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\$550,000,000

CREDIT AGREEMENT

Dated as of July 29, 2005

Among

MADISON RIVER CAPITAL, LLC

as Borrower

and

MADISON RIVER TELEPHONE COMPANY LLC

as Holdings

and

THE OTHER GUARANTORS NAMED HEREIN

as Guarantors

and

THE LENDERS NAMED HEREIN

as Lenders

and

LEHMAN COMMERCIAL PAPER INC.

as Collateral Agent

and

LEHMAN COMMERCIAL PAPER INC.

as Administrative Agent

and

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and
GOLDMAN SACHS CREDIT PARTNERS L.P.

as Lead Arrangers and Co-Syndication Agents

and

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, GOLDMAN SACHS CREDIT
PARTNERS L.P. and LEHMAN BROTHERS INC.

as Joint Bookrunners

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EXHIBITS

Exhibit A-1	-	Form of Revolving Credit Note
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CREDIT AGREEMENT

CREDIT AGREEMENT (this "**Agreement**") dated as of July 29, 2005 among Madison River Capital, LLC, a Delaware limited liability company ("**MRC**"), Madison River Telephone Company LLC, a Delaware limited liability company, the other Guarantors (as hereinafter defined), the Lenders (as hereinafter defined), Merrill Lynch, Pierce, Fenner & Smith Incorporated ("**MLPF&S**") and Goldman Sachs Credit Partners L.P. ("**GSCP**"), as lead arrangers and as co-syndication agents, MLPF&S, GSCP and Lehman Brothers Inc. ("**Lehman Brothers**"), as joint bookrunners, and Lehman Commercial Paper Inc. ("**Lehman**"), as collateral agent (together with any successor collateral agent appointed pursuant to Article VIII, the "**Collateral Agent**") for the Secured Parties (as hereinafter defined) and as administrative agent (together with any successor administrative agent appointed pursuant to Article VIII, the "**Administrative Agent**") for the Lender Parties (as hereinafter defined).

PRELIMINARY STATEMENTS:

(1) The Borrower has requested that the Lender Parties lend to, or make available to, the Borrower up to \$550,000,000 (the "**Financings**"), consisting of \$475,000,000 under the Term B Facility (as hereinafter defined) and \$75,000,000 under the Revolving Credit Facility (as hereinafter defined). The proceeds of the Term B Facility will be used, together with cash on hand, to (a) finance the repayment of (i) a portion of the Borrower's obligations under its outstanding 13.25% senior notes due March 2010 (the "**Existing Notes**") issued under the Indenture (as amended to the date hereof, the "**Indenture**") dated as of February 17, 2000 (the "**Notes Refinancing**") and (ii) borrowings under Madison River LTD Funding Corp.'s and Coastal Utilities, Inc.'s existing lines of credit and loan agreements (the "**RTFC Facilities**") with the Rural Telephone Finance Cooperative, a District of Columbia cooperative association ("**RTFC**"), and (b) pay related fees, expenses, compensation, premiums, penalties and accrued and unpaid interest (the transactions set forth in clauses (a) and (b) above are collectively referred to herein as the "**Refinancings**"), and the proceeds of the Revolving Credit Facility will be used for working capital or general corporate purposes, including capital expenditures and acquisitions, of the Borrower and its Subsidiaries.

(2) The Lender Parties have indicated their willingness to provide the Financings, but only on and subject to the terms and conditions of this Agreement, including the granting of Liens on the Collateral (as hereinafter defined) pursuant to the Collateral Documents (as hereinafter defined) and the guarantees pursuant to the Guaranties (as hereinafter defined).

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

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“*Adjusted EBITDA*” means (a) Consolidated net income of the Parent and its Subsidiaries, determined in accordance with GAAP; *plus* (b) the following items, to the extent deducted in determining such Consolidated net income: (i) Consolidated Interest Expense; (ii) provision for income taxes; (iii) depreciation and amortization expense; (iv) costs and expenses related to the Refinancings and a Qualified IPO, including related bonuses; (v) unrealized losses on financial derivatives recognized in accordance with SFAS No. 133; (vi) non-cash and/or stock-based compensation expense; (vii) extraordinary or unusual losses (including extraordinary or unusual losses on permitted sales of assets and casualty events); (viii) losses on sales of assets other than in the ordinary course of business; (ix) other non-recurring or unusual costs, expenses or losses, including, without limitation, costs, expenses or losses relating to securities offerings, investments or acquisitions, to the extent not exceeding, in the aggregate, \$10,000,000; (x) compensation expense arising from deemed dividends, the payment of dividends or the equivalent on shares of the Parent’s common Equity Interests issued under its Omnibus Stock Plan, any other incentive stock plans or the Parent’s long-term incentive plans; (xi) all other non-cash items that reduce such Consolidated net income for which no cash is expected to be paid in the 12 months following the date of determination; and (xii) costs and expenses related to any repurchase, repayment, payment or redemption of all or any portion of the Coastal Facility or any of the Existing Notes, including, without limitation, any commissions, fees, trustee fees, prepayment premiums or fees, penalties or premiums; *minus* (c) the following items, to the extent included in determining such Consolidated net income: (i) unrealized gains on financial derivatives recognized in accordance with SFAS No. 133; (ii) extraordinary or unusual gains (including extraordinary or unusual gains on permitted sales of assets and casualty events); (iii) gains on sales of assets other than in the ordinary course of business; and (iv) all other non-cash income, other than the accrual of revenue in the ordinary course of business (including the non-cash portion of the Rural Telephone Bank or RTFC patronage capital allocation); *provided* that in calculating Adjusted EBITDA of the Parent and its Subsidiaries for any period for purposes of the covenants set forth in Section 6.04, acquisitions made by the Parent or any of its Subsidiaries not prohibited hereunder, including through mergers or consolidations, during such period or subsequent to such period and on or prior to the date of calculation, shall be given pro forma effect as if they had occurred on the first day of such period, taking into account Pro Forma Cost Savings, if any, that are attributable to such acquisitions as if such cost savings were realized on the first day of such period, if the consolidated balance sheet of such acquired business as at the end of the period preceding the acquisition of such business and the related consolidated statements of income and stockholder’s equity and of cash flows (or, if no such balance sheet or statements of income and stockholder’s equity and of cash flows is available, such other financial information reasonably satisfactory to the Administrative Agent) for the period in respect of which Adjusted EBITDA is to be calculated (x) have been previously provided to the Administrative Agent and the Lender Parties and (y) either (1) have been reported on without a qualification arising out of the scope of the audit by independent certified public accountants of nationally recognized standing or (2) have been found acceptable by the Administrative Agent in its reasonable discretion.

“*Administrative Agent*” has the meaning specified in the recital of parties to this Agreement.

“*Advance*” means a Term B Advance or a Revolving Credit Advance.

“*Affiliate*” means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director of such Person. For purposes of this definition, the term “control” (including the terms “controlling,” “controlled by” and “under common control with”) of a Person means the possession, direct or indirect, of the

power to vote 10% or more of the Voting Interests of such Person or to direct or cause the direction of the management and policies of such Person, whether through the ownership of Voting Interests, by contract or otherwise.

“**Agents**” means, collectively, the Administrative Agent, the Collateral Agent, the Lead Arrangers, the Joint Bookrunners and the Co-Syndication Agents.

“**Agreement**” has the meaning specified in the recital of parties to this Agreement.

“**Agreement Value**” means, for each Hedge Agreement, on any date of determination, an amount equal to the net amount, if any, that would be payable (after giving effect to any netting agreements) by any Loan Party or any of its Subsidiaries to its counterparty to such Hedge Agreement, as if such Hedge Agreement was being terminated early on such date of determination.

“**Alabama State Tax Disputes**” means a tax dispute between Gulf Coast Services, Inc. and its Subsidiaries, on one hand, and the Alabama Department of Revenue, on the other hand, arising from an audit of state income tax returns filed by Gulf Coast Services, Inc. and its Subsidiaries for the 2001 and 2002 fiscal years, with an estimated disputed amount of no more than \$500,000.

“**Applicable Lending Office**” means, with respect to each Lender Party, such Lender Party’s Domestic Lending Office in the case of a Base Rate Advance or RTFC Rate Advance and such Lender Party’s Eurodollar Lending Office in the case of a Eurodollar Rate Advance.

“**Applicable Margin**” means (a) in respect of the Term B Facility, prior to a Qualified IPO 1.50% per annum for Base Rate Advances and 2.50% per annum for Eurodollar Rate Advances, and, after a Qualified IPO, 1.00% per annum for Base Rate Advances and 2.00% per annum for Eurodollar Rate Advances, and (b) in respect of the Revolving Credit Facility, 0.50% per annum.

“**Applicable Prepayment Percentage**” means, with respect to any Fiscal Year, (a) if the Total Leverage Ratio on the last day of such Fiscal Year is equal to or greater than 3.50:1.00, 50%, (b) if the Total Leverage Ratio on the last day of such Fiscal Year is greater than 3.00:1.00 but less than 3.50:1.00, 25% or (c) if the Total Leverage Ratio on the last day of such Fiscal Year is equal to or less than 3.00:1.00, 0%.

“**Application**” means a customary application, on the relevant Issuing Lender’s standard form, requesting such Issuing Lender to open a Letter of Credit.

“**Appropriate Lender**” means, at any time, with respect to either of the Term B Facility or the Revolving Credit Facility, a Lender that has a Commitment with respect to such Facility at such time.

“**Approved Fund**” means any Fund that is administered or managed by (i) a Lender Party, (ii) an Affiliate of a Lender Party or (iii) an entity or an Affiliate of an entity that administers or manages a Lender Party.

“**Arrangers**” means MLPF&S, GSCP and Lehman Brothers.

“Asset Sale” means any sale, lease, transfer, conveyance or other disposition of any assets or rights of the Parent or any of its Subsidiaries (including the issuance or sale of any Equity Interests in any Subsidiary of the Parent, but excluding (i) the issuance or sale of any Equity Interests in the Borrower in connection with a Qualified IPO and (ii) the issuance or sale of any Equity Interests in the Parent), any grant of an option or other right to purchase, lease or otherwise acquire any assets or rights of the Parent or any of its Subsidiaries and any loss or seizure of any property or assets of the Parent or any of its Subsidiaries pursuant to any fire or other casualty event or any expropriation or condemnation by any Governmental Authority.

“Assignment and Acceptance” means an assignment and acceptance entered into by a Lender Party and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.07 or the definition of “Eligible Assignee”), and accepted by the Administrative Agent, in accordance with Section 10.07 and in substantially the form of Exhibit C hereto or any other form approved by the Administrative Agent.

“Assuming Lender” has the meaning specified in Section 2.17(d).

“Assumption Agreement” has the meaning specified in Section 2.17(d).

“Available Cash” means, on any date of determination, an amount equal to (calculated on a Consolidated basis for the Parent and its Subsidiaries): (a) Adjusted EBITDA for the most recently completed Reference Period, *minus* the sum of (b) to the extent not deducted in the determination of such Adjusted EBITDA, the sum of the following: (i) Consolidated Cash Interest Expense; (ii) Cash Capital Expenditures; (iii) all scheduled and voluntary (but not mandatory) principal repayments in respect of Debt of the Parent and its Subsidiaries made during such Reference Period, excluding, (A) debt repayments made with the proceeds of debt, equity, capital contributions, asset sales or exchanges or casualty (including insurance, eminent domain and condemnation) proceeds and (B) repayments of revolving Debt; and (iv) cash taxes paid during such Reference Period, excluding any cash taxes paid in respect of any of the Tax Disputes; and (c) Investments made pursuant to Section 6.02(f)(vi) during such Reference Period (other than Investments financed with the proceeds of (i) issuance of Debt (excluding the Revolving Credit Advances) so long as concurrently with each making of such Investments, the Parent provides the Administrative Agent with a certificate of its Chief Financial Officer confirming that such Investments are made with the proceeds from the issuance of Debt permitted hereunder, which proceeds have not previously been used for other purposes, (ii) equity sales or issuances or capital contributions, (iii) asset sales or (iv) casualty (including insurance, eminent domain and condemnation)).

“Available Equity Issuance Amount” means (a) the aggregate amount of Net Cash Proceeds received by the Parent from the issuance of Equity Interests (other than Disqualified Stock) during the period from but not including the Closing Date to and including such date of determination *minus* (b) the sum of (i) the aggregate amount of such Net Cash Proceeds applied to make acquisitions permitted under Section 6.02(f) during such period or capital expenditures referred to in clause (a) of the definition of Cash Capital Expenditures *plus* (ii) the aggregate amount of such Net Cash Proceeds applied to make Restricted Payments pursuant to Section 6.02(g)(iii)(B) during such period *plus* (iii) the aggregate amount of such Net Cash Proceeds applied to prepay or redeem Subordinated Debt pursuant to Section 6.02(h) during such period *plus* (iv) the aggregate amount of such Net Cash Proceeds applied to prepay the Facilities pursuant to Section 2.05(b)(iii)(A).

"Available Revolving Credit Commitment" means, with respect to the Revolving Credit Lender at any time, an amount equal to the excess, if any, of (a) the Revolving Credit Commitment then in effect over (b) the Revolving Extensions of Credit then outstanding.

"Bank Equity Interests" means an investment in the amount of \$1,000.00 in non-voting participation certificates of CoBank, ACB acquired by the Borrower in connection with its loans(s) hereunder from CoBank, ACB.

"Bankruptcy Law" means Title 11, U.S. Code or any similar foreign, federal or state law for the relief of debtors.

"Base Rate" means, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, and (b) the Federal Funds Rate in effect on such day plus ½ of 1%. For purposes hereof, **"Prime Rate"** shall mean the prime lending rate as set forth on the British Banking Association Telerate Page 5 (or such other comparable page as may, in the opinion of the Administrative Agent, replace such page for the purpose of displaying such rate), as in effect from time to time. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate or the Federal Funds Rate, respectively.

"Base Rate Advance" means an Advance that bears interest as provided in Section 2.06(a)(i)(A).

"Borrower" means MRC and any successor permitted by Section 6.02(d)(i). For the avoidance of doubt, in the case of a conversion of the Borrower from a Delaware limited liability company into a Delaware corporation or from a Delaware corporation into a Delaware limited liability company as permitted under Section 6.01(e), **"Borrower"** shall mean such Delaware corporation or limited liability company into which it is converted.

"Borrower's Account" means the account of the Borrower specified by the Borrower in writing to the Administrative Agent from time to time.

"Borrowing" means a Term B Borrowing or a Revolving Credit Borrowing.

"Business Day" means a day of the year on which banks are not required or authorized by law to close in New York City and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

"Capitalized Leases" means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases.

"Cash Capital Expenditures" means, for any period, the capital expenditures made by the Parent and its Subsidiaries during such period that are classified as capital expenditures in accordance with GAAP, excluding (a) capital expenditures financed with the proceeds of debt (other than any capital expenditures financed with the proceeds of the Revolving Credit Advances), equity, capital contributions, asset sales or exchanges or casualty (including insurance, eminent domain and condemnation) proceeds and (b) acquisitions of Equity Interests or assets comprising a business or product line.

“Cash Equivalents” means any of the following, to the extent owned by the Parent or any of its Subsidiaries: (a) readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States maturing within 365 days of the issuance thereof, (b) certificates of deposit, time deposits, bankers’ acceptances, eurodollar time deposits or overnight bank deposits issued by any commercial bank that is a Lender Party or a member of the Federal Reserve System, issues (or the parent of which issues) commercial paper rated as described in clause (c) below, is organized under the laws of the United States or any State thereof and has combined capital and surplus of at least \$500 million maturing within 180 days of the issuance thereof for purposes of the definition of “Total Net Debt” or within 365 days of the issuance thereof for all other purposes, (c) commercial paper maturing within 365 days of the issuance thereof, issued by any corporation organized under the laws of any State of the United States and rated at least “Prime 1” (or the then equivalent grade) by Moody’s or “A-1” (or the then equivalent grade) by S&P, or (d) Investments, classified in accordance with GAAP as Current Cash Equivalent Assets of the Parent or any of its Subsidiaries, in money market funds that are registered under the Investment Company Act of 1940, as amended, that are administered by financial institutions that have the highest rating obtainable from either Moody’s or S&P and the portfolios of which are limited to holding no less than 95% of their assets in Investments of the character, quality and maturity described in clauses (a), (b) and (c) of this definition.

“Change of Control” means the occurrence of any of the following: (a) at any time prior to the initial public offering of any Equity Interests in the Parent or the Borrower, the Principals and the Related Parties of the Principals shall own beneficially or of record on an aggregate basis 65% or less of the combined voting power of all Voting Interests in the Parent; or (b) at any time after the initial public offering of any Equity Interests in the Parent or the Borrower, any Person or two or more Persons acting in concert other than a Principal or a Related Party shall have acquired beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, in each case as amended), directly or indirectly, of Voting Interests of the Parent (or other securities convertible into such Voting Interests) representing 30% or more of the combined voting power of all Voting Interests of the Parent; or (c) during any period of up to 24 consecutive months, commencing on or after the date of this Agreement, Continuing Directors shall cease for any reason to constitute a majority of the board of directors (or other analogous governing body) of the Parent (other than as a result of a Qualified IPO); or (d) the Parent shall cease to own, directly or indirectly, 100% of the Equity Interests in the Borrower (other than as part of a Qualified IPO by the Borrower).

“Class” means, with respect to any Advance or Borrowing, whether such Advance, or the Advances comprising such Borrowing, are Revolving Credit Advances, Term B Advances or incremental Advances made pursuant to a Commitment Increase under Section 2.17.

“Closing Date” has the meaning specified in Section 4.01.

“Coastal and Gulf Tax Disputes” means the tax disputes arising from the lawsuits filed in June 2004 by the Department of Justice for the United States of America against Gulf Coast Services, Inc. and Coastal Utilities, Inc. relating to certain prior tax refunds.

“Coastal Facility” means Holdings’ credit facility under the Credit Agreement dated as of December 22, 2004 with MLCC as the administrative agent, as amended.

“CoBank, ACB” means shall mean CoBank, ACB, a cooperative financial institution.

“Co-Syndication Agents” means each of MLPF&S and GSCP.

“Collateral” means all “Collateral” and mortgaged property referred to in the Collateral Documents and all other property that is or is intended pursuant to the terms of any Collateral Document to be subject to any Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

“Collateral Account” has the meaning specified in the Security Agreement.

“Collateral Agent” has the meaning specified in the recital of parties to this Agreement.

“Collateral Agent’s Office” means, with respect to the Collateral Agent or any successor Collateral Agent, the office of such Agent as such Agent may from time to time specify in writing to the Borrower and the Administrative Agent.

“Collateral Documents” means the Security Agreement, the Mortgages, the Intellectual Property Security Agreement, each of the collateral documents, instruments and agreements delivered pursuant to Section 6.01(j), and each other agreement that creates or purports to create a Lien in favor of the Collateral Agent for the benefit of the Secured Parties.

“Commitment” means a Term B Commitment or the Revolving Credit Commitment.

“Commitment Increase” has the meaning specified in Section 2.17. Each series of Commitment Increases in respect of the Term B Facility shall constitute part of the Term B Commitments, Term B Borrowings or Term B Advances, as applicable.

“Communications Act” means the Communications Act of 1934, and any similar or successor federal statute, and the rules and regulations and published policies of the FCC thereunder, all as amended and as the same may be in effect from time to time.

“Confidential Information” means information that any Loan Party furnishes to any Agent or any Lender Party, but does not include any such information that is or becomes generally available to the public other than by a breach of any confidentiality agreement or provision, including, without limitation, Section 10.09 hereof or that is or becomes available to such Agent or such Lender Party on a nonconfidential basis from a source other than the Loan Parties.

“Consolidated” refers to the consolidation of accounts in accordance with GAAP.

“Consolidated Cash Interest Expense” means, for any period, the sum of (x) Consolidated Interest Expense for such period, excluding the following (to the extent included in the determination of such Consolidated Interest Expense): (a) any amounts not payable or paid in cash in such period, (b) any fees, expenses, premiums or penalties payable on or before the Closing Date in connection with the Refinancings and any up-front fees, expenses or premiums paid in connection with Hedge Agreements that are required or permitted to be entered into pursuant to this Agreement, (c) any interest payable after a Qualified IPO with respect to, or premiums payable with respect to, the Existing Notes and the Coastal Facility and (d) any interest, fees or penalties payable in connection with any Tax Disputes *plus* (y) the amount of any interest expense constituting Consolidated Interest Expense accrued in a prior period and paid in cash in such period (excluding amounts specified in clauses (a), (b), (c) and (d) above); *provided* that for purposes of determining Consolidated Cash Interest Expense for the first four full fiscal

quarters following the Closing Date, (a) for the fiscal quarter ended December 31, 2005, the amount of such Consolidated Cash Interest Expense for the Measurement Period then ended shall equal such item for such fiscal quarter multiplied by four; (b) for the fiscal quarter ended March 31, 2006, the amount of such Consolidated Cash Interest Expense for the Measurement Period then ended shall equal such item for the two fiscal quarters then ended multiplied by two; and (c) for the fiscal quarter ended June 30, 2006, the amount of such Consolidated Cash Interest Expense for the Measurement Period then ended shall equal such item for the three fiscal quarters then ended multiplied by 4/3.

“Consolidated Current Assets” means, at any date of determination, all amounts that would, in conformity with GAAP, be set forth opposite the caption of “total current assets,” or any like caption, on a consolidated balance sheet of the Parent and its Subsidiaries at such date, but excluding amounts reclassified as current assets from long-term assets of the Parent and its Subsidiaries.

“Consolidated Current Liabilities” means, at any date of determination, all amounts that would, in conformity with GAAP, be set forth opposite the caption “total current liabilities,” or any like caption, on a consolidated balance sheet of the Parent and its Subsidiaries at such date, but excluding the current portion of any debt (including, but not limited to, advances under the Revolving Credit Facility) of the Parent and its Subsidiaries, deposits received from customers in the ordinary course of business and any other amounts reclassified as current liabilities from long-term liabilities of the Parent and its Subsidiaries, including, but not limited to, amounts related to any Tax Disputes.

“Consolidated Interest Expense” means, for any period, total interest expense (including that portion attributable to Capitalized Leases in accordance with GAAP and capitalized interest) of the Parent and its Subsidiaries on a Consolidated basis for such period with respect to all outstanding Debt of the Parent and its Subsidiaries, including all commissions, discounts and other fees and charges owed with respect to letters of credit and net costs under interest rate hedging agreements.

“Continuing Directors” means, before a Qualified IPO, the directors (or individuals serving in a similar capacity) of the Parent on the Closing Date or, after a Qualified IPO, the directors (or individuals serving in a similar capacity) of the Parent immediately after such Qualified IPO, and, in any case, each other director (or individual serving in a similar capacity) if, in each case, such other director’s nomination (or the nomination of such other individual serving in a similar capacity) for election or election to the board of directors (or other analogous governing body) of the Parent is recommended or approved by at least a majority of the then Continuing Directors.

“Conversion,” “Convert” and “Converted” each refer to a conversion of Advances of one Type into Advances of the other Type pursuant to Section 2.08 or 2.09.

“Cooperative Certificate” means any subordinated or other capital certificate issued by the RTFC, CoBank, ACB, the Rural Telephone Bank or any other similarly situated telecommunications lender; it being understood that no issuance of any RTFC Cooperative Certificates will be made in connection with the entry of this Agreement.

“Current Cash Equivalent Assets” of any Person means all assets of such Person that would, in accordance with GAAP, be classified as current assets of such Person, after deducting adequate reserves in each case in which a reserve is proper in accordance with GAAP.

“Debt” of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, (e) all obligations of such Person as lessee under Capitalized Leases, (f) all obligations of such Person under bankers’ acceptance, letter of credit or similar facilities, (g) all obligations of such Person in respect of Hedge Agreements, valued at the Agreement Value thereof, (h) all Guaranty Obligations of such Person and (i) all indebtedness and other payment obligations referred to in clauses (a) through (h) above of another Person secured by any Lien on property (including, without limitation, accounts and contract rights) owned by such Person, in each case under this clause (i) valued at no greater than the fair market value of such encumbered property, and even though such Person has not assumed or become liable for the payment of such indebtedness or other payment obligations.

“Debt for Borrowed Money” of any Person means, at any date of determination, the sum of (i) all items that, in accordance with GAAP, would be classified as indebtedness on a Consolidated balance sheet of such Person at such date and (ii) the outstanding amount of Obligations of such Person under bankers’ acceptance, letter of credit or similar facilities at such date.

“Debt Restricted Payments” has the meaning specified in Section 6.02(g).

“Default” means any Event of Default or any event that would constitute an Event of Default but for the passage of time or the requirement that notice be given or both.

“Default Interest” has the meaning set forth in Section 2.06(b).

“Defaulted Advance” means, with respect to any Lender Party at any time, the portion of any Advance required to be made by such Lender Party to the Borrower pursuant to Section 2.01 or 2.02 at or prior to such time that has not been made by such Lender Party or by the Administrative Agent for the account of such Lender Party pursuant to Section 2.02(e) as of such time. In the event that a portion of a Defaulted Advance shall be deemed made pursuant to Section 2.15(a), the remaining portion of such Defaulted Advance shall be considered a Defaulted Advance originally required to be made pursuant to Section 2.01 on the same date as the Defaulted Advance so deemed made in part.

“Defaulted Amount” means, with respect to any Lender Party at any time, any amount required to be paid by such Lender Party to any Agent or any other Lender Party hereunder or under any other Loan Document at or prior to such time that has not been so paid as of such time, including, without limitation, any amount required to be paid by such Lender Party to (a) any Issuing Lender pursuant to Section 3.04 to purchase a participation in the obligations and rights under any Letter of Credit of such Issuing Lender, (b) the Administrative Agent pursuant to Section 2.02(d) to reimburse the Administrative Agent for the amount of any Advance made by the Administrative Agent for the account of such Lender Party, (c) any other Lender Party pursuant to Section 2.12 to purchase any participation in Advances owing to such other Lender Party and (d) any Agent or any Issuing Lender pursuant to Section 8.05 to reimburse such Agent or Issuing Lender for such Lender Party’s ratable share of any amount required to be paid by the Lender Parties to such Agent or Issuing Lender as provided therein. In the event that a portion of a Defaulted Amount shall be deemed paid pursuant to Section 2.15(b), the remaining portion of

such Defaulted Amount shall be considered a Defaulted Amount originally required to be paid hereunder or under any other Loan Document on the same date as the Defaulted Amount so deemed paid in part.

“Defaulting Lender” means, at any time, any Lender Party that, at such time, (a) owes a Defaulted Advance or a Defaulted Amount or (b) shall take any action or be the subject of any action or proceeding of a type described in Section 7.01(f).

“Designated Subsidiary” means (a) so long as the Parent is not the Borrower, a Subsidiary of the Parent of which the Borrower is a direct or indirect Subsidiary and (b) a direct, wholly owned Subsidiary of the Borrower, of the Parent or of any Designated Subsidiary under clause (a) above that is, in each case, organized under the laws of the United States, any state thereof or the District of Columbia.

“Disclosed Litigation” has the meaning specified in Section 4.01(d).

“Disqualified Stock” means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures, excluding any maturity as the result of the redemption hereof at the option of the issuer thereof, or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date specified in the definition of the Maturity Date, except to the extent that such Equity Interest is solely redeemable with, or solely exchangeable for, any Equity Interest that is not Disqualified Stock; *provided*, *however*, that only the portion of the Equity Interest or other security that so matures, is mandatorily redeemable or is redeemable at the option of the holder prior to such date shall be deemed to be Disqualified Stock; *provided further* that if such Equity Interest or other security is issued to any employee or to any plan for the benefit of employees of the Parent or any of its Subsidiaries or by any such plan to such employees, such Equity Interest or other security shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Parent or any of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability. Notwithstanding the preceding sentence, any Equity Interest that would constitute Disqualified Stock solely because the holders thereof have the right to require the Borrower to repurchase such Equity Interest upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Equity interest provide that the Borrower may not repurchase or redeem any such Equity Interest pursuant to such provisions unless such repurchase or redemption complies with Section 6.02(g) hereof.

“Dividend Suspension Period” means any period after a Qualified IPO (a) commencing on the first day of any fiscal quarter in respect of which, for the then most recently ended period of four consecutive fiscal quarters of the Parent, the Total Leverage Ratio was greater than 5.10:1.00, and (b) ending on the date of delivery of a certificate pursuant to Section 6.03(f) showing that, for the then most recently ended period of four consecutive fiscal quarters of the Parent, the Total Leverage Ratio is equal to or less than 5.10:1.00.

“Dollars” and **“\$”** mean dollars in lawful currency of the United States.

“Domestic Lending Office” means, with respect to any Lender Party, the office of such Lender Party specified as its “Domestic Lending Office” opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender Party, as the case

may be, or such other office of such Lender Party as such Lender Party may from time to time specify in writing to the Borrower and the Administrative Agent.

“Eligible Assignee” means, with respect to any Facility, (a) a Lender Party; (b) an Affiliate of a Lender Party or an Approved Fund; and (c) any other Person approved by the Administrative Agent and, unless an Event of Default has occurred and is continuing at the time any assignment is effected pursuant to Section 10.07, the Borrower, such approval not to be unreasonably withheld or delayed; *provided, however*, that neither any Loan Party nor any Affiliate of a Loan Party shall qualify as an Eligible Assignee under this definition.

“Environmental Action” means any action, suit, demand, demand letter, claim, notice of non-compliance or violation, notice of liability or potential liability, investigation, proceeding, consent order or consent agreement relating in any way to any Environmental Law, any Environmental Permit or Hazardous Material or arising from alleged injury or threat to health, safety or the environment, including, without limitation, (a) by any governmental or regulatory authority for enforcement, cleanup, removal, response, remedial or other actions or damages and (b) by any governmental or regulatory authority or third party for damages, contribution, indemnification, cost recovery, compensation or injunctive relief.

“Environmental Law” means any Federal, state, local or foreign statute, law, ordinance, rule, regulation, code, order, writ, judgment, injunction, decree or judicial or agency interpretation, policy or guidance relating to pollution or protection of the environment, health, safety or natural resources, including, without limitation, those relating to the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equity Interests” means, with respect to any Person, shares of capital stock of (or other ownership interests in) such Person (including, without limitation, partnership, member or trust interests therein), and any and all warrants, options or other rights to purchase or subscribe for shares of capital stock of (or other ownership interests in) such Person, whether voting or nonvoting.

“Equity Restricted Payments” has the meaning specified in Section 6.02(g).

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

“ERISA Affiliate” means any Person that for purposes of Title IV of ERISA is a member of the controlled group of any Loan Party, or under common control with any Loan Party, within the meaning of Section 414 of the Internal Revenue Code.

“ERISA Event” means (a) (i) the occurrence of a reportable event, within the meaning of Section 4043 of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC or (ii) the requirements of Section 4043(b) of ERISA apply with respect to a contributing sponsor, as defined in Section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of Section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days; (b) the application for a minimum funding waiver with respect to a Plan; (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan, pursuant to

Section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in Section 4041(e) of ERISA); (d) the cessation of operations at a facility of any Loan Party or any ERISA Affiliate in the circumstances described in Section 4062(e) of ERISA; (e) the withdrawal by any Loan Party or any ERISA Affiliate from a Multiple Employer Plan during a plan year for which it was a substantial employer, as defined in Section 4001(a)(2) of ERISA; (f) the conditions for imposition of a lien under Section 302(f) of ERISA shall have been met with respect to any Plan; (g) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to Section 307 of ERISA; or (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to Section 4042 of ERISA, or the occurrence of any event or condition described in Section 4042 of ERISA that constitutes grounds for the termination of, or the appointment of a trustee to administer, such Plan.

“Escrow Bank” has the meaning specified in Section 2.15(c).

“Eurocurrency Liabilities” has the meaning specified in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“Eurodollar Lending Office” means, with respect to any Lender Party, the office of such Lender Party specified as its “Eurodollar Lending Office” opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender Party (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender Party as such Lender Party may from time to time specify in writing to the Borrower and the Administrative Agent.

“Eurodollar Rate” means, for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing, an interest rate per annum equal to the rate per annum obtained by dividing (a) the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Telerate Page 3750 (or any successor page) as the London interbank offered rate for deposits in Dollars at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period for a period equal to such Interest Period (*provided that*, if for any reason such rate is not available, the term “Eurodollar Rate” shall mean, for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) appearing on Reuters Screen LIBO Page (or any successor page) as the London interbank offered rate for deposits in Dollars at approximately 11:00 A.M. (London time) two Business Days prior to the first day of such Interest Period for a term comparable to such Interest Period; *provided, however*, if more than one rate is specified on Reuters Screen LIBO Page (or applicable successor page), the applicable rate shall be the arithmetic mean of all such rates) by (b) a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage for such Interest Period.

“Eurodollar Rate Advance” means an Advance that bears interest as provided in Section 2.06(a)(i)(B).

“Eurodollar Rate Reserve Percentage” for any Interest Period for all Eurodollar Rate Advances comprising part of the same Borrowing means the reserve percentage applicable two Business Days before the first day of such Interest Period under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (or with respect to any other category of liabilities that includes deposits by reference

to which the interest rate on Eurodollar Rate Advances is determined) having a term equal to such Interest Period.

“***Eurodollar Tranche***” means the Eurodollar Rate Advances the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Advances shall originally have been made on the same day).

“***Events of Default***” has the meaning specified in Section 7.01.

“***Excluded Asset Sale***” means any sale, lease, transfer, conveyance or other disposition of any asset of the Parent or any of its Subsidiaries that constitutes any of the following: (a) transactions that involve assets having a fair market value of less than \$2,000,000 in the aggregate in any Fiscal Year, (b) any sale, lease, transfer, conveyance or other disposition of assets between or among the Parent and/or any Subsidiaries of the Parent, (c) the sale, transfer, conveyance or other disposition by the Parent or any of its Subsidiaries of cash or Cash Equivalents, (d) the sale, lease, conveyance, transfer or other disposition of (i) real property or leasehold interests or (ii) equipment, to the extent the proceeds thereof are reinvested in the business of the Parent or a Subsidiary of the Parent within 180 days of such sale, lease, transfer or other disposition, or, after such 180 day period, are applied to prepay Advances in accordance with Section 2.05(b)(ii)(B), (e) the sale, lease, assignment, transfer, sublease, license, conveyance or other disposition by the Parent or any of its Subsidiaries of inventory, accounts receivable or other current assets in the ordinary course of business, (f) the license of intellectual property by the Parent or any of its Subsidiaries in the ordinary course of business, (g) a transaction permitted pursuant to Section 6.02(g) hereof, (h) the sale, lease, conveyance, transfer or other disposition of real or personal property or equipment that has become worn out, obsolete or damaged or otherwise unsuitable for use in connection with the business of the Parent or any of its Subsidiaries, (i) distributions to any partner or shareholder of the Borrower or any Subsidiary of the Parent holding a minority position with respect to the Borrower or such Subsidiary, so long as such Subsidiary makes a contemporaneous pro rata distribution to the other partners or shareholders of the Borrower or such Subsidiary, (j) any loss or seizure of any property or assets of the Parent or any of its Subsidiaries pursuant to any fire or other casualty event or any expropriation or condemnation by any Governmental Authority, to the extent the proceeds thereof or of any insurance payments in respect thereof are reinvested in the business of the Parent or any Subsidiary of the Parent within 180 days of receipt, thereof or, after such 180 day period, are applied to prepay Advances in accordance with Section 2.05(b)(ii)(B), (k) sales or other dispositions of any Equity Interest in the Rural Telephone Bank or Co Bank, ACB or any subordinated capital certificates in RTFC or any Bank Equity Interest, (l) the distribution by the Parent of its common Equity Interests in accordance with employee compensation or benefit plans of the Loan Parties, (m) distributions made pursuant to a stock option, equity incentive or other employee benefit plan or agreement of the Parent or any of its Subsidiaries, (n) any transaction authorized by Section 6.02(d) (other than subsection (v) thereof), (o) the surrender or waiver of contract rights or settlement, release or surrender of a contract, tort or other litigation claim in the ordinary course of business, (p) the lease, sublease or licensing of any property in the ordinary course of business, or (q) the granting of Liens expressly permitted pursuant to another section of this Agreement or any other Loan Document; *provided* that in no event shall the sale, transfer or other disposition of any Equity Interests in the Borrower (other than as part of a Qualified IPO) or Madison River Communications constitute an “Excluded Asset Sale.”

“***Excluded Events***” has the meaning specified in Section 7.01(e).

“***Excluded Issuance***” means Debt permitted under Section 6.02(b).

“Existing Debt” means Debt of each Loan Party and its Subsidiaries outstanding immediately before the occurrence of the Closing Date.

“Existing Notes” has the meaning specified in the Preliminary Statements.

“Facility” means the Term B Facility or the Revolving Credit Facility.

“FCC” means the Federal Communications Commission, or any other similar or successor agency of the Federal government administering the Communications Act.

“Federal Funds Rate” means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Financing” has the meaning specified in the Preliminary Statements.

“Fiscal Year” means a fiscal year of the Parent and its Consolidated Subsidiaries ending on December 31 in any calendar year.

“Fixed Charge Coverage Ratio” means, for any Measurement Period, the ratio of (a) Adjusted EBITDA of the Parent and its Subsidiaries for such Measurement Period, to (b) the sum of (i) Consolidated Cash Interest Expense for such Measurement Period *plus* (ii) cash taxes (other than any cash taxes in respect of any Tax Disputes), in each case, of the Parent and its Subsidiaries for such Measurement Period.

“Foreign Subsidiary” means a Subsidiary of the Parent that is organized under the laws of any jurisdiction other than the United States, any state thereof or the District of Columbia.

“Fund” means any Person (other than an individual) that is engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit and that, to the extent such Person becomes a Revolving Credit Lender, has and will continue to have the capacity to fund Revolving Credit Advances, in each case, in the ordinary course.

“GAAP” has the meaning specified in Section 1.03.

“Governmental Authority” means any nation or government, any state, province, city, municipal entity or other political subdivision thereof, and any governmental, executive, legislative, judicial, administrative or regulatory agency, department, authority, instrumentality, commission, board, bureau or similar body, whether federal, state, provincial, territorial, local or foreign.

“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 filing, qualification or registration with, any Governmental Authority.

“Gross Excess Cash Flow” means, for any period, (a) Consolidated net income of the Parent and its Subsidiaries for such period, determined in accordance with GAAP, *plus* (b) the following items, to the extent deducted in determining such Consolidated net income during such period: (i) depreciation and amortization expense, (ii) unrealized losses on financial derivatives recognized in accordance with SFAS No. 133, (iii) non-cash and/or stock-based compensation expense, (iv) costs and expenses related to the Refinancings and a Qualified IPO, including related bonuses and (v) other non-cash items that reduce such Consolidated net income, *plus* (c) the following items: (i) cash received upon the redemption, sale or other disposition of (A) any Equity Interests in the Rural Telephone Bank, CoBank, ACB, or RTFC, (B) any subordinated capital certificates of RTFC or (C) any Bank Equity Interests, (ii) if there was a net increase in Consolidated Current Liabilities of the Parent and its Subsidiaries during such period, the amount of such net increase and (iii) if there was a net decrease in Consolidated Current Assets (excluding cash and Cash Equivalents) of the Parent and its Subsidiaries during such period, the amount of such net decrease, *minus* (d) the following items, to the extent included in determining such Consolidated net income during such period (other than with respect to any item referred to in the parenthetical in subclause (ii) below): (i) unrealized gains on financial derivatives recognized in accordance with SFAS No. 133 and (ii) all other non-cash income (including the accrual of the non-cash portion of any Rural Telephone Bank, CoBank, ACB, or RTFC patronage capital allocation), *minus* (e) the following items: (i) if there was a net decrease in Consolidated Current Liabilities of the Parent and its Subsidiaries during such period, the amount of such net decrease and (ii) if there was a net increase in Consolidated Current Assets (excluding cash and Cash Equivalents) of the Parent and its Subsidiaries during such period, the amount of such net increase and *minus* (f) the following items: (i) Cash Capital Expenditures and Investments made during the period pursuant to Section 6.02(f)(vi), other than those financed with the proceeds of debt and equity; (ii) to the extent not deducted in arriving at Consolidated net income for such period, cash taxes and related interest and penalties paid during such period and (iii) redemptions of the minority interest in Coastal Communications, Inc.

“Gross Leverage Ratio” means, at any date of determination, the ratio of Consolidated Total Debt (after giving effect to the application of the proceeds of an initial public offering by the Parent or the Borrower of its common Equity Interests) of the Parent and its Subsidiaries at such date to Adjusted EBITDA of the Parent and its Subsidiaries for the Measurement Period most recently completed on or prior to such date.

“GSCP” has the meaning specified in the recital of parties to this Agreement.

“Guaranteed Obligations” has the meaning specified in Section 9.01.

“Guaranties” means the Parent Guaranty and the Subsidiary Guaranty.

“Guarantors” means the Parent (other than the Borrower) and the Subsidiary Guarantors.

“Guaranty Obligations” means, with respect to any Person, any obligation or arrangement of such Person to guarantee or intended to guarantee any Debt, (**“primary obligations”**) of any other Person (the **“primary obligor”**) in any manner, whether directly or indirectly, including, without limitation, (a) the direct or indirect guarantee, endorsement (other than for collection or deposit in the ordinary course of business), co- making of the Debt of a primary obligor or (b) any obligation of such Person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net

worth or solvency of the primary obligor, (iii) to purchase property, assets, 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 or (iv) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; *provided* that the term "Guaranty Obligations" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guaranty Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guaranty Obligation is made (or, if less, the maximum amount of such primary obligation for which such Person may be liable pursuant to the terms of the instrument evidencing such Guaranty Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof, as determined by such Person in good faith.

"*Guaranty Supplement*" has the meaning specified in Section 9.05.

"*Hazardous Materials*" means (a) petroleum or petroleum products, by-products or breakdown products, radioactive materials, asbestos-containing materials, polychlorinated biphenyls and radon gas and (b) any other chemicals, materials or substances designated, classified or regulated as hazardous or toxic or as a pollutant or contaminant under any Environmental Law.

"*Hedge Agreements*" means interest rate swap, cap or collar agreements and interest rate future or option contracts entered into by the Borrower or any of its Subsidiaries in the ordinary course of business or as required or permitted by this Agreement.

"*Hedge Bank*" means (a) any present Lender Party or Agent, or any Affiliate of such Lender Party or Agent, (b) any other Person who, at the time it entered into a Secured Hedge Agreement, was a Lender Party or Agent, or any Affiliate of such Person, or (c) any other Person reasonably acceptable to the Borrower and the Administrative Agent, in each case under clauses (a), (b) and (c) above, in its capacity as a party to a Secured Hedge Agreement.

"*Holdings*" means Madison River Telephone Company LLC, a Delaware limited liability company, and successors thereof permitted by Section 6.02(d)(i). For the avoidance of doubt, in the case of a conversion of Holdings from a Delaware limited liability company into a Delaware corporation or from a corporation into a limited liability company as permitted under Section 6.01(e), "Holdings" shall mean such Delaware corporation or limited liability company into which it is converted.

"*Indemnified Party*" has the meaning specified in Section 10.04(b).

"*Indenture*" has the meaning specified in the Preliminary Statements.

"*Information Memorandum*" means the information memorandum dated February 2005 and the updated presentations relating thereto dated July 7, 2005 used by the Lead Arrangers in connection with the syndication of the Commitments.

"*Initial Extension of Credit*" means the earlier to occur of the initial Borrowing and the initial issuance of a Letter of Credit hereunder.

"*Insufficiency*" means, with respect to any Plan, the amount, if any, of its unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA.

"Intellectual Property Security Agreement" is defined in the Security Agreement.

"Interest Period" means as to any Eurodollar Rate Advance, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurodollar Rate Advance and ending one, two, three or six months thereafter, as selected by the Borrower in its Notice of Borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurodollar Rate Advance and ending one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent not less than three Business Days prior to the last day of the then current Interest Period with respect thereto; *provided* that, all of the foregoing provisions relating to Interest Periods are subject to the following:

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

(ii) any Interest Period that would otherwise extend beyond the Termination Date or beyond the Maturity Date shall end on the Termination Date or the Maturity Date, as applicable; and

(iii) any Interest Period that begins on the last 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 Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

"Inventory" means all Inventory referred to in Section 1(b) of the Security Agreement.

"Investment" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of direct or indirect loans (including obligations referred to in clauses (h) and (i) of the definition of "Debt"), advances or capital contributions (excluding commission, travel and similar advances to officers and employees of such Person made in the ordinary course of business), any purchase or other acquisition of any Equity Interests or Debt or the assets comprising a division or business unit or all or substantially all of the business of any other Person or Persons, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"Issuing Lender" means any Lender from time to time designated by the Borrower as an Issuing Lender with the consent of (a) such Lender and (b) (i) if RTFC is the Revolving Credit Lender, the Revolving Credit Lender or (ii) if otherwise, the Administrative Agent.

"Joint Bookrunners" means MLPF&S, GSCP and Lehman Brothers.

"L/C Fee Payment Date" means the first day of each April, July, October and January and the Termination Date.

“L/C Obligations” means, at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed pursuant to Section 3.05.

“L/C Sublimit” means \$25,000,000.

“Lead Arrangers” means each of MLPF&S and GSCP.

“Lehman” has the meaning specified in the recital of parties to this Agreement.

“Lehman Brothers” has the meaning specified in the recital of parties to this Agreement.

“Lender Party” means any Lender or any Issuing Lender.

“Lenders” means each Term B Lender or Revolving Credit Lender listed on the signature pages hereto and each other Person that shall become a Lender hereunder pursuant to, and in accordance with, Section 10.07 for so long as such Person shall be a party to this Agreement.

“Letters of Credit” has the meaning specified in Section 3.01.

“License” means any cellular telephone, microwave, personal communications or other license, authorization, certificate of compliance, franchise, approval or permit, whether for the construction or the operation of any System, granted or issued by the FCC.

“Lien” means any lien, security interest or other charge or encumbrance of any kind, or any other type of preferential arrangement, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property.

“Loan Documents” means (i) this Agreement, (ii) the Notes, (iii) the Guaranties, (iv) the Collateral Documents and (v) each agreement or instrument agreed to by the Borrower and relating to any Letter of Credit, in each case as amended.

“Loan Parties” means the Borrower and the Guarantors and a **“Loan Party”** means any of the Borrower or a Guarantor.

“Madison River Communications” means Madison River Communications, LLC, a Delaware limited liability company.

“Margin Stock” has the meaning specified in Regulation U.

“Material Adverse Change” means any material adverse change in the business, financial condition, operations or properties of the Parent and its Subsidiaries, taken as a whole.

“Material Adverse Effect” means a material adverse effect on (a) the business, financial condition, operations or properties of the Parent and its Subsidiaries, taken as a whole, (b) the rights and remedies of any Agent or any Lender Party under any Loan Document or (c) the ability of any Loan Party to perform its Obligations under any Loan Document to which it is or is to be a party.

“Maturity Date” means July 29, 2012.

“Measurement Period” means each period of four consecutive fiscal quarters of the Parent.

“MLCC” means Merrill Lynch Capital Corporation.

“MLPF&S” has the meaning specified in the recital of parties to this Agreement.

“Moody’s” means Moody’s Investors Service, Inc.

“Mortgages” means the deeds of trust, trust deeds, mortgages, leasehold mortgages and leasehold deeds of trust, in form and substance reasonably satisfactory to the Administrative Agent, and delivered pursuant to Section 6.01(j).

“Multiemployer Plan” means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA, to which any Loan Party or any ERISA Affiliate is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

“Multiple Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of any Loan Party or any ERISA Affiliate and at least one Person other than the Loan Parties and the ERISA Affiliates or (b) was so maintained and in respect of which any Loan Party or any ERISA Affiliate could have liability under Section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

“Net Cash Proceeds” means (a) with respect to any Asset Sale, the excess, if any, of (i) the sum of cash and Cash Equivalents received in connection with such Asset Sale (including any cash or Cash Equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received in cash) over (ii) the sum of (A) the principal amount of any Debt (other than Debt under the Loan Documents) that is secured by such asset and that is required to be repaid in connection with such Asset Sale, (B) the reasonable out-of-pocket costs, fees, commissions, premiums and expenses incurred by the Parent or its Subsidiaries in connection with such Asset Sale, (C) federal, state, provincial, foreign and local taxes and other taxes paid or reasonably estimated to be payable in connection therewith (including, without limitation, with respect to any Subsidiary of the Parent that is treated as a partnership or an entity disregarded as separate from its owner for federal, state and local income tax purposes, taxes reasonably estimated to be payable by, or with respect to the net income of, the members of such Person with respect to such members’ allocable shares of net income arising from such Asset Sale), (D) all distributions and other payments required to be made to minority interest holders in any Subsidiary of the Parent or joint ventures as a result of such Asset Sale, and (E) the deduction of appropriate amounts provided by the seller as a reserve in accordance with GAAP against any liabilities associated with the assets disposed of in such Asset Sale and retained by the Parent or any of its Subsidiaries after such Asset Sale and, without duplication, any reserves that the Parent or any such Subsidiary determines in good faith should be made in respect of the sale price of such asset or assets for post-closing adjustments; *provided* that in the case of any reversal of any reserve referred to above, the amount so reserved shall be deemed to be Net Cash Proceeds from an Asset Sale as of the date on which such amount is received by the Parent or such Subsidiary in cash; (b) with respect to the incurrence or issuance of any Debt (other than any Excluded Issuance) by the Parent or any of its Subsidiaries, the excess of (i) the sum of the cash and Cash Equivalents received in connection with such incurrence or issuance over (ii) the underwriting discounts and commissions or other similar payments, and other out-of-

pocket costs, fees, commissions, premiums and expenses incurred by the Parent or any of its Subsidiaries in connection with such incurrence or issuance to the extent such amounts were not deducted in determining the amount referred to in clause (i); and (c) with respect to the issuance of any Equity Interests (including, without limitation, the receipt of any capital contribution) by the Parent or any of its Subsidiaries, the excess of (i) the sum of the cash and Cash Equivalents received in connection with such issuance over (ii) the underwriting discounts and commissions or similar payments, and other out-of-pocket costs, fees, commissions, premiums and expenses, incurred by the Parent or any of its Subsidiaries in connection with such issuance to the extent such amounts were not deducted in determining the amount referred to in clause (i).

“Net Excess Cash Flow” means, for any Fiscal Year, the amount of Gross Excess Cash Flow for such Fiscal Year (or, in the case of the Fiscal Year ending December 31, 2005, the portion thereof accumulating since July 1, 2005) *minus* (to the extent not otherwise deducted in calculating the amount of such Gross Excess Cash Flow) (a) the sum of (i) the amount of Permitted Restricted Payments made during such Fiscal Year or portion thereof (net of the aggregate amount of any such Permitted Debt Restricted Payments deducted from the Net Excess Cash Flow for the immediately preceding Fiscal Year) *plus* (ii) the amount of Permitted Debt Restricted Payments made in the first fiscal quarter of the immediately succeeding Fiscal Year, (b) dividends paid on, or repurchase of shares of, Equity Interests of the Parent during such period and (c) payments of long-term Debt for Borrowed Money during the period (other than the payment of revolving debt during the period to the extent not accompanied by a permanent reduction of the revolving credit commitment related to such debt) that are not prohibited by this Agreement.

“Note” has the meaning specified in Section 2.16(a).

“Notes Refinancing” has the meaning specified in the Preliminary Statements.

“Notice of Borrowing” has the meaning specified in Section 2.02(a).

“Obligation” means, with respect to any Person, any payment, performance or other obligation of such Person of any kind, including, without limitation, any liability of such Person on any claim, whether or not the right of any creditor to payment in respect of such claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, disputed, undisputed, legal, equitable, secured or unsecured, and whether or not such claim is discharged, stayed or otherwise affected by any proceeding referred to in Section 7.01(f). Without limiting the generality of the foregoing, the Obligations of any Loan Party under the Loan Documents include (a) the obligation to pay principal, interest, Letter of Credit fees, costs, expenses, fees, attorneys’ fees and disbursements, indemnities and other amounts, in each case to the extent expressly payable by such Loan Party under any Loan Document, and (b) the obligation of such Loan Party to reimburse any amount in respect of any of the foregoing that any Lender Party, in its sole discretion, may elect to pay or advance on behalf of such Loan Party.

“Other Taxes” has the meaning specified in Section 2.11(b).

“Parent” means Holdings or, in the event that any newly formed Person becomes the holder of 100% of the beneficial and record ownership interests in Holdings in connection with an initial public offering of any Equity Interests in Holdings, such newly formed Person, or, in the event of a Qualified IPO by the Borrower, the Borrower and, in each case, any successor permitted by Section 6.02(d)(i).

“Parent Guaranty” means the guaranty of Holdings set forth in Article IX and the guaranty of a Parent (other than Holdings or the Borrower) set forth in any Guaranty Supplement, in each case as amended. It is understood that, upon the Borrower becoming the Parent pursuant to the definition thereof, notwithstanding any provision of any Loan Document, the Parent Guaranty shall terminate and be of no force and effect.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, signed into law October 26, 2001, as amended.

“PBGC” means the Pension Benefit Guaranty Corporation (or any successor).

“Permitted Additional Debt” means Debt of the Parent or any Subsidiary of the Parent (which may be guaranteed by any Loan Party) incurred after the date hereof, *provided* that (a) such Debt shall on the date of issuance provide a cash yield not to exceed 13.25% per annum, (b) such Debt shall be unsecured (other than by the proceeds thereof held in escrow pending an acquisition permitted under Section 6.02(f)), (c) no scheduled payments of principal, prepayments, redemptions or sinking fund or like payments on the principal of such Debt shall be required by the terms prior to the date 270 days after the Maturity Date, *provided* that this provision shall not apply to any prepayments required by, and shall not restrict any, customary change of control or asset sale provisions contained in the terms of such Debt, (d) the terms and conditions of such Debt shall not be materially more restrictive, taken as a whole, on the Parent and its Subsidiaries than the terms and conditions customarily found in senior or senior subordinated notes of similar issuers issued under Rule 144A of the Securities Act of 1933, as amended, or in a public offering, in each case as reasonably determined by the Administrative Agent, and any terms of subordination thereof shall also benefit the holders of the obligations of the Parent and its Subsidiaries in respect of any Secured Hedge Agreements to which the Parent or any of its Subsidiaries are parties, (e) no Dividend Suspension Period or Event of Default shall have occurred and be continuing at the time of incurrence of such Debt or would result therefrom and (f) the proceeds of such Debt are applied, within 60 days of the incurrence thereof, to finance one or more acquisitions permitted under Section 6.02(f) or to effect mandatory prepayments pursuant to Section 2.05(b).

“Permitted Debt Restricted Payments” means, for any period, the Debt Restricted Payments permitted to be made pursuant to Section 6.02(g)(i)(A) and (B) during such period.

“Permitted Equity Restricted Payments” means, for any period, the Equity Restricted Payments permitted to be made pursuant to Section 6.02(g)(i)(C) during such period.

“Permitted Investments” means (a) any Investment in cash or Cash Equivalents, (b) any Investment or acquisition of assets, in each case solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Parent, (c) Investments in Cooperative Certificates made with financings not prohibited by this Agreement, (d) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers’ compensation, performance and other similar deposits, (e) any Investment received as non-cash consideration from any sales or dispositions of property or assets that was made pursuant to and in compliance with, or not prohibited by, Section 6.02(e) hereof, (f) Investments in accounts and notes receivable acquired in the ordinary course of business, and Investments received in satisfaction of judgments, settlements of debts or compromises of obligations in the ordinary course of business, in each case, including, without limitation, pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer, (g) receivables

owing to the Parent or any Subsidiary of the Parent if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms, (h) Investments that are deemed to have been made as a result of the acquisition of a Person that at the time of such acquisition held instruments or assets constituting Investments that were not acquired in contemplation of the acquisition of such Person, (i) Guaranty Obligations by a Loan Party of the Debt or other obligations of another Loan Party (or any Subsidiary of a Loan Party), (j) purchases or acquisitions of Licenses in the ordinary course of business, (k) Investments constituting Debt permitted under Section 6.02(b), and (l) the receipt by the Parent or any of its Subsidiaries of Investments as consideration for the settlement, release or surrender of a contract, tort or other litigation claim, including, for avoidance of doubt, the release of claims against directory publishers.

“Permitted Liens” means the following: (a) Liens for taxes, assessments and governmental charges, claims or levies to the extent not required to be paid under Section 6.01(b); (b) Liens imposed by law and materialmen’s, warehousemen’s, mechanics’, suppliers’, carriers’, workmen’s, landlords’ and repairmen’s Liens and other similar Liens arising in the ordinary course of business (including, without limitation, deposits made to obtain the release of such Liens) securing obligations that are not overdue for a period of more than 60 days or are being contested in good faith by appropriate proceedings; (c) pledges or deposits in the ordinary course of business to secure obligations under workers’ compensation, unemployment insurance laws, other types of social security or similar legislation or to secure public or statutory obligations or deposits securing liability to insurance carriers under insurance or self-insurance arrangements and reimbursement obligations under any letter of credit with respect to any of the foregoing; (d) pledges or deposits in the ordinary course of business to secure the performance of tenders, bids, trade contracts, government contracts, import duties, payment of rent, licenses, return-of-money bonds, leases, statutory or regulatory obligations, surety or appeals bonds (other than bonds related to judgments or litigation), performance or bid bonds, completion or performance guarantees or other obligations of a like nature incurred in the ordinary course of business; (e) Liens securing judgments for the payment of money or any other attachment or judgment, in each case, not constituting an Event of Default under Section 7.01(g) or securing appeal or other surety bonds related to such judgments or any related litigation; (f) easements, zoning ordinances and similar charges, restrictions, rights of way and other encumbrances, charges, restrictions, exceptions or other irregularities or rights of others for licenses, sewers, electric lines, telegraph and telephone lines, and other similar encumbrances or title defects incurred, or leases or subleases granted to others, that do not render title to the property encumbered thereby unmarketable and do not materially interfere with the ordinary conduct of the business of the Parent and its Subsidiaries, taken as a whole; (g) restrictions on the transfer of Licenses or assets contained in any License or imposed by the Communications Act or comparable state legislation; (h) leases or subleases granted to third Persons not materially interfering with the ordinary course of business of the Parent and its Subsidiaries, taken as a whole, and any interest or title of a lessor or sublessor or lessee or sublessee under any operating lease; (i) ground leases in respect of real property on which facilities owned or leased by the Parent or any of its Subsidiaries are located; (j) the filing of financing statements regarding true leases and rights of lessors in property subject to such leases; (k) Liens arising under or related to any statutory or common law provisions or other customary rights relating to banker’s liens, rights of set-off or similar rights and remedies as to deposit or securities accounts or other funds or instruments maintained or held with a depository or other financial institution or securities intermediary; (l) pledges or deposits in favor of customs and revenue authorities to secure payment of customs duties in connection with the importation of goods in the ordinary course of business; (m) any interest of a licensee under licensing agreements for use of intellectual property existing on the date hereof and hereafter entered into in the ordinary course of business; (n) Liens

or deposits made in connection with account netting and other similar treasury management functions in the ordinary course of business; (o) Liens securing Debt permitted under clause (xi) of Section 6.02(b); (p) encumbrances on the "mortgaged property" permitted under any Mortgage of such mortgaged property; (q) Liens arising from any Tax Dispute; and (r) rights of set-off of third parties.

"Permitted Refinancing Indebtedness" means any Debt of the Parent or any of its Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund Subordinated Debt of the Parent or any of its Subsidiaries; *provided that*:

(a) the principal amount, or accreted value, if applicable, of such Permitted Refinancing Indebtedness does not exceed the principal amount, or accreted value, if applicable, of the Subordinated Debt extended, refinanced, renewed, replaced, defeased or refunded, plus all accrued interest and premiums on such Subordinated Debt and the amount of all fees, expenses, penalties and premiums incurred in connection therewith;

(b) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Subordinated Debt being extended, refinanced, renewed, replaced, defeased or refunded; and

(c) such Permitted Refinancing Indebtedness is subordinated in right of payment to the prior payment of the Obligations of the Loan Parties under the Loan Documents on terms, taken as a whole, at least as favorable to the Lender Parties as those contained in the documentation governing the Subordinated Debt being extended, refinanced, renewed, replaced, defeased or refunded.

"Permitted Restricted Payments" means, for any period, the aggregate Permitted Debt Restricted Payments and Permitted Equity Payments for such period.

"Person" means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

"Plan" means a Single Employer Plan or a Multiple Employer Plan.

"Pledged Debt" has the meaning specified in the Security Agreement.

"Pledged Equity" has the meaning specified in the Security Agreement.

"Principals" means Goldman, Sachs & Co., Madison Dearborn Partners and Providence Equity Partners.

"Pro Forma Cost Savings" means, with respect to any period, the reduction in net costs and related adjustments that (a) were directly attributable to any acquisition that occurred during such period or after such period and on or before the date of calculation, and were calculated on a basis that is consistent with Regulation S-X under the Securities Act of 1933, as amended, (b) were actually implemented on or before the date of calculation with respect to, and after the date of, any acquisition that occurred during such period, and (i) are supportable and quantifiable by underlying accounting records or other schedules prepared in good faith by the Borrower as

demonstrated to the reasonable satisfaction of the Administrative Agent or (ii) are otherwise demonstrated to the reasonable satisfaction of the Administrative Agent or (c) (i) are directly attributable to such acquisition and (ii) the achievement of which are probable in the reasonable determination of the Borrower based on specifically identifiable actions to be taken, as demonstrated by the Borrower to the reasonable satisfaction of the Administrative Agent, and, in each case under clauses (a), (b) and (c) above, as if such reductions in costs had been effected as of the beginning of such period and are described in a certificate of an officer of the Borrower delivered to the Administrative Agent.

“Pro Rata Share” of any amount means, (a) with respect to the Revolving Credit Lender, 100% and (b) with respect to any Term B Lender at any time, the product of such amount *times* a fraction the numerator of which is the amount of such Lender’s Term B Commitment at such time, and the denominator of which is the Term B Facility at such time.

“Qualified IPO” means an initial public offering by the Parent or the Borrower of its common Equity Interests after giving effect to the application of the proceeds of which the Gross Leverage Ratio is not more than 4.30:1.00.

“Reduction Amount” has the meaning specified in Section 2.05(b)(vi).

“Reference Period” means, at any date, the period commencing on the first day of the first full fiscal quarter that starts after the date of a Qualified IPO and ending on the last day of the last fiscal quarter for which a quarterly compliance report has been delivered by the Borrower prior to such date.

“Refinancings” has the meaning specified in the Preliminary Statements.

“Register” has the meaning specified in Section 10.07(d).

“Regulation U” means Regulation U of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“Reimbursement Obligation” means the obligation of the Borrower to reimburse the relevant Issuing Lender pursuant to Section 3.05 for amounts drawn under Letters of Credit.

“Related Party” with respect to any Principal means (a) any controlling stockholder, 50% or more owned Subsidiary, or spouse or immediate family member (in the case of an individual) of such Principal or (b) any trust, corporation, partnership or other entity, the beneficiaries, stockholders, partner, owners or Persons beneficially holding a controlling interest of which consist of such Principal and/or such other Persons referred to in the immediately preceding clause (a).

“Required Lenders” means, at any time, Lenders owed or holding at least a majority in interest of the sum of (a) the aggregate principal amount of the Term B Advances outstanding at such time and (b) the Revolving Credit Commitment at such time or, if the Revolving Credit Commitment has been terminated, the aggregate Revolving Extensions of Credit at such time; *provided, however*, that if any Lender shall be a Defaulting Lender at such time, there shall be excluded from the determination of Required Lenders at such time (A) the aggregate principal amount of the Term B Advances owing to such Lender (in its capacity as a Lender) and outstanding at such time and (B) in the case of the Revolving Credit Lender, the Revolving Credit Commitment (or Revolving Extensions of Credit, as applicable) outstanding at such time.

References herein to the “**Required Term B Lenders**” and “**Required Incremental Advance Lenders**” shall refer to the Lenders of such Class owed at least a majority of the sum of the total Advances of such Class at such time.

“**Requirement of Law**” means, as to any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“**Restricted Payments**” has the meaning specified in Section 6.02(g).

“**Restricted Payments Basket Amount**” means, on any date of determination (a) the sum of Available Cash for the Reference Period most recently ended (after giving effect to any reductions in the amount of Available Cash that occurred in any fiscal quarter completed following such Reference Period and prior to the date of determination) *plus* \$50,000,000 *minus* (b) the aggregate amount of Restricted Payments made pursuant to Section 6.02(g)(i)(A)(y) to the extent exceeding the aggregate amount of Gross Excess Cash Flow from the Closing Date to the date of a Qualified IPO *minus* (c) the aggregate amount of dividends paid by the Parent on, or paid in respect of the repurchase of shares of, its Equity Interests during such Reference Period or on or prior to such date.

“**Revolving Credit Advance**” has the meaning specified in Section 2.01(b).

“**Revolving Credit Borrowing**” has the meaning specified in Section 2.01(b).

“**Revolving Credit Commitment**” means, the amount set forth opposite the Revolving Credit Lender’s name on Schedule I hereto under the caption “Revolving Credit Commitment” or, if such Lender has entered into one or more Assignment and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 10.07(d) as such Lender’s “Revolving Credit Commitment,” as such amount may be reduced at or prior to such time pursuant to Section 2.04. The original amount of the Revolving Credit Commitment of the Revolving Credit Lender is \$75,000,000.

“**Revolving Credit Facility**” means, at any time, the aggregate amount of the Revolving Credit Lender’s Revolving Credit Commitment at such time.

“**Revolving Credit Lender**” means RTFC, together with its successors and permitted assigns.

“**Revolving Extensions of Credit**” means at any time an amount equal to the sum of (a) the aggregate principal amount of all Revolving Credit Advances made by the Revolving Credit Lender then outstanding and, (b) the L/C Obligations then outstanding.

“**RTFC**” has the meaning specified in the Preliminary Statements.

“**RTFC Facilities**” has the meaning specified in the Preliminary Statements.

“**RTFC Line of Credit Rate**” means the prevailing variable rate of interest established by RTFC from time to time for lines of credit similarly classified pursuant to RTFC’s policies and procedures then in effect, or as otherwise agreed between RTFC and the Borrower.

“RTFC Rate Advance” means an Advance that bears interest as provided in Section 2.06(a)(ii).

“S&P” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc.

“Secured Hedge Agreement” means any Hedge Agreement required or permitted under Article VI that is entered into by and between the Borrower or any of its Subsidiaries and any Hedge Bank.

“Secured Obligations” has the meaning specified in Section 2 of the Security Agreement.

“Secured Parties” means the Agents, the Lender Parties and the Hedge Banks.

“Security Agreement” has the meaning specified in Section 4.01(a)(ii).

“Senior Leverage Ratio” means, at any date of determination, the ratio of Total Senior Debt of the Parent and its Subsidiaries at such date to Adjusted EBITDA of the Parent and its Subsidiaries for the Measurement Period most recently completed on or prior to such date.

“Significant Subsidiary” means, at any date of determination, any (i) Subsidiary of the Borrower that individually has or (ii) group of Subsidiaries of the Borrower, that in the aggregate has, in either case, revenues, assets or earnings in an amount equal to at least 5% of (a) the Consolidated revenues of the Borrower and its Subsidiaries for the most recently completed fiscal quarter for which the Lenders have received financial statements of the Borrower and its Subsidiaries pursuant to Section 6.03(b) or (c), (b) the Consolidated assets of the Borrower and its Subsidiaries as of the last day of the most recently completed fiscal quarter for which the Lenders have received financial statements of the Borrower and its Subsidiaries pursuant to Section 6.03(b) or (c), or (c) the Consolidated net earnings of the Borrower and its Subsidiaries for the most recently completed fiscal quarter for which the Lenders have received financial statements of the Borrower and its Subsidiaries pursuant to Section 6.03(b) or (c), in each case determined in accordance with GAAP for such period.

“Single Employer Plan” means a single employer plan, as defined in Section 4001(a)(15) of ERISA, that (a) is maintained for employees of any Loan Party or any ERISA Affiliate and no Person other than the Loan Parties and the ERISA Affiliates or (b) was so maintained and in respect of which any Loan Party or any ERