (a) the aggregate of all Consolidated Interest Expense paid in cash during such period, plus (b) scheduled payments of principal with respect to Indebtedness of the Credit Parties during such period, plus (c) Consolidated Capital Expenditures during such period (other than Consolidated Capital Expenditures to the extent financed with equity proceeds, asset sale proceeds, insurance or condemnation proceeds or Indebtedness (other than drawings under the Revolving Loan Commitment)), plus (d) all Taxes paid in cash during such period, plus (e) Restricted Payments described in Section 6.14(i) paid in cash during such period.

“ Consolidated Fixed Charge Coverage Ratio ” means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the Test Period most recently ended on or prior to such date to (b) Consolidated Fixed Charges for such period.

“ Consolidated Interest Expense ” means, with respect to the Credit Parties for any period, consolidated interest expense of the Credit Parties for such period, to the extent such expense was deducted in computing Consolidated Net Income less any consolidated interest income, to the extent such income was included in computing Consolidated Net Income, in each case determined on a consolidated basis and otherwise determined in accordance with GAAP, plus, to the extent not included in such consolidated interest expense, and to the extent Incurred by any Credit Party, without duplication: (i) interest expense attributable to leases constituting part of a Sale/Leaseback Transaction and/or Capital Lease Obligations, (ii) amortization of debt discount and debt issuance cost, (iii) capitalized interest, (iv) non-cash interest expense, (v) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing, (vi) interest Incurred in connection with Investments in discontinued operations, (viii) interest in respect of Indebtedness of any other Person to the extent such Indebtedness is guaranteed by any Credit Party, but only to the extent that such interest is actually paid by any Credit Party, (ix) the earned discount or yield with respect to the sale of receivables and (x) net amounts paid or payable and/or received or receivable under permitted Rate Contracts in respect of interest rates.

“ Consolidated Net Income ” means, with respect to the Credit Parties for any period, the aggregate of the Net Income of the Credit Parties for such period, on a consolidated basis; provided, however, that: (i) any net after-tax extraordinary gains or losses (less all fees and expenses relating thereto) shall be excluded; (ii) any increase in amortization or depreciation resulting from purchase accounting in relation to any acquisition that is consummated after the Closing Date, net of taxes, shall be excluded; (iii) the Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period; (iv) any net after-tax income or loss from discontinued operations and any net after-tax gains or losses on disposal of discontinued operations shall be excluded; (v) any net after-tax gains or losses (less all fees and expenses relating thereto) attributable to asset dispositions other than in the ordinary course of business (as determined in good faith by the board of directors of the Borrower) shall be excluded; (vi) the Net Income for such period of any Person that is not a Subsidiary of Borrower, or that is accounted for by the equity method of accounting, shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to Borrower or a Subsidiary thereof in respect of such period and such payments were not at the time subject to any prior governmental approval or any consent of a third party (in each case which has not been obtained) or prohibited, directly or indirectly, by the operation of the terms of such Person’s charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Person or Stockholders, unless such restrictions with respect to such payments have been legally waived; (vii) the Net Income for such period of any Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary or its Stockholders, unless such restrictions with respect to the payment of dividends or in similar distributions have been legally waived; provided that the net loss of any such Subsidiary shall be included; (viii) any non-cash compensation expenses realized for grants of performance shares, stock options or other stock awards to officers, directors and employees of Borrower or any Subsidiary shall be excluded, (ix) any non-cash impairment charges resulting from the application of Statement of Financial Accounting Standards No. 142 shall be excluded (x) the Net Income for such period of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with Borrower or any of its Subsidiaries or such Person’s assets are acquired by Borrower or any of its Subsidiaries shall be excluded; (xi) the proceeds of any life insurance policy shall be excluded; and (xii) income tax refunds received in excess of income tax liabilities for such period shall be excluded..

“ Consolidated Total Debt ” means, as of any date of determination, the sum of (i) the aggregate stated balance sheet amount of all Indebtedness of the Credit Parties on a consolidated basis, including, the outstanding principal amount of the Loans hereunder, (ii) the aggregate stated balance sheet amount of all Capital Lease Obligations of the Credit Parties on a consolidated basis, (iii) the stated amount of all reimbursement and other obligations of the Credit Parties with respect to letters of credit, bankers’ acceptances, bank guarantees, surety bonds and similar instruments, whether or not matured, and (iv) the aggregate stated balance sheet amount or the stated amount of all Guaranteed Indebtedness (except Guaranteed Indebtedness with respect to which the primary obligation is not itself Indebtedness) as to the Credit Parties on a consolidated basis.

“ Consolidated Total Leverage Ratio ” means, as of any date of determination, the ratio of (a) the outstanding amount of Consolidated Total Debt as of such date to (b) Consolidated EBITDA for the Test Period most recently ended on or prior to such date.

“ Contracts ” means all “contracts,” as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, in any event, including all contracts, undertakings, or agreements (other than rights evidenced by Chattel Paper, Documents or Instruments) in or under which any Credit Party may now or hereafter have any right, title or interest, including any agreement relating to the terms of payment or the terms of performance of any Account.

“ Control Agreement ” has the meaning ascribed thereto in Annex C.

“ Control Letter ” means a letter agreement between Agent and (i) the issuer of uncertificated securities with respect to uncertificated securities in the name of any Credit Party, (ii) a securities intermediary with respect to securities, whether certificated or uncertificated, securities entitlements and other financial assets held in a securities account in the name of any Credit Party or (iii) a futures commission merchant or clearing house, as applicable, with respect to commodity accounts and commodity contracts held by any Credit Party, whereby, among other things, the issuer, securities intermediary or futures commission merchant disclaims any security interest in the applicable financial assets, acknowledges the Lien of Agent, on behalf of itself and Lenders, on such financial assets, and agrees to follow the instructions or entitlement orders of Agent without further consent by the affected Credit Party.

“ Copyright License ” means any and all rights now owned or hereafter acquired by any Credit Party under any written agreement granting any right to use any Copyright or Copyright registration.

“ Copyright Office ” means the United States Copyright Office or any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof.

“ Copyright Security Agreements ” means the Copyright Security Agreements made in favor of Agent, on behalf of itself and Lenders, by each applicable Credit Party.

“Copyrights” means all of the following now owned or hereafter adopted or acquired by any Credit Party: (a) all copyrights and General Intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including all registrations, recordings and applications in any Copyright Office and (b) all reissues, extensions or renewals thereof.

“Credit Parties” means Borrower and each of its Subsidiaries.

“Current Assets” means all consolidated current assets as of any date of determination calculated in accordance with GAAP on a consolidated balance sheet of the Borrower and its Subsidiaries, but excluding cash and cash equivalents and any current deferred tax assets.

“Current Liabilities” means all consolidated liabilities as of any date of determination that should, in accordance with GAAP on a consolidated balance sheet of the Borrower and its Subsidiaries, be classified as current liabilities but excluding the current portion of any Indebtedness (including the Revolving Loan and Swing Line Loan, if applicable), any current deferred tax liabilities and any current accrued interest.

“Debt Issuance” means the Incurrence by any Credit Party of any Indebtedness.

“Default” means any event that, with the passage of time or notice or both, would, unless cured or waived, become an Event of Default.

“Deposit Accounts” means all “deposit accounts” as such term is defined in the Code, now or hereafter held in the name of any Credit Party.

“Disbursement Account” has the meaning ascribed thereto in Annex C.

“Disclosure Schedules” means the Schedules prepared by Borrower and denominated as Disclosure Schedules (3.1) through (6.7) in the Index to the Agreement.

“Disposition” means (i) any sale, assignment, lease, transfer or other disposition (including any Sale/Leaseback Transaction or any sale of any of Stock of any Subsidiary of Borrower) of any Property by any Credit Party to any other Person and/or (ii) any casualty to any Property or any Condemnation. The term Disposition shall not include any Debt Issuance or Stock Issuance.

“Documents” means any “documents,” as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located.

“Dollars” or “\$” means lawful currency of the United States of America.

“E-Fax” means any system used to receive or transmit faxes electronically.

“E-Signature” means the process of attaching to or logically associating with an Electronic Transmission an electronic symbol, encryption, digital signature or process (including the name or an abbreviation of the name of the party transmitting the Electronic Transmission) with the intent to sign, authenticate or accept such Electronic Transmission.

“ E-System ” means any electronic system approved by Agent, including SyndTrak®, Intralinks® and ClearPar® and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by Agent or any other Person, providing for access to data protected by passcodes or other security system.

“ Electronic Transmission ” means each document, instruction, authorization, file, information and any other communication transmitted, posted or otherwise made or communicated by e-mail or E-Fax, or otherwise to or from an E-System.

“ Environmental Laws ” means all applicable federal, state, local and foreign laws, statutes, ordinances, codes, rules and regulations, now or hereafter in effect, and any applicable judicial or administrative interpretation thereof, including any applicable judicial or administrative order, consent decree, order or judgment, imposing liability or standards of conduct for or relating to the regulation and protection of human health, safety, the environment and natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation). Environmental Laws include the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.) (“ CERCLA ”); the Hazardous Materials Transportation Authorization Act of 1994 (49 U.S.C. §§ 5101 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. §§ 136 et seq.); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.); the Toxic Substances Control Act (15 U.S.C. §§ 2601 et seq.); the Clean Air Act (42 U.S.C. §§ 7401 et seq.); the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.); the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.); and the Safe Drinking Water Act (42 U.S.C. §§ 300(f) et seq.), and any and all regulations promulgated thereunder, and all analogous state, local and foreign counterparts or equivalents and any transfer of ownership notification or approval statutes.

“ Environmental Liabilities ” means, with respect to any Person, all liabilities, obligations, responsibilities, response, remedial and removal costs, investigation and feasibility study costs, capital costs, operation and maintenance costs, losses, damages, punitive damages, property damages, natural resource damages, consequential damages, treble damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts and consultants), fines, penalties, sanctions and interest incurred as a result of or related to any claim, suit, action, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law, including any arising under or related to any Environmental Laws, Environmental Permits, or in connection with any Release or threatened Release or presence of a Hazardous Material whether on, at, in, under, from or about or in the vicinity of any real or personal property.

“ Environmental Permits ” means all permits, licenses, authorizations, certificates, approvals or registrations required by any Governmental Authority under any Environmental Laws.

“ Equipment ” means all “equipment,” as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located and, in any event, including all such Credit Party’s machinery and equipment, including processing equipment, conveyors, machine tools, data processing and computer equipment, including embedded software and peripheral equipment and all engineering, processing and manufacturing equipment, office machinery, furniture, materials handling equipment, tools, attachments, accessories, automotive equipment, trailers, trucks, forklifts, molds, dies, stamps, motor vehicles, rolling stock and other equipment of every kind and nature, trade fixtures and fixtures not forming a part of real property, together with all additions and accessions thereto, replacements therefor, all parts therefor, all substitutes for any of the foregoing, fuel therefor, and all manuals, drawings, instructions, warranties and rights with respect thereto, and all products and proceeds thereof and condemnation awards and insurance proceeds with respect thereto.

“ Equity Documents ” means the Stockholders Agreement, the Registration Rights Agreement and the Organizational Documents.

“ ERISA ” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any regulations promulgated thereunder.

“ ERISA Affiliate ” means, with respect to any Credit Party, any trade or business (whether or not incorporated) that, together with such Credit Party, are treated as a single employer within the meaning of Sections 414(b), (c), (m) or (o) of the IRC.

“ ERISA Event ” means, with respect to any Credit Party or any ERISA Affiliate, (a) any event described in Section 4043(c) of ERISA with respect to a Title IV Plan; (b) the withdrawal of any Credit Party or ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (c) the complete or partial withdrawal (within the meaning of Section 4203 or 4205 of ERISA) of any Credit Party or any ERISA Affiliate from any Multiemployer Plan; (d) the filing of a notice of intent to terminate a Title IV Plan or the treatment of a plan amendment as a termination under Section 4041 of ERISA; (e) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (f) the failure by any Credit Party or ERISA Affiliate to make when due required contributions to a Multiemployer Plan or Title IV Plan unless such failure is cured within thirty (30) days; (g) any other event or condition that could reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of liability under Section 4069 or 4212(c) of ERISA; (h) the termination of a Multiemployer Plan under Section 4041A of ERISA or the reorganization or insolvency of a Multiemployer Plan under Section 4241 or 4245 of ERISA; or (i) the loss of a Qualified Plan’s qualification or tax exempt status; or (j) the termination of a Plan described in Section 4064 of ERISA.

“ ESOP ” means a Plan that is intended to satisfy the requirements of Section 4975(e)(7) of the IRC.

“ Event of Default ” has the meaning ascribed to it in Section 8.1.

“ Excess Cash ” means, as of any specified date, an amount of cash equal to:

- (a) Consolidated EBITDA for the Fiscal Quarter most recently ended on or prior to such specified date (for these purposes, the *subject period*), less
- (b) the sum of:
 - (i) Consolidated Interest Expense paid in cash for such subject period;
 - (ii) any scheduled principal payment of Indebtedness during such subject period;
 - (iii) Consolidated Capital Expenditures made in cash during such subject period (except to the extent financed with (w) asset sale proceeds, (x) Indebtedness (other than drawings under the Revolving Loan Commitment), (y) equity proceeds or (z) insurance or condemnation proceeds); and
 - (iv) consolidated cash income Tax expense of the Credit Parties for income Taxes paid in cash during such subject period *minus* cash income tax refunds received by any of the Credit Parties during such subject period; less
- (c) any increase in Working Capital during such subject period; plus
- (d) any decrease in Working Capital during such subject period;

provided, however, that amounts shall be included in clause (b) for any period only to the extent not duplicative of any cost or expense which is reflected in Consolidated Net Income for such period and which has not been added back to Net Income in calculating Consolidated EBITDA for such period.

“ Excluded Account ” has the meaning ascribed thereto in Annex C.

“ Excluded Debt Issuance Proceeds ” means (a) the Net Cash Proceeds from any Debt Issuance by any Credit Party that is permitted pursuant to Section 6.3(a)(i), (ii), (iv), (viii), (x), (xiii) or (xvi), and (c) the Net Cash Proceeds from any Debt Issuance by Borrower that is permitted pursuant to Section 6.3(a)(vii), but only to the extent that the Net Cash Proceeds therefrom are applied to finance permitted Consolidated Capital Expenditures.

“ Excluded Disposition Proceeds ” means (I) the Net Cash Proceeds of any Disposition permitted by Section 6.8(a), (d), (f), (g) (h), (i) or (j), (II) the Net Cash Proceeds of any Condemnation to the extent the application of such proceeds is addressed under a Mortgage and (III) the proceeds of casualty insurance which are addressed under Section 5.4(c).

“ Excluded Stock Issuance Proceeds ” means (a) the Net Cash Proceeds from any Stock Issuance by any Subsidiary of Borrower that is permitted pursuant to Section 6.5, or (c) the Net Cash Proceeds from any Stock Issuance by Borrower that is permitted pursuant to Section 6.5, but only to the extent that not later than 90 days after any such Stock Issuance by Borrower, such Net Cash Proceeds are applied to finance permitted Consolidated Capital Expenditures.

“ Existing Credit Agreement ” has the meaning ascribed to it in the recitals to the Agreement.

“ Existing Term Loan ” has the meaning ascribed to it in Section 1.1(b).

“ Fair Labor Standards Act ” means the Fair Labor Standards Act, 29 U.S.C. §201 et seq.

“ Fair Market Value ” means, with respect to any asset or property, the price which could be negotiated in an arm’s-length, free market transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

“ FATCA ” means Sections 1471 through 1474 of the IRC, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the IRC.

“ FCC ” means the Federal Communications Commission and any successor thereto.

“ FCC License ” means any Governmental Authorization granted or issued by the FCC.

“ Federal Flood Insurance ” means Federally backed Flood Insurance available under the National Flood Insurance Program to owners of real property improvements located in Special Flood Hazard Areas in a community participating in the National Flood Insurance Program.

“ Federal Funds Rate ” means, for any day, a floating rate equal to the federal funds effective rate publicly quoted from time to time by The Wall Street Journal as the federal funds “effective rate” (or, if The Wall Street Journal ceases quoting a federal funds effective rate, the weighted average of the rates on overnight federal funds transactions among members of the Federal Reserve System as determined by Agent by reference to the federal funds rate publicly quoted in a reputable business publication selected by Agent in good faith, which determination shall be final, binding and conclusive (absent manifest error)).

“ Federal Power Act ” means the Federal Power Act, 16 U.S.C. §§ 791 et seq.

“ Federal Reserve Board ” means the Board of Governors of the Federal Reserve System.

“ Fee Letter ” means the fee letter, dated as of the date hereof, between GE Capital and Borrower, with respect to certain fees to be paid from time to time by Borrower to GE Capital in its capacity as Agent.

“ Fees ” means any and all fees payable to Agent or any Lender pursuant to the Agreement or any of the other Loan Documents.

“ FEMA ” means the Federal Emergency Management Agency, a component of the U.S. Department of Homeland Security that administers the National Flood Insurance Program.

“ Final Order ” means an order or judgment of the Bankruptcy Court, as entered on the docket of the Bankruptcy Court that has not been reversed, stayed, modified, or amended, and as to which: (a) the time to appeal, seek review or rehearing or petition for certiorari has expired and no timely-filed appeal or petition for review, rehearing, remand or certiorari is pending; or (b) any appeal taken or petition for certiorari filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought, provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or other rules governing procedure in cases before the Bankruptcy Court, may be filed with respect to such order shall not cause such order not to be a Final Order.

“ Financial Covenants ” means the financial covenants set forth in Annex G.

“ Financial Statements ” means the consolidated income statements, statements of cash flows and balance sheets of Borrower delivered in accordance with Section 3.4 and Annex D.

“ Fiscal Quarter ” means any of the quarterly accounting periods of Borrower, ending on March 31, June 30, September 30 and December 31 of each year.

“ Fiscal Year ” means any of the annual accounting periods of Borrower ending on December 31 of each year.

“ Fixtures ” means all “fixtures” as such term is defined in the Code, now owned or hereafter acquired by any Credit Party.

“ Flood Insurance ” means, for any real property located in a Special Flood Hazard Area, Federal Flood Insurance or private insurance that meets the requirements set forth by FEMA in its Mandatory Purchase of Flood Insurance Guidelines. Flood Insurance shall be in an amount equal to the full, unpaid balance of the Loans and any prior liens on the real property up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Agent, with deductibles not to exceed \$50,000.

“ Franchise ” means an initial Governmental Authorization or renewal thereof issued by a Franchising Authority which authorizes the acquisition, ownership, construction or operation of a cable television system.

“ Franchising Authority ” means any Governmental Authority authorized by any federal, state or local law to grant a Franchise or to exercise jurisdiction over the rates or services provided by a cable television system pursuant to a Franchise or over Persons holding a Franchise.

“ GAAP ” means generally accepted accounting principles in the United States of America, consistently applied, as such term is further defined in Annex G to the Agreement.

“ GE Capital ” means General Electric Capital Corporation, a Delaware corporation.

“ General Intangibles ” means “general intangibles,” as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, including all right, title and interest that such Credit Party may now or hereafter have in or under any Contract, all payment intangibles, customer lists, Licenses, Copyrights, Trademarks, Patents, and all applications therefor and reissues, extensions or renewals thereof, rights in Intellectual Property, interests in partnerships, joint ventures and other business associations, licenses, permits, copyrights, trade secrets, proprietary or confidential information, inventions (whether or not patented or patentable), technical information, procedures, designs, knowledge, know-how, software, data bases, data, skill, expertise, experience, processes, models, drawings, materials and records, goodwill (including the goodwill associated with any Trademark or Trademark License), all rights and claims in or under insurance policies (including insurance for fire, damage, loss and casualty, whether covering personal property, real property, tangible rights or intangible rights, all liability, life, key man and business interruption insurance, and all unearned premiums), uncertificated securities, choses in action, deposit, checking and other bank accounts, rights to receive tax refunds and other payments, rights to receive dividends, distributions, cash, Instruments and other property in respect of or in exchange for pledged Stock and Investment Property, rights of indemnification, all books and records, correspondence, credit files, invoices and other papers, including without limitation all tapes, cards, computer runs and other papers and documents in the possession or under the control of such Credit Party or any computer bureau or service company from time to time acting for such Credit Party, and any and all Governmental Authorizations to the extent permitted by applicable law.

“ Goods ” means any “goods” as defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located, including embedded software to the extent included in “goods” as defined in the Code, manufactured homes, standing timber that is cut and removed for sale and unborn young of animals.

“ Governmental Authority ” means any nation or government, any state or other political subdivision thereof, and any agency, department, court, central bank or other entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including, without limitation, the FCC, any PUC and any Franchising Authority).

“ Governmental Authorization ” means any authorization, approval, consent, franchise, license, covenant, order, ruling, permit, certification, exemption, notice, declaration or similar right, undertaking or other action of, to or by, or any material filing, qualification or registration with, any Governmental Authority, including any Communications License.

“ Grantor ” has the meaning ascribed to it in the Guaranty and Security Agreement.

“Guaranteed Indebtedness” means, as to any Person, any obligation of such Person guaranteeing, providing comfort or otherwise supporting any Indebtedness, lease, dividend, or other obligation (“primary obligation”) of any other Person (the “primary obligor”) in any manner, including any obligation or arrangement of such Person to (a) purchase or repurchase any such primary obligation, (b) advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor, (c) purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, (d) protect the beneficiary of such arrangement from loss (other than product warranties given in the ordinary course of business) or (e) indemnify the owner of such primary obligation against loss in respect thereof. The amount of any Guaranteed Indebtedness at any time shall be deemed to be an amount equal to the lesser at such time of (x) the stated or determinable amount of the primary obligation in respect of which such Guaranteed Indebtedness is incurred and (y) the maximum amount for which such Person may be liable pursuant to the terms of the instrument embodying such Guaranteed Indebtedness, or, if not stated or determinable, the maximum reasonably anticipated liability (assuming full performance) in respect thereof.

“Guaranties” means, collectively, the Guaranty and Security Agreement and any other guaranty executed by any Guarantor in favor of Agent, for the benefit of itself and Lenders, in respect of the Obligations.

“Guarantor” means each Credit Party (other than Borrower and the PUC Restricted Subsidiaries) and each other Person, if any, that (i) executes a guaranty or other similar agreement in favor of Agent, for the benefit of itself and Lenders, in connection with the transactions contemplated by this Agreement, or (ii) becomes a “Guarantor” under the Guaranty and Security Agreement by the execution of a Joinder Agreement.

“Guaranty and Security Agreement” means the Amended and Restated Guaranty and Security Agreement, dated as of the date hereof, entered into by and among the Agent, on behalf of itself and Lenders, and each Credit Party that is a signatory thereto, together with any joinders and amendments thereto executed from time to time.

“Hazardous Material” means any substance, material or waste that is regulated by, or forms the basis of liability now or hereafter under, any Environmental Laws, including any material or substance that is (a) defined as a “solid waste,” “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “pollutant,” “contaminant,” “hazardous constituent,” “special waste,” “toxic substance” or other similar term or phrase under any Environmental Laws, or (b) petroleum or any fraction or by-product thereof, asbestos, polychlorinated biphenyls (PCB’s), or any radioactive substance.

“Hedging Obligations” means, with respect to any Person, the obligations of such Person under: (i) currency exchange, interest rate or commodity swap agreements, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and (ii) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

“ Impacted Lender ” means any Lender that fails to provide Agent, within three (3) Business Days following Agent’s written request, satisfactory assurance that such Lender will not become a Non-Funding Lender, or any Lender that has a Person that directly or indirectly controls such Lender and such Person (a) becomes subject to a voluntary or involuntary case under the Bankruptcy Code or any similar bankruptcy laws, (b) has appointed a custodian, conservator, receiver or similar official for such Person or any substantial part of such Person’s assets, or (c) makes a general assignment for the benefit of creditors, is liquidated, or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Person or its assets to be, insolvent or bankrupt, and for each of clauses (a) through (c), Agent has determined that such Lender is reasonably likely to become a Non-Funding Lender. For purposes of this definition, control of a Person shall have the same meaning as in the second sentence of the definition of Affiliate.

“ Incur ” means issue, assume, guarantee, incur or otherwise become liable for; provided, however, that any Indebtedness or Stock of a Person existing at the time such Person becomes a Subsidiary (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary. The terms “Incurrence” or “Incurred” shall have the meanings correlative thereto.

“ Indebtedness ” means, with respect to any Person: (i) the principal and premium (if any) of any indebtedness of such Person, whether or not contingent: (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers’ acceptances (or, without duplication, reimbursement agreements in respect thereof), (c) representing the deferred and unpaid purchase price of any property, which purchase price is due more than six months after the date of placing the property in service or taking delivery and title thereto, (d) in respect of Capital Lease Obligations or (e) representing any Hedging Obligations, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; (ii) to the extent not otherwise included, any Guaranteed Indebtedness as to such Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business and other than Guaranteed Indebtedness with respect to which the primary obligation is not itself Indebtedness); and (iii) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); provided, however, that the amount of such Indebtedness will be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Person; provided, further, that any obligation of Borrower or any Subsidiary in respect of account credits to participants under the LTIP or any successor or similar compensation plan, shall be deemed not to constitute Indebtedness.

“ Indemnified Liabilities ” has the meaning ascribed to it in Section 1.13.

“ Indemnified Person ” has the meaning ascribed to it in Section 1.13.

“ Index Rate ” means, for any day, a floating rate equal to the higher of (i) the rate publicly quoted from time to time by The Wall Street Journal as the “prime rate” (or, if The Wall Street Journal ceases quoting a prime rate, the highest per annum rate of interest published by the Federal Reserve Board in Federal Reserve statistical release H.15 (519) entitled “Selected Interest Rates” as the Bank prime loan rate or its equivalent) (ii) the Federal Funds Rate plus 50 basis points per annum and (iii) 4.25% per annum. Each change in any interest rate provided for in the Agreement based upon the Index Rate shall take effect at the time of such change in the Index Rate.

“ Index Rate Loan ” means a Loan or portion thereof bearing interest by reference to the Index Rate.

“ Initial Outside Date ” has the meaning ascribed to it in Section 5.18.

“ Instruments ” means all “instruments,” as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located, and, in any event, including all certificates of deposit, and all promissory notes and other evidences of indebtedness, other than instruments that constitute, or are a part of a group of writings that constitute, Chattel Paper.

“ Intellectual Property ” means any and all Licenses, Patents, Copyrights, Trademarks, and the goodwill associated with such Trademarks.

“ Intercompany Notes ” has the meaning ascribed to it in Section 6.3.

“ Interest Payment Date ” means (a) as to any Index Rate Loan, each March 21, June 21, September 21 and December 21; and (b) as to any LIBOR Loan, the last day of the applicable LIBOR Period, provided, that in the case of any LIBOR Period greater than three months in duration, interest shall be payable at three month intervals and on the last day of such LIBOR Period; and provided further that, in addition to the foregoing, each of (x) the date upon which all of the Commitments have been terminated and the Loans have been paid in full and (y) the Commitment Termination Date shall be deemed to be an “ Interest Payment Date ” with respect to any interest that has then accrued under the Agreement.

“ Inventory ” means any “inventory,” as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located, and in any event including inventory, merchandise, goods and other tangible personal property that are held by or on behalf of any Credit Party for sale or lease or are furnished or are to be furnished under a contract of service, or that constitute raw materials, work in process, finished goods, returned goods, supplies or materials of any kind, nature or description used or consumed or to be used or consumed in such Credit Party’s business or in the processing, production, packaging, promotion, delivery or shipping of the same, including all supplies and embedded software.

“ Investment Bank ” has the meaning ascribed to it in Section 5.18.

“ Investment Company Act of 1940 ” means the Investment Company Act of 1940, 15 U.S.C. §§ 80a-1, et seq.

“ Investment Property ” means all “investment property,” as such term is defined in the Code, now owned or hereafter acquired by any Credit Party, wherever located, including (i) all securities, whether certificated or uncertificated, including stocks, bonds, interests in limited liability companies, partnership interests, treasuries, certificates of deposit, and mutual fund shares; (ii) all securities entitlements of any Credit Party, including the rights of such Credit Party to any securities account and the financial assets held by a securities intermediary in such securities account and any free credit balance or other money owing by any securities intermediary with respect to that account; (iii) all securities accounts of any Credit Party; (iv) all commodity contracts of any Credit Party; and (v) all commodity accounts held by any Credit Party.

“ Investments ” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration (including agreements providing for the adjustment of purchase price) of Indebtedness, Stock or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet of Borrower in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property by such Person to such other Person. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustment for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment.

“ IRC ” means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.

“ IRS ” means the Internal Revenue Service.

“ Joinder Agreement ” means a joinder agreement substantially in the form of Exhibit 6.23 to the Agreement.

“ Lenders ” means GE Capital, the other Lenders made parties to this Agreement pursuant to the Reorganization Plan, and any other Person that becomes a “Lender” hereunder pursuant to Section 1.16(d) or Section 9.1(a).

“ LIBOR Business Day ” means a Business Day on which banks in the City of London are generally open for interbank or foreign exchange transactions.

“ LIBOR Loan ” means a Loan or any portion thereof bearing interest by reference to the LIBOR Rate.

“ LIBOR Period ” means, with respect to any LIBOR Loan, each period commencing on a LIBOR Business Day selected by Borrower pursuant to the Agreement and ending one, two, three or six months thereafter, as selected by Borrower’s irrevocable notice to Agent as set forth in Section 1.5(e); provided, that the foregoing provision relating to LIBOR Periods is subject to the following:

(a) if any LIBOR Period would otherwise end on a day that is not a LIBOR Business Day, such LIBOR Period shall be extended to the next succeeding LIBOR Business Day unless the result of such extension would be to carry such LIBOR Period into another calendar month in which event such LIBOR Period shall end on the immediately preceding LIBOR Business Day;

(b) any LIBOR Period that would otherwise extend beyond the Commitment Termination Date shall end two (2) LIBOR Business Days prior to such date;

(c) any LIBOR Period that begins on the last LIBOR Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such LIBOR Period) shall end on the last LIBOR Business Day of a calendar month;

(d) Borrower shall select LIBOR Periods so as not to require a payment or prepayment of any LIBOR Loan during a LIBOR Period for such Loan; and

(e) Borrower shall select LIBOR Periods so that there shall be no more than six (6) separate LIBOR Loans in existence at any one time.

“ LIBOR Rate ” means for each LIBOR Period, a rate of interest determined by Agent equal to the greater of (i) 3.00% per annum and (ii)

(a) the offered rate for deposits in Dollars for the applicable LIBOR Period that appears on Reuters Screen LIBOR01 Page as of 11:00 a.m. (London time), on the second full LIBOR Business Day next preceding the first day of such LIBOR Period (unless such date is not a Business Day, in which event the next succeeding Business Day will be used); divided by

(b) a number equal to 1.0 minus the aggregate (but without duplication) of the rates (expressed as a decimal fraction) of reserve requirements in effect on the day that is two (2) LIBOR Business Days prior to the beginning of such LIBOR Period (including basic, supplemental, marginal and emergency reserves under any regulations of the Federal Reserve Board or other Governmental Authority having jurisdiction with respect thereto, as now and from time to time in effect) for Eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Federal Reserve Board) that are required to be maintained by a member bank of the Federal Reserve System.

If such interest rates shall cease to be available from Reuters, the LIBOR Rate shall be determined from such financial reporting service or other information as shall be acceptable to Agent.

“ License ” means any Copyright License, Patent License, Trademark License or other license of rights or interests now held or hereafter acquired by any Credit Party.

“ Lien ” means any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, security interest, easement or encumbrance, or priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the Code or comparable law of any jurisdiction).

“ Liquidity Transaction ” has the meaning ascribed to it in Section 5.18.

“ Litigation ” has the meaning ascribed to it in Section 3.13.

“ Loan Account ” has the meaning ascribed to it in Section 1.12.

“ Loan Documents ” means the Agreement, the Notes, the Collateral Documents, the Fee Letter and all other agreements, instruments, documents and certificates identified in the Closing Checklist executed and delivered to, or in favor of, Agent or any Lenders and including all other pledges, powers of attorney, consents, assignments, contracts, notices, and all other written matter whether heretofore, now or hereafter executed by or on behalf of any Credit Party, or any employee of any Credit Party, and delivered to Agent or any Lender in connection with the Agreement or the transactions contemplated thereby.

“ Loans ” means the Revolving Loan, the Swing Line Loan and the Term Loan.

“ LTIP ” means any long-term incentive or similar compensation plan maintained by Borrower or its Subsidiaries.

“ Management Equity Plan ” means the equity plan established for certain employees of the Borrower, which plan shall be acceptable to the Agent.

“ Margin Stock ” has the meaning ascribed to it in Section 3.10.

“ Material Adverse Effect ” means a material adverse effect on (a) the business, assets, operations or financial or other condition of the Credit Parties considered as a whole, (b) Borrower’s ability to pay any of the Loans or any of the other Obligations in accordance with the terms of the Agreement or the ability of any Credit Party to perform any of its other obligations under the Loan Documents, (c) the Collateral or Agent’s Liens, on behalf of itself and Lenders, on the Collateral or the priority of such Liens, or (d) Agent’s or any Lender’s rights and remedies under the Agreement and the other Loan Documents.

“ Material Real Estate ” means (i) the Real Estate subject to any Mortgage, (ii) any Real Estate having a value in excess of \$250,000, (iii) any Real Estate leased, subleased or used by any Credit Party with respect to which the aggregate annual payments therefor exceed \$300,000, and/or (iv) any Real Estate that the Requisite Lenders have determined is material to the business, operations, assets or financial condition of the Credit Parties.

“ Maximum Amount ” means, as of any date of determination, an amount equal to the Revolving Loan Commitment of all Lenders as of that date.

“ Mid-Maine Telecom ” means Mid-Maine Telecom LLC, a Maine limited liability company.

“ Moody’s ” means Moody’s Investors Service, Inc., and any successor rating agency.

“ Mortgaged Properties ” means Mortgages (or amendments to Mortgages) covering all of the owned Real Estate.

“ Mortgages ” means each of the mortgages, deeds of trust, leasehold mortgages, leasehold deeds of trust, collateral assignments of leases or other real estate security documents delivered by any Credit Party to Agent on behalf of itself and Lenders with respect to the Mortgaged Properties, all in form and substance reasonably satisfactory to Agent.

“ Multiemployer Plan ” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA, and to which any Credit Party or ERISA Affiliate is making, is obligated to make or has made or been obligated to make, contributions on behalf of participants who are or were employed by any of them.

“ Multiple Employer Plan ” means a “section 413(c) plan” as defined in Treasury Regulations Section 1.413-2 and to which any Credit Party or ERISA Affiliate is making, is obligated to make or has made or been obligated to make, contributions on behalf of participants who are or were employed by any of them.

“ National Flood Insurance Program ” means the program created by the U.S. Congress pursuant to the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973, as revised by the National Flood Insurance Reform Act of 1994, that mandates the purchase of flood insurance to cover real property improvements located in Special Flood Hazard Areas in participating communities and provides protection to property owners through a Federal insurance program.

“ Net Cash Proceeds ” means:

(a) with respect to any Disposition, (i) the aggregate amount of cash proceeds received by any Credit Party in respect of such Disposition (including any cash proceeds received at any time by any Credit Party as income or other proceeds of any noncash proceeds or other consideration in respect of any Disposition as and when received), less (ii) the sum without duplication of the following amounts, but only to the extent not already deducted in arriving at the amount referred to in clause (a)(i) above: (A) commissions and other reasonable and customary transaction costs, fees and expenses properly attributable to such Disposition and payable by any Credit Party in connection therewith (in each case, paid to non-Affiliates); (B) taxes payable by any Credit Party in connection with such Disposition; (C) amounts payable by any Credit Party to holders of senior Liens (to the extent such Liens constitute Permitted Encumbrances hereunder), if any, on the Property that is the subject of such Disposition and required to be, and which is, repaid by any Credit Party under the terms thereof as a result thereof (including in order to obtain the consent of such holders to make such Disposition); (D) an appropriate reserve for indemnities, purchase price adjustments and other contingent liabilities in accordance with GAAP in connection with such Disposition; and (E) an appropriate reserve for income taxes in accordance with GAAP in connection with respect of such Disposition; provided that the reversal of any such reserve shall be deemed to be cash proceeds received by a Credit Party in respect of such Disposition; and

(b) with respect to any Debt Issuance or Stock Issuance, the gross amount of cash proceeds paid to or received by any Credit Party in respect of such Debt Issuance or Stock Issuance as the case may be (including any cash proceeds received at any time by any Credit Party as income or other proceeds of any noncash proceeds or other consideration in respect of any Debt Issuance or Stock Issuance as and when received), net of underwriting discounts and commissions and other reasonable costs and expenses directly incurred by such Credit Party and paid to non-Affiliates in connection therewith.

“ Net Income ” means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP.

“ Non-Funding Lender ” means any Lender that has (a) failed to fund any payments required to be made by it under the Loan Documents within two (2) Business Days after any such payment is due (excluding expense and similar reimbursements that are subject to good faith disputes), (b) given written notice (and Agent has not received a revocation in writing), to a Borrower, Agent, or any Lender, or has otherwise publicly announced (and Agent has not received notice of a public retraction) that such Lender believes it will fail to fund payments or purchases of participations required to be funded by it under the Loan Documents or one or more other syndicated credit facilities, (c) failed to fund, and not cured, loans, participations, advances, or reimbursement obligations under one or more other syndicated credit facilities, unless subject to a good faith dispute, or (d) (i) become subject to a voluntary or involuntary case under the Bankruptcy Code or any similar bankruptcy laws, (ii) a custodian, conservator, receiver or similar official appointed for it or any substantial part of such Person’s assets, or (iii) made a general assignment for the benefit of creditors, been liquidated, or otherwise been adjudicated as, or determined by any Governmental Authority having regulatory authority over such Person or its assets to be, insolvent or bankrupt, and for this clause (d), Agent has determined that such Lender is reasonably likely to fail to fund any payments required to be made by it under the Loan Documents.

“ Notes ” means, collectively, the Revolving Notes, the Swing Line Note and the Term Notes.

“ Notice of Conversion/Continuation ” has the meaning ascribed to it in Section 1.5(e).

“ Notice of Revolving Credit Advance ” has the meaning ascribed to it in Section 1.1(a).

“ Notice of Swing Line Advance ” has the meaning ascribed to it in Section 1.1(c).

“ Obligations ” means all loans, advances, debts, liabilities and obligations, for the performance of covenants, tasks or duties or for payment of monetary amounts (whether or not such performance is then required or contingent, or such amounts are liquidated or determinable) owing by any Credit Party to Agent or any Lender, and all covenants and duties regarding such amounts, of any kind or nature, present or future, whether or not evidenced by any note, agreement or other instrument, arising under the Agreement or any of the other Loan Documents. This term includes all principal, interest (including all interest that accrues after the commencement of any case or proceeding by or against any Credit Party in bankruptcy, whether or not allowed in such case or proceeding), Fees, Hedging Obligations of Borrower to a Secured Swap Provider pursuant to a Secured Rate Contract, Charges, expenses, attorneys’ fees and any other sum chargeable to any Credit Party under the Agreement or any of the other Loan Documents.

“ Omnibus Reaffirmation Agreement ” means the Omnibus Reaffirmation Agreement, dated as of the date hereof, executed by each of the Credit Parties in favor of Agent, for the benefit of itself and Lenders.

“ Organizational Documents ” means the by-laws, certificate of incorporation, certificate of formation, stockholders agreement, operating agreement, or similar agreement of each of the Borrower and its Subsidiaries.

“ Original Closing Date ” means July 3, 2006.

“ Patent License ” means rights under any written agreement now owned or hereafter acquired by any Credit Party granting any right with respect to any invention on which a Patent is in existence.

“ Patent Security Agreements ” means the Patent Security Agreements made in favor of Agent, on behalf of itself and Lenders, by each applicable Credit Party.

“ Patents ” means all of the following in which any Credit Party now holds or hereafter acquires any interest: (a) all letters patent of the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or of any other country, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State or any other country, and (b) all reissues, continuations, continuations-in-part or extensions thereof.

“ Patriot Act ” means the Uniting And Strengthening America By Providing Appropriate Tools Required To Intercept And Obstruct Terrorism (USA Patriot Act of 2001).

“ PBGC ” means the Pension Benefit Guaranty Corporation.

“ Pension Plan ” means a Plan described in Section 3(2) of ERISA.

“ Permitted Encumbrances ” means the following encumbrances: (a) Liens for taxes or assessments or other governmental Charges not yet due and payable or which are being contested in accordance with Section 5.2(b); (b) pledges or deposits of money securing statutory obligations under workmen’s compensation, unemployment insurance, social security or public liability laws or similar legislation (excluding Liens under ERISA); (c) pledges or deposits of money securing bids, tenders, contracts (other than contracts for the payment of money) or leases to which any Credit Party is a party as lessee made in the ordinary course of business; (d) inchoate and unperfected workers’, mechanics’ or similar liens arising in the ordinary course of business, so long as such Liens attach only to Equipment, Fixtures and/or Real Estate; (e) carriers’, warehousemen’s, suppliers’ or other similar possessory liens arising in the ordinary course of business and securing liabilities in an outstanding aggregate amount not in excess of \$2,000,000 at any time for all Credit Parties combined, so long as such Liens attach only to Inventory; (f) deposits securing, or in lieu of, surety, appeal or customs bonds in proceedings to which any Credit Party is a party; (g) any attachment or judgment lien not constituting an Event of Default under Section 8.1(j); (h) zoning restrictions, easements, licenses, or other restrictions on the use of any Real Estate or other minor irregularities in title (including leasehold title) thereto, so long as the same do not materially impair the use, value, or marketability of such Real Estate; (i) presently existing or hereafter created Liens in favor of Agent, on behalf of Lenders; and (j) Liens expressly permitted under clauses (b) and (c) of Section 6.7 of the Agreement.

“ Person ” means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, public benefit corporation, other entity or government (whether federal, state, county, city, municipal, local, foreign, or otherwise, including any instrumentality, division, agency, body or department thereof).

“ Petition Date ” has the meaning ascribed to it in the recitals to the Agreement

“ Plan ” means, at any time, an “employee benefit plan,” as defined in Section 3(3) of ERISA, that any Credit Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any Credit Party.

“ Plan Documents ” has the meaning ascribed to it in Section 2.1(c).

“ Preferred Stock ” means any Stock with preferential right of payment of dividends or upon liquidation, dissolution, or winding up.

“ Proceeds ” means “proceeds,” as such term is defined in the Code, including (a) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to any Credit Party from time to time with respect to any of the Collateral, (b) any and all payments (in any form whatsoever) made or due and payable to any Credit Party from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any Governmental Authority (or any Person acting under color of governmental authority), (c) any claim of any Credit Party against third parties (i) for past, present or future infringement of any Patent or Patent License, or (ii) for past, present or future infringement or dilution of any Copyright, Copyright License, Trademark or Trademark License, or for injury to the goodwill associated with any Trademark or Trademark License, (d) any recoveries by any Credit Party against third parties with respect to any litigation or dispute concerning any of the Collateral, including claims arising out of the loss or nonconformity of, interference with the use of, defects in, or infringement of rights in, or damage to, Collateral, (e) all amounts collected on, or distributed on account of, other Collateral, including dividends, interest, distributions and Instruments with respect to Investment Property and pledged Stock, and (f) any and all other amounts, rights to payment or other property acquired upon the sale, lease, license, exchange or other disposition of Collateral and all rights arising out of Collateral.

“ Pro Forma ” means the unaudited consolidated balance sheet of Borrower and its Subsidiaries as of May 15, 2013 after giving pro forma effect to the Restructuring.

“ Pro Forma Basis ” means, for purposes of determining compliance with any financial covenant or test hereunder and determining whether the conditions to the Incurrence of Indebtedness pursuant to Section 6.3 have been met, that the subject transaction shall be deemed to have occurred as of the first day of the four consecutive fiscal quarters most recently ended for which annual or quarterly financial statements shall have been delivered in accordance with the provisions hereof (the “ Reference Period ”). For purposes of making calculations on a “Pro Forma Basis” hereunder, (a) any Indebtedness to be Incurred by any Person in connection with the consummation of any Debt Issuance will be assumed to have been Incurred on the first day of the Reference Period, (b) the gross interest expenses, determined in accordance with GAAP, with respect to such Indebtedness assumed to have been Incurred on the first day of the Reference Period that bears interest at a floating rate shall be calculated at the current rate under the agreement governing such Indebtedness (including this Agreement if the Indebtedness is Incurred hereunder), and (c) any gross interest expense, determined in accordance with GAAP, Incurred during the Reference Period that was or is to be refinanced with proceeds of Indebtedness assumed to have been Incurred as of the first day of the Reference Period will be excluded from the calculation for which a Pro Forma Basis is being given.

“ Projections ” means Borrower’s forecasted consolidated: (a) balance sheets; (b) profit and loss statements; and (c) cash flow statements, in each case delivered to the Lenders prior to the Closing Date.

“ Property ” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“ Pro Rata Share ” means with respect to all matters relating to any Lender (a) with respect to the Revolving Loan, the percentage obtained by dividing (i) the Revolving Loan Commitment of that Lender by (ii) the aggregate Revolving Loan Commitments of all Lenders, (b) with respect to the Term Loan, the percentage obtained by dividing (i) the Total Term Loan Commitment of that Lender by (ii) the aggregate Total Term Loan Commitments of all Lenders, as any such percentages may be adjusted by assignments permitted pursuant to Section 9.1, (c) with respect to all Loans, the percentage obtained by dividing (i) the aggregate Commitments of that Lender by (ii) the aggregate Commitments of all Lenders, and (d) with respect to all Loans on and after the Commitment Termination Date, the percentage obtained by dividing (i) the aggregate outstanding principal balance of the Loans held by that Lender, by (ii) the outstanding principal balance of the Loans held by all Lenders.

“ PUC ” means any state Governmental Authority that exercises jurisdiction over the rates or services or the acquisition, ownership, construction or operation of any telecommunications systems or over Persons who own, construct or operate a telecommunications system, in each case by reason of the nature or type of the business subject to regulation and not pursuant to laws and regulations of general applicability to Persons conducting business in such state, including, without limitation, the PUC of Alabama, the PUC of Missouri, the Department of Telecommunications and Cable of Massachusetts, the PUC of New Hampshire, Public Services Commission of West Virginia and the Public Utilities Commission of Maine.

“ PUC Authorization ” means any Governmental Authorization granted or issued by a PUC.

“ PUC Restricted Subsidiary ” means Mid-Maine Telecom and War Telephone.

“ PUC Restricted Subsidiary Account ” means each deposit account that is held in the name of a PUC Restricted Subsidiary.

“ Qualified Plan ” means a Pension Plan that is intended to be tax-qualified under Section 401(a) of the IRC.

“ Qualified Assignee ” means (a) any Lender (other than a Non-Funding Lender or Impacted Lender), any Affiliate (as defined in clause (a) and/or (b) of the definition of “Affiliate” in this Annex A) of any Lender (other than a Non-Funding Lender or Impacted Lender) and, with respect to any Lender (other than a Non-Funding Lender or Impacted Lender) that is an investment fund that invests in commercial loans, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate (as defined in clause (a) and/or (b) of the definition of “Affiliate” in this Annex A) of such investment advisor, and (b) any commercial bank, savings and loan association or savings bank or any other entity which is an “accredited investor” (as defined in Regulation D under the Securities Act) which extends credit or buys loans as one of its businesses, including insurance companies, mutual funds, lease financing companies and commercial finance companies, in each case, which has a rating of BBB or higher from S&P and a rating of Baa2 or higher from Moody’s at the date that it becomes a Lender and which, through its applicable lending office, is capable of lending to Borrower without the imposition of any withholding or similar taxes greater than those taxes imposed by the assigning Lender at the time of such assignment.

“ Rate Contracts ” means swap agreements (as such term is defined in Section 101 of the Bankruptcy Code) and any other agreements or arrangements designed to provide protection against fluctuations in interest or currency exchange rates.

“ Real Estate ” means all real property owned, leased, subleased or used by any Credit Party.

“ Refunded Swing Line Loan ” has the meaning ascribed to it in Section 1.1(c)(iii).

“ Registration Rights Agreement ” means the Registration Agreement of even date herewith entered into by and among the Lenders and each Credit Party that is a signatory thereto.

“ Relationship Bank ” means each of the banks specified on Disclosure Schedule (3.19) on the Closing Date and such other bank or banks reasonably acceptable to Agent.

“ Release ” means any release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Material in the indoor or outdoor environment, including the movement of Hazardous Material through or in the air, soil, surface water, ground water or property.

“ Requisite Lenders ” means Lenders having (a) more than 50% of the Commitments of all Lenders, or (b) if the Commitments have been terminated, more than 50% of the aggregate outstanding amount of the Loans.

“ Requisite Revolving Lenders ” means Lenders having (a) more than 50% of the Revolving Loan Commitments of all Lenders, or (b) if the Revolving Loan Commitments have been terminated, more than 50% of the aggregate outstanding amount of the Revolving Loan.

“ Requisite Term Lenders ” means Lenders holding more than 50% of the aggregate principal amount of the Term Loan then outstanding.

“ Reserves ” means, as of any date, any reserve against the Borrowing Availability established by Agent pursuant to Section 1.3(b)(ii) or Section 5.4.

“ Responsible Officer ” means the chief executive officer, president, chief financial officer, principal accounting officer or treasurer of Borrower.

“ Restricted Payment ” means (a) the declaration or payment of any dividend or the Incurrence of any liability to make any other payment or distribution of cash or other property or assets in respect of Stock; (b) any payment on account of the purchase, redemption, defeasance, sinking fund or other retirement of any Credit Party’s Stock or any other payment or distribution made in respect thereof, either directly or indirectly; (c) any payment or prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to, any Subordinated Debt or any other Indebtedness of any Credit Party subordinated to any of the Obligations; (d) any payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire Stock of any Credit Party now or hereafter outstanding; (e) any payment of a claim for the rescission of the purchase or sale of, or for material damages arising from the purchase or sale of, any shares of any Credit Party’s Stock or of a claim for reimbursement, indemnification or contribution arising out of or related to any such claim for damages or rescission; (f) any payment, loan, contribution, or other transfer of funds or other property to any Stockholder or Affiliate of any Credit Party other than payment of compensation in the ordinary course of business to Stockholders who are employees of such Credit Party; and (g) any payment of management fees (or other fees of a similar nature) by any Credit Party to any Stockholder of any Credit Party or its Affiliates.

“ Retiree Welfare Plan ” means, at any time, a Welfare Plan that provides for continuing coverage or benefits for any participant or any beneficiary of a participant after such participant’s termination of employment, other than continuation coverage provided pursuant to Section 4980B of the IRC and at the sole expense of the participant or the beneficiary of the participant.

“ Revolving Credit Advance ” has the meaning ascribed to it in Section 1.1(a)(i).

“ Revolving Lenders ” means, as of any date of determination, Lenders having a Revolving Loan Commitment.

“ Revolving Loan ” means, at any time, the aggregate amount of Revolving Credit Advances outstanding to Borrower.

“ Revolving Loan Commitment ” means (a) as to any Revolving Lender, the aggregate commitment of such Revolving Lender to make Revolving Credit Advances as set forth on Annex J to the Agreement or in the most recent Assignment Agreement executed by such Revolving Lender and (b) as to all Revolving Lenders, the aggregate commitment of all Revolving Lenders to make Revolving Credit Advances, which aggregate commitment shall be Five Million Dollars (\$5,000,000) on the Closing Date, as such amount may be adjusted, if at all, from time to time in accordance with the Agreement.

“ Revolving Note ” has the meaning ascribed to it in Section 1.1(a)(ii).

“ Sale/Leaseback Transaction ” means an arrangement relating to property now owned or hereafter acquired by Borrower or a Subsidiary whereby Borrower or a Subsidiary transfers such property to a Person and Borrower or such Subsidiary leases it from such Person, other than leases between Borrower and a Wholly Owned Subsidiary or between Wholly Owned Subsidiaries.

“ Secured Rate Contract ” means any Rate Contract between Borrower and the counterparty thereto, which (i) has been provided or arranged by GE Capital or an Affiliate of GE Capital, or (ii) the Agent has acknowledged in writing constitutes a “Secured Rate Contract” hereunder.

“ Secured Swap Provider ” means (i) a Lender or an Affiliate of a Lender (or a Person who was a Lender or an Affiliate of a Lender at the time of execution and delivery of a Rate Contract) who has entered into a Secured Rate Contract with Borrower, or (ii) a Person with whom Borrower has entered into a Secured Rate Contract provided or arranged by GE Capital or an Affiliate of GE Capital, and any assignee thereof.

“ Securities Offering ” means any public or private sale of common stock or Preferred Stock of Borrower (other than Disqualified Stock), other than public offerings with respect to Borrower’s Common Stock registered on Form S-8 and the sales in respect of the Equity Documents.

“ Solvent ” means, with respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person; (b) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured; (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature; and (d) such Person is not engaged in a business or transaction, and is not about to engage in a business or transaction, for which such Person’s property would constitute an unreasonably small capital. The amount of contingent liabilities (such as litigation, guaranties and pension plan liabilities) at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, represents the amount that can be reasonably be expected to become an actual or matured liability.

“ Special Flood Hazard Area ” means an area that FEMA’s current flood maps indicate has at least a one percent (1%) chance of a flood equal to or exceeding the base flood elevation (a 100-year flood) in any given year.

“ Stock ” means all shares, options, warrants, general or limited partnership interests, membership interests, participations or other equivalents (regardless of how designated) of or in a corporation, partnership, limited liability company or equivalent entity whether voting or nonvoting, including common stock, preferred stock or any other “equity security” (as such term is defined in Rule 3a11-1 of the General Rules and Regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934).

“ Stock Issuance ” means any issuance by any Credit Party of any Stock to any Person or receipt by any Credit Party of a capital contribution from any Person, including the issuance of Stock pursuant to the exercise of options or warrants and the conversion of any Indebtedness to Stock.

“ Stockholder ” means, with respect to any Person, each holder of Stock of such Person.

“ Stockholders Agreement ” means the Stockholders Agreement of even date herewith entered into by and among the Lenders and each Credit Party that is a signatory thereto.

“ Subsidiary ” means, with respect to any Person, (a) any corporation of which an aggregate of more than 50% of the outstanding Stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, Stock of any other class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned legally or beneficially by such Person or one or more Subsidiaries of such Person, or with respect to which any such Person has the right to vote or designate the vote of 50% or more of such Stock whether by proxy, agreement, operation of law or otherwise, and (b) any partnership or limited liability company in which such Person and/or one or more Subsidiaries of such Person shall have an interest (whether in the form of voting or participation in profits or capital contribution) of more than 50% or of which any such Person is a general partner or may exercise the powers of a general partner. Unless the context otherwise requires, each reference to a Subsidiary shall be a reference to a Subsidiary of the Borrower.

“ Subsidiary Guarantor ” means each Credit Party that is a Guarantor under the Guaranty and Security Agreement.

“ Swing Line Advance ” has the meaning ascribed to it in Section 1.1(c)(i).

“ Swing Line Availability ” has the meaning ascribed to it in Section 1.1(c)(i).

“ Swing Line Commitment ” means, as to the Swing Line Lender, the commitment of the Swing Line Lender to make Swing Line Advances as set forth on Annex J to the Agreement, which commitment constitutes a subfacility of the Revolving Loan Commitment of the Swing Line Lender.

“ Swing Line Lender ” means CoBank, ACB.

“ Swing Line Loan ” means at any time, the aggregate amount of Swing Line Advances outstanding to Borrower.

“ Swing Line Note ” has the meaning ascribed to it in Section 1.1(c)(ii).

“ Taxes ” means taxes, levies, imposts, deductions, Charges or withholdings, and all liabilities with respect thereto, excluding (i) taxes imposed on or measured by the net income of Agent or a Lender by the jurisdictions under the laws of which Agent and Lenders are organized or conduct business or any political subdivision thereof, (ii) any branch profits taxes under Section 884 of the IRC or similar taxes imposed by any such jurisdictions, (iii) any taxes imposed as a result of any Foreign Lender failing to comply with Section 1.15(c), or (iv) any taxes imposed under FATCA.

“ Telecommunications Approvals ” shall have the meaning ascribed to it in Section 3.1.

“ Telecommunications Business ” means the business of (i) transmitting or providing services relating to the transmission of voice, video or data through transmission facilities, (ii) constructing, creating, developing or producing communications networks, related network transmission, equipment, software, devices and content for use in a communications or content distribution business or (iii) evaluating, participating or pursuing any other activity or opportunity that is primarily related to (i) or (ii) above.

“ Termination Date ” means the date on which (a) the Loans have been indefeasibly repaid in full, (b) all other Obligations (other than contingent indemnity and expense reimbursement obligations for which no claim has been made) under the Agreement and the other Loan Documents have been completely discharged, and (c) Borrower shall not have any further right to borrow any monies under the Agreement.

“ Term Lenders ” means, as of any date of determination, those Lenders holding the Term Loan.

“ Term Lender Settlement Date ” has the meaning assigned to it in Section 9.9(a)(iii).

“ Term Loan ” means the Existing Term Loan.

“ Term Note ” has the meaning assigned to it in Section 1.1(b)(i).

“ Test Period ” means each period of twelve fiscal months ended as provided in the relevant provision or definition in the Agreement.

“ Title IV Plan ” means a Pension Plan (other than a Multiemployer Plan), that is covered by Title IV of ERISA.

“ Total Term Loan Commitment ” means, collectively, an amount equal to One Hundred Thirty-Three Million Three Hundred Thousand and No/100 Dollars (\$133,300,000.00).

“ Trademark Security Agreements ” means the Trademark Security Agreements made in favor of Agent, on behalf of Lenders, by each applicable Credit Party.

“ Trademark License ” means rights under any written agreement now owned or hereafter acquired by any Credit Party granting any right to use any Trademark.

“ Trademarks ” means all of the following now owned or hereafter adopted or acquired by any Credit Party: (a) all trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature (whether registered or unregistered), all registrations and recordings thereof, and all applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state or territory thereof, or any other country or any political subdivision thereof; (b) all reissues, extensions or renewals thereof; and (c) all goodwill associated with or symbolized by any of the foregoing.

“ Trigger Event ” has the meaning ascribed to such term in Section 5.18 .

“ Unfunded Pension Liability ” means, at any time, the aggregate amount, if any, of the sum of (a) the amount by which the present value of all accrued benefits under each Title IV Plan exceeds the Fair Market Value of all assets of such Title IV Plan allocable to such benefits in accordance with Title IV of ERISA, all determined as of the most recent valuation date for each such Title IV Plan using the actuarial assumptions for funding purposes in effect under such Title IV Plan, and (b) for a period of 5 years following a transaction which might reasonably be expected to be covered by Section 4069 of ERISA, the liabilities (whether or not accrued) that could be avoided by any Credit Party or any ERISA Affiliate as a result of such transaction.

“ Unused Commitment Fee ” shall have the meaning ascribed to such term in Section 1.9(b) of this Agreement.

“ War Telephone ” means War Telephone LLC, a Delaware limited liability company.

“ Welfare Plan ” means a Plan described in Section 3(1) of ERISA.

“ Wholly Owned Subsidiary ” of any Person means a Subsidiary of such Person 100% of the outstanding Stock or other ownership interests of which (other than directors’ qualifying shares) shall at the time be owned by such Person and/or by one or more Wholly Owned Subsidiaries of such Person.

“ Working Capital ” means, with respect to any Credit Party, such Credit Party’s Current Assets (excluding cash) less its Current Liabilities.

Rules of construction with respect to accounting terms used in the Agreement or the other Loan Documents shall be as set forth in Annex G. All other undefined terms contained in any of the Loan Documents shall, unless the context indicates otherwise, have the meanings provided for by the Code to the extent the same are used or defined therein; in the event that any term is defined differently in different Articles or Divisions of the Code, the definition contained in Article or Division 9 shall control. Unless otherwise specified, references in the Agreement or any of the Appendices to a Section, subsection or clause refer to such Section, subsection or clause as contained in the Agreement. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to the Agreement as a whole, including all Annexes, Exhibits and Schedules, as the same may from time to time be amended, restated, modified or supplemented, and not to any particular section, subsection or clause contained in the Agreement or any such Annex, Exhibit or Schedule.

Any reference in the Agreement or any other Loan Document to a Loan Document shall include all appendices, exhibits or schedules thereto, and all amendments, restatements, supplements, joinders or other modifications thereto, and shall refer to the Agreement or such Loan Document as the same may be in effect at any and all times such reference becomes operative.

Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter genders. The words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”; the word “or” is not exclusive; references to Persons include their respective successors and assigns (to the extent and only to the extent permitted by the Loan Documents) or, in the case of governmental Persons, Persons succeeding to the relevant functions of such Persons; and all references to statutes and related regulations shall include any amendments of the same and any successor statutes and regulations. Whenever any provision in any Loan Document refers to the “actual knowledge” of any Credit Party, such words are intended to signify that such Credit Party has actual knowledge or awareness of a particular fact or circumstance. Whenever any provision in any Loan Document refers to the “knowledge” (or an analogous phrase) of any Credit Party without the word “actual”, such words are intended to signify that such Credit Party has actual knowledge or awareness of a particular fact or circumstance or that such Credit Party, if it had exercised reasonable diligence, would have known or been aware of such fact or circumstance.

ANNEX B

[INTENTIONALLY OMITTED]

B-1

ANNEX C

CASH MANAGEMENT SYSTEM

Each Credit Party (other than a PUC Restricted Subsidiary) shall establish and maintain the Cash Management Systems described below. It is understood that each reference to a “Credit Party” or a “Subsidiary” in this Annex C only shall constitute a reference to each Credit Party or Subsidiary other than a PUC Restricted Subsidiary.

(a) On or before the Closing Date, the applicable Credit Party shall cause each Blocked Account maintained by such Credit Party to become subject to a Control Agreement in accordance with paragraph (d) of this Annex C. Except for such closures or replacements expressly permitted or required by paragraph (e) of this Annex C, the Credit Parties shall, until the Termination Date, at all times maintain each Blocked Account at the bank at which such account was established. On or before the Closing Date and until the Termination Date, each applicable Credit Party shall (i) request in writing and otherwise take reasonable steps to ensure that all Account Debtors forward payment directly to one or more Blocked Accounts or to Borrower or the applicable Subsidiary and (ii) deposit and cause its Subsidiaries to deposit or cause to be deposited promptly, and in any event no later than the second Business Day after the receipt thereof, all cash, checks, drafts or other similar items of payment relating to or constituting payments made in respect of any and all Collateral into one or more Blocked Accounts or, to the extent permitted by paragraphs (b) and (c) of this Annex C, into one or more Excluded Accounts or Disbursement Accounts.

(b) Each Credit Party may maintain, in its name, at a Relationship Bank, one or more deposit accounts in which, as of any date of determination, the aggregate amount on deposit in all such deposit accounts does not exceed (x) checks outstanding against such deposit accounts and paid as of such date, (y) payroll requirements outstanding and paid as of such date, and (z) amounts necessary to meet ordinary course minimum balance requirements of the applicable Relationship Bank in respect thereof as of such date (each such deposit account, a “Disbursement Account”); provided that each Disbursement Account shall be designated as such on Disclosure Schedule 3.19, as amended from time to time in accordance with paragraph (e) of this Annex C.

(c) Each Credit Party may maintain, in its name, at a Relationship Bank, one or more deposit accounts in which, as of any date of determination (and after giving effect to any hold period), the aggregate amount on deposit in all such deposit accounts of the Credit Parties combined does not exceed \$100,000 (the “Threshold Amount”) (each such deposit account, an “Excluded Account”); provided, however, that no Event of Default shall occur solely by reason of the amount on deposit in all Excluded Accounts and such other accounts combined exceeding the Threshold Amount if (i) the amount in excess of the Threshold Amount is transferred to a Blocked Account within one Business Day of such excess having occurred and (ii) at the close of business on such Business Day the amount on deposit in all Excluded Accounts and such other accounts combined does not exceed the Threshold Amount; provided, further, that each Excluded Account shall be designated as such on Disclosure Schedule 3.19, as amended from time to time in accordance with paragraph (e) of this Annex C.

(d) On or before the Closing Date each bank shall have, in respect of each Blocked Account located at such bank, entered into a tri-party blocked account agreement with Agent, for the benefit of itself and Lenders, and Credit Parties, as applicable, in form and substance reasonably acceptable to Agent (each such agreement, a “ Control Agreement ”), which shall become operative on or prior to the Closing Date. Unless Agent shall agree otherwise, each Control Agreement shall provide, among other things, that (i) all items of payment deposited in such account are held by such bank as agent or bailee-in-possession for Agent, on behalf of itself and Lenders, (ii) the bank executing such Control Agreement has no rights of setoff or recoupment or any other claim against such account, as the case may be, other than for payment of its service fees and other charges directly related to the administration of such account and for returned checks or other items of payment, and (iii) from and after the Closing Date with respect to banks at which a Blocked Account is maintained, such bank agrees, from and after the receipt of a notice (an “Activation Notice”) from Agent (which Activation Notice may be given by Agent at any time at which an Event of Default has occurred and is continuing), to forward immediately all amounts in each Blocked Account to the Collection Account through daily sweeps from such Blocked Account into the Collection Account.

(e) After the Closing Date, each Credit Party shall continue to maintain such Credit Party’s deposit accounts and other accounts, and no Credit Party shall (i) close any deposit account or other account or (ii) establish any deposit account or other account; provided, however, that:

(A) a Credit Party may (I) close a deposit account in accordance with the final sentence of this paragraph (e), (II) close a Disbursement Account or Excluded Account so long as all amounts on deposit therein, if any, shall have been transferred to a Blocked Account prior to the closure thereof and (III) with the prior written consent of Agent, close a Blocked Account so long as all amounts on deposit therein, if any, shall have been transferred to another Blocked Account prior to the closure thereof; and

(B) so long as no Event of Default has occurred and is continuing, any Credit Party may establish a deposit account at a Relationship Bank subject to the satisfaction of the following conditions:

(I) Borrower shall have delivered to Agent (1) written notice setting forth the Relationship Bank at which such account shall be established, whether the applicable account is either a “Blocked Account”, “Disbursement Account” or “Excluded Account” for purposes of this Annex C and a description of the proposed use therefor and (2) an amended Disclosure Schedule 3.19 reflecting the information specified in the immediately preceding clause (1); and

(II) in the case of a Blocked Account, prior to the time of the opening thereof, the applicable Credit Party, the Relationship Bank at which such Blocked Account is located and Agent shall have executed and delivered to Agent a Control Agreement with respect to such account, in form and substance reasonably satisfactory to Agent.

Borrower shall deliver to Agent (1) a list of all deposit accounts maintained by the Credit Parties together with the delivery of annual audited consolidated financial statements in accordance with paragraph (c) of Annex D and (2) within five (5) Business Days after the request of Agent, information concerning such accounts (including deposits and withdrawals therefrom) as Agent may reasonably request.

Borrower shall, or, as applicable, shall cause its applicable Subsidiary to, close any deposit account or accounts (and establish replacement deposit accounts in accordance with clause (B) of this paragraph (e)) promptly and in any event within thirty (30) days following notice from Agent that the creditworthiness of any bank holding the referenced account or accounts is no longer acceptable in Agent's reasonable judgment, or as promptly as practicable and in any event within sixty (60) days following notice from Agent that the operating performance, funds transfer or availability procedures or performance with respect to accounts of the bank holding such account or accounts or Agent's liability under any Control Agreement with such bank is no longer acceptable in Agent's reasonable judgment.

(f) The Blocked Accounts, the Disbursement Accounts and the Excluded Accounts shall be cash collateral accounts, with all cash, checks and other similar items of payment in such accounts securing payment of the Loans and all other Obligations, and in which Borrower and each Subsidiary thereof shall have granted a Lien to Agent, on behalf of itself and Lenders, pursuant to the Guaranty and Security Agreement.

(g) All amounts deposited in the Collection Account shall be deemed received by Agent in accordance with Section 1.10 and shall be applied (and allocated) by Agent in accordance with Section 1.11. In no event shall any amount be so applied unless and until such amount shall have been credited in immediately available funds to the Collection Account.

(h) Borrower shall, and shall cause its Subsidiaries, officers, employees, agents, directors or other Persons acting for or in concert with the Credit Parties (each, a "Related Person") to, (i) hold in trust for Agent, for the benefit of itself and Lenders, all checks, cash and other items of payment received by Borrower or any such Related Person and (ii) within two (2) Business Days after receipt by Borrower or any such Related Person of any checks, cash or other items of payment, deposit the same into a Blocked Account. Borrower, on behalf of itself and each Related Person, acknowledges and agrees that all cash, checks or other items of payment constituting proceeds of Collateral are part of the Collateral. All proceeds of the sale or other disposition of any Collateral shall be deposited directly into Blocked Accounts.

ANNEX D

CLOSING CHECKLIST

[INTENTIONALLY OMITTED]

ANNEX E (Section 4.1(a))

to

CREDIT AGREEMENT

FINANCIAL STATEMENTS AND PROJECTIONS -- REPORTING

Borrower shall deliver or cause to be delivered to Agent or to Agent and Lenders, as indicated, the following:

(a) Monthly Financials . As soon as available, but in any event within 30 days after the end of each fiscal month of each year (commencing with the first full fiscal month following the Closing Date), (i) the unaudited consolidated balance sheets of the consolidated Borrower and each of its consolidating Subsidiaries and operating regions as of the end of such month, and the related consolidated and consolidating statements of income or operations for such month and for the portion of the Borrower's Fiscal Year then ended in the case of the consolidated statements of income or operations and cash flows for such month (A) compared to the budget for such year delivered pursuant to paragraph (c) of this Annex E and (B) setting forth in comparative form for the corresponding month of the previous Fiscal Year and the corresponding portion of the previous Fiscal Year, and (ii) a schedule of revenues, operating income and operating metrics (such as access line equivalents) by geographic region, all in reasonable detail and duly certified by the chief executive officer, chief financial officer, treasurer or controller of the Borrower as being complete and correct and fairly presenting, in all material respects, in accordance with GAAP, the financial position and the results of operations of Borrower and its Subsidiaries, subject to normal year-end adjustments and absence of footnote disclosures.

(b) Quarterly Financials . To Agent and Lenders, within forty-five (45) days after the end of each Fiscal Quarter, the following consolidated financial statements for Borrower and its Subsidiaries, certified by the chief financial officer of Borrower: (i) unaudited balance sheets as of the close of such Fiscal Quarter and the related statements of income and cash flow for that portion of the Fiscal Year ending as of the close of such Fiscal Quarter and (ii) unaudited statements of income and cash flows for such Fiscal Quarter, in each case setting forth in comparative form the figures for the corresponding period in the prior year and the figures contained in the Projections for such Fiscal Year, all prepared in accordance with GAAP (subject to normal year-end adjustments and the absence of footnotes). Such financial statements shall be accompanied by (A) a statement in reasonable detail (each, a "Compliance Certificate") signed by a Responsible Officer of Borrower (i) showing the calculations used in determining compliance with each of the Financial Covenants that is tested on a quarterly basis, (ii) showing the calculations of the Consolidated Fixed Charge Coverage Ratio and Consolidated Total Leverage Ratio for the Credit Parties for the four-fiscal quarter period ending on the last day of the period covered by such financial statements, (iii) certifying as to the number of access lines operated by the Credit Parties as of the end of the prior Fiscal Quarter and (iv) showing the calculations of Excess Cash, in each case, for the prior Fiscal Quarter and (B) the certification of the chief financial officer of Borrower that (i) such financial statements present fairly in all material respects in accordance with GAAP (subject to normal year-end adjustments and the absence of footnotes) the financial position and results of operations and cash flows of Borrower and its Subsidiaries, on a consolidated basis, as at the end of such Fiscal Quarter and for that portion of the Fiscal Year then ended, (ii) any other information presented is true, correct and complete in all material respects and that there was no Default or Event of Default in existence as of such time or, if a Default or Event of Default has occurred and is continuing, describing the nature thereof and all efforts undertaken to cure such Default or Event of Default. In addition, Borrower shall deliver to Agent and Lenders, within forty-five (45) days after the end of each Fiscal Quarter, a management discussion and analysis that includes a comparison to budget for that portion of the Fiscal Year ending as of the close of such Fiscal Quarter and a comparison of performance for that portion of the Fiscal Year ending as of the close of such Fiscal Quarter to the corresponding period in the prior year.

(c) Operating Plan. To Agent and Lenders, as soon as available, but not later than thirty (30) days after the end of each Fiscal Year, an annual operating plan for Borrower, approved by the board of directors of Borrower, for the following Fiscal Year, which (i) includes a statement of all of the material assumptions on which such plan is based, (ii) includes a monthly budget for the following year and (iii) integrates sales, gross profits, operating expenses, operating profit and cash flow projections, all prepared on the same basis and in similar detail as that on which operating results are reported (and in the case of cash flow projections, representing management's good faith estimates of future financial performance based on historical performance), and including plans for personnel, Consolidated Capital Expenditures and facilities.

(d) Annual Audited Financials. To Agent and Lenders, within ninety (90) days after the end of each Fiscal Year, audited Financial Statements for Borrower and its Subsidiaries on a consolidated basis, consisting of balance sheets and statements of income and retained earnings and cash flows, setting forth in comparative form in each case the figures for the previous Fiscal Year, which Financial Statements shall be prepared in accordance with GAAP and certified without qualification as to going concern status or like qualification or scope of the audit, by an independent certified public accounting firm of national standing or otherwise acceptable to Agent. Such Financial Statements shall be accompanied by (i) a statement prepared in reasonable detail showing the calculations used in determining compliance with each of the Financial Covenants, (ii) a report from such accounting firm to the effect that, in connection with their audit examination, nothing has come to their attention to cause them to believe that a Default or Event of Default has occurred (or specifying those Defaults and Events of Default that they became aware of), it being understood that such audit examination extended only to accounting matters and that no special investigation was made with respect to the existence of Defaults or Events of Default, (iii) a letter addressed to Agent, on behalf of itself and Lenders, in form and substance reasonably satisfactory to Agent and subject to standard qualifications required by nationally recognized accounting firms, signed by such accounting firm acknowledging that Agent and Lenders are entitled to rely upon such accounting firm's certification of such audited Financial Statements, (iv) the annual letters to such accountants in connection with their audit examination detailing contingent liabilities and material litigation matters, and (v) the certification of the chief executive officer or chief financial officer of Borrower that all such Financial Statements present fairly in all material respects in accordance with GAAP the financial position and results of operations and cash flows of Borrower and its Subsidiaries on a consolidated basis, as at the end of such Fiscal Year and for the period then ended, and that there was no Default or Event of Default in existence as of such time or, if a Default or Event of Default has occurred and is continuing, describing the nature thereof and all efforts undertaken to cure such Default or Event of Default.

(e) Management Letters. To Agent and Lenders, within five (5) Business Days after receipt thereof by any Credit Party, copies of all management letters, exception reports or similar letters or reports received by such Credit Party from its independent certified public accountants.

(f) Default Notices. To Agent and Lenders, as soon as practicable, and in any event within five (5) Business Days after an executive officer of Borrower has actual knowledge of the existence of any Default, Event of Default or other event that has had a Material Adverse Effect, telephonic or telecopied notice specifying the nature of such Default or Event of Default or other event, including the anticipated effect thereof, which notice, if given telephonically, shall be promptly confirmed in writing on the next Business Day.

(g) SEC Filings and Press Releases. To Agent and Lenders, promptly upon their becoming available, copies of (or, if made publicly available on publicly accessible electronic medium (e.g. internet, EDGAR or other another similar medium), notice of posting to such electronic media): (i) all Financial Statements, reports, notices and proxy statements made publicly available by any Credit Party to its security holders generally; (ii) all regular and periodic reports and all registration statements and prospectuses, if any, filed by any Credit Party with any securities exchange or with the Securities and Exchange Commission or any governmental or private regulatory authority; and (iii) all press releases and other statements made available by any Credit Party to the public concerning material changes or developments in the business of any such Person.

(h) Equity Notices. To Agent and Lenders, as soon as practicable, copies of all material written notices given or received by any Credit Party with respect to any Stock of such Person,.

(i) Supplemental Schedules. To Agent and Lenders, supplemental disclosures, if any, required by Section 5.6.

(j) Litigation. To Agent and Lenders in writing, promptly upon learning thereof, notice of any Litigation commenced or threatened against any Credit Party that (i) seeks damages in excess of \$500,000, (ii) seeks injunctive relief, (iii) is asserted or instituted against any Plan or Pension Plan, its fiduciaries or its assets or against any Credit Party or ERISA Affiliate in connection with any Plan or Pension Plan, (iv) alleges criminal misconduct by any Credit Party, or (v) alleges the violation of any law regarding, or seeks remedies in connection with, any Environmental Liabilities reasonably likely to be in excess of \$500,000.

(k) Insurance Notices. To Agent and Lenders, disclosure of losses or casualties required by Section 5.4.

(l) Lease Default Notices. To Agent, within two (2) Business Days after receipt thereof, copies of (i) any and all default notices received under or with respect to any leased location or public warehouse where Collateral having a value, individually or in the aggregate, in excess of \$250,000 is stored or located, and (ii) such other notices or documents with respect to such leased locations or public warehouses as Agent may reasonably request.

(m) Lease Amendments. To Agent, within two (2) Business Days after receipt thereof, copies of any amendment to a lease of Material Real Estate.

(n) Regulatory Notices. To Agent and Lenders, promptly upon receipt of notice of (i) any actual or threatened forfeiture, non-renewal, cancellation, termination, revocation, suspension, impairment or material modification of any material Telecommunications Approval held by any Credit Party, or any notice of default or forfeiture with respect to any such material Telecommunications Approval, or (ii) any refusal by the FCC, any PUC or any Franchising Authority to renew or extend any such material Communications License, a certificate of an Responsible Officer specifying the nature of such event, the period of existence thereof, and what action such Credit Party is taking and propose to take with respect thereto.

(o) Change of Location. To Agent and Lenders, within ten (10) Business Days after the change of location thereof, notice of change in locations at which Collateral having a value, individually or in the aggregate, in excess of \$100,000, is held or stored, or the location of its records concerning such Collateral.

(p) Other Documents. To Agent and Lenders, such other financial and other information respecting any Credit Party's business or financial condition as Agent or any Lender shall, from time to time, reasonably request.

ANNEX F (Section 4.1(b))

to

CREDIT AGREEMENT

COLLATERAL REPORTS

Borrower shall deliver or cause to be delivered the following:

(a) [Intentionally Omitted]

(b) [Intentionally Omitted]

(c) [Intentionally Omitted]

(d) To Agent, at the time of delivery of each of the quarterly Financial Statements delivered pursuant to Annex E, (i) a listing of government contracts of Borrower subject to the Federal Assignment of Claims Act of 1940; and (ii) a list of any applications for the registration of any Patent, Trademark or Copyright filed by any Credit Party with the United States Patent and Trademark Office, the United States Copyright Office or any similar office or agency in the prior Fiscal Quarter;

(e) [Intentionally Omitted]

(f) To Agent, at Borrower's expense, such appraisals of its assets as Agent may reasonably request at any time after the occurrence and during the continuance of a Default or an Event of Default, such appraisals to be conducted by an appraiser, and in form and substance reasonably satisfactory to Agent; and

(g) Such other reports, statements and reconciliations with respect to the Collateral or Obligations of any or all Credit Parties as Agent or any Lender shall from time to time request in its reasonable discretion.

ANNEX G (Section 6.10)

to

CREDIT AGREEMENT

FINANCIAL COVENANTS

Borrower shall not breach or fail to comply with any of the following financial covenants, each of which shall be calculated in accordance with GAAP consistently applied:

(a) Minimum Consolidated Fixed Charge Coverage Ratio . Credit Parties shall have, at the end of each Fiscal Quarter, a Consolidated Fixed Charge Coverage Ratio for the Test Period ending with such Fiscal Quarter of not less than 1.00 to 1.00.

(b) Maximum Consolidated Total Leverage Ratio . Credit Parties shall have, at the end of each Fiscal Quarter, a Consolidated Total Leverage Ratio as of the last day of such Fiscal Quarter and for the Test Period ending with such Fiscal Quarter of not more than 4.25 to 1.00.

All accounting determinations required to be made pursuant hereto shall, unless expressly otherwise provided herein, be made in accordance with GAAP. No change in the accounting principles used in the preparation of any financial statement hereafter adopted by Borrower shall be given effect for purposes of measuring compliance with any provision of this Agreement (including, for the avoidance of doubt, this Annex G) unless Borrower, Agent and the Requisite Lenders agree to modify such provisions to reflect such changes in GAAP and, unless such provisions are modified, all financial statements, Compliance Certificates and similar documents provided hereunder shall be provided together with a reconciliation between the calculations and amounts set forth therein before and after giving effect to such change in GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to in this Agreement (including, for the avoidance of doubt, Annex G) shall be made, without giving effect to any election under Accounting Standards Codification 825-10 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Credit Party or any Subsidiary of any Credit Party at “fair value.” A breach of a financial covenant contained in this Agreement (including, for the avoidance of doubt, Annex G) shall be deemed to have occurred as of any date of determination by Agent or as of the last day of any specified measurement period, regardless of when the financial statements reflecting such breach are delivered to Agent.

ANNEX H (Section 9.9(a))

to

CREDIT AGREEMENT

AGENT'S WIRE TRANSFER INFORMATION

Name:	General Electric Capital Corporation
Bank:	Deutsche Bank Trust Company Americas New York, New York
ABA #:	021001033
Account #:	50279791
Account Name:	General Electric Capital Corporation
Reference:	CFN5836/Otelco Inc.

ANNEX I (Section 11.10)

to

CREDIT AGREEMENT

NOTICE ADDRESSES

(A) If to Agent or GE Capital, at

General Electric Capital Corporation
201 Merritt 7
Norwalk, CT 06851
Attention: Matthew Kane
Telecopier No.: 203-749-4166
Telephone No.: 203-956-4102

with a copy to:

King & Spalding LLP
1180 Peachtree Street
Atlanta, GA 30309
Attention: Carolyn Z. Alford, Esq.
Telecopier No.: 404-572-3551
Telephone No.: 404-572-5128

and

General Electric Capital Corporation
201 Merritt 7
Norwalk, CT 06851
Attention: Corporate Counsel-Global Media & Communications
Telecopier No.: 203-956-4258
Telephone No.: 203-956-4785

(B) If to any other Lender, to its address specified in the applicable administrative questionnaire provided to Agent or the applicable Assignment Agreement or as specified by such Lender in a separate notice to Agent;

(C) If to Borrower, at

Otelco Inc.
505 3rd Avenue East
Oneonta, Alabama 35121
Attention: President
Telecopier No.: 205-274-8999
Telephone No.: 205-625-3574

with a copy to:

Dorsey & Whitney LLP
51 West 52nd Street
New York, New York 10019-6119
Attention: Steven Khadavi
Telecopier No.: 646-390-6549
Telephone No.: 212-415-9200

(H) If to any other Credit Party, at

c/o Otelco Inc.
505 3rd Avenue East
Oneonta, Alabama 35121
Attention: President
Telecopier No.: 205-274-8999
Telephone No.: 205-625-3574

with a copy to:

Dorsey & Whitney LLP
51 West 52nd Street
New York, New York 10019-6119
Attention: Steven Khadavi
Telecopier No.: 646-390-6549
Telephone No.: 212-415-9200

ANNEX J (from Annex A - Commitments definition)

to

CREDIT AGREEMENT

Lenders:

GENERAL ELECTRIC CAPITAL CORPORATION

Revolving Loan Commitment:	\$2,058,823.53
Total Term Loan Commitment:	\$51,268,192.96

COBANK, ACB

Revolving Loan Commitment (including a Swing Line Commitment of \$1,500,000):	\$1,680,672.27
Total Term Loan Commitment:	\$41,851,586.09

RAYMOND JAMES BANK, N.A.

Revolving Loan Commitment:	\$560,224.09
Total Term Loan Commitment:	\$14,639,461.20

UNION BANK, N.A.

Revolving Loan Commitment:	\$420,168.07
Total Term Loan Commitment:	\$10,950,298.54

WEBSTER BANK, N.A.

Revolving Loan Commitment:	\$280,112.04
Total Term Loan Commitment:	\$6,975,264.35

CIBC INC.

Total Term Loan Commitment:	\$7,615,196.85
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Contact: Curtis Garner
Chief Financial Officer
Otelco Inc.
205-625-3580

Otelco Emerges from Bankruptcy with New Credit Facility and New Listed Security

ONEONTA, Alabama (May 24, 2013) – Otelco Inc. announced that it has emerged from bankruptcy and completed its balance sheet restructuring process, including an extension of its senior credit facility.

“Today, we completed the actions necessary to implement the final steps of our restructuring Plan,” said Mike Weaver, President and Chief Executive Officer of Otelco. “Our total debt has been reduced by more than 50%, our senior credit facility has been extended through April 2016, and we have exited Chapter 11 bankruptcy. Our customers have been provided uninterrupted service during our restructuring, and our vendor partners have continued to receive payment in full for the goods and services they provide Otelco.”

The Company repaid \$28.7 million on its senior credit facility and extended its maturity through April 2016. The remaining balance of \$133.3 million will have quarterly principal payments of 1.25% of the new loan amount plus interest on the outstanding balance at 6.5%. In addition, the Company will utilize 75% of its quarterly free cash flow to further reduce the outstanding balance on the loan each quarter. The facility includes a \$5.0 million revolver which was undrawn at closing. These actions, along with the actions described below, complete the requirements of the Company’s pre-packaged Plan and allow Otelco to exit bankruptcy today.

“A special thank you goes to our Board of Directors for guiding the restructuring process,” added Weaver. “We appreciate the years of service provided by Bill Bak, Bob Guth, and Bill Reddersen, as they leave the Otelco Board today. We are excited to have three very experienced new members joining our Board. Norman Frost, Brian Ross and Gary Sugarman bring many years of telecommunications and management experience to their new positions. Short biographical information is included on each individual. Additional details of the Board composition and committee structure will be included in a Form 8-K to be filed shortly.

“Our existing Class A stock and the majority of our subordinated debt traded together as an IDS on both the NASDAQ Global Market and the Toronto Stock Exchange,” noted Weaver. “Today will be the last trading day for our IDSs. Our old Class A shares were part of the IDS and will be extinguished. Five of the subordinated debt bonds, including the bonds that were part of the IDS, will be exchanged for one new Class A share which will trade under the symbol OTEL on the NASDAQ Global Market beginning after the Memorial Day holiday. To provide a simple example, holders of 100 IDS units will receive 20 shares of our new Class A stock. Subject to dilution by a management equity plan, existing sub-note holders will retain over 85% of the ownership of Otelco. Due to the consistent low level of trading on the Toronto Stock Exchange, Otelco’s new Class A shares will not be listed on that exchange.”

New Otelco Board Members

Norman C. Frost - Mr. Frost is currently a private investor. He served on the Board of Directors of Iowa Telecom from 2006 until its acquisition by Windstream in 2010. Mr. Frost worked as an investment banker for over 25 years, focusing primarily on the telecommunications industry, where he executed a wide range of assignments for his clients, including international and domestic mergers and acquisitions, valuations, public and private equity and debt offerings, and project financings. He was a Managing Director of Legg Mason Wood Walker, Inc. and head of that firm’s Technology sector in the Investment Banking Department from 1998 to 2005. Prior to joining Legg Mason, Mr. Frost was a Managing Director in the Communications Group at Bear, Stearns & Co. Inc. and started his investment banking career at The First Boston Corporation.

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Brian A. Ross - Mr. Ross is currently an independent consultant. Until December 2012, Mr. Ross served as President and CEO of KnowledgeWorks, an educational non-profit that provides innovative methodologies to teachers, administrators and local community leaders to more effectively prepare their students for college and 21st century careers. Prior to joining KnowledgeWorks, Mr. Ross served in various financial and operations roles in a 13-year-tenure at Cincinnati Bell (sym: CBB), including Chief Financial Officer and Chief Operating Officer. Mr. Ross has also served in various financial capacities for US Shoe (formerly: USF), Student Loan Funding, and The Mead Corporation (formerly: MEA, now: MWV). He serves on the Board of Directors for Alaska Communications (sym: ALSK) where he is a member of the audit committee and is the chairperson of the compensation committee.

Gary Sugarman - Mr. Sugarman is Managing Member of Richfield Capital Partners, a venture fund formed in May 2010 to provide working capital investments in the technology/media sectors and a principal of Richfield Associates, a telecom investment/merchant bank which he founded in 1993. Over a 20-year period, Mr. Sugarman has invested in and operated numerous telecom/data companies through these entities. Mr. Sugarman sits on the board of TDS Telecom (sym: TDS), a publicly traded telecom company with both wireless and wireline assets; and LICT Corp (sym: LICT), which owns telecom operating companies and other telecom assets. Mr. Sugarman was, until recently, Executive Chairman/Investor- FXecosystem Inc, a private company based in London, and, from 2007 until 2010, Executive Chairman/Investor - Verosity Technology Partners, a metro fiber provider in Boston. He also served as Chairman and Chief Executive Officer of Mid Maine Communications, a facilities-based telecommunications company he co-founded in 1994, until its sale in 2006 to Otelco.

ABOUT OTELCO

Otelco Inc. provides wireline telecommunications services in Alabama, Maine, Massachusetts, Missouri, New Hampshire, Vermont and West Virginia. The Company's services include local and long distance telephone, network access, transport, digital high-speed data lines and dial-up internet access, cable television and other telephone related services. With more than 98,000 voice and data access lines, which are collectively referred to as access line equivalents, Otelco is among the top 25 largest local exchange carriers in the United States based on number of access lines. Otelco operates eleven incumbent telephone companies serving rural markets, or rural local exchange carriers. It also provides competitive retail and wholesale communications services through several subsidiaries. For more information, visit the Company's website at www.OtelcoInc.com.

FORWARD LOOKING STATEMENTS

Statements in this press release that are not statements of historical or current fact constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, and other unknown factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "believes," "belief," "expects," "intends," "anticipates," "plans," or similar terms to be uncertain and forward-looking. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's filings with the Securities and Exchange Commission.

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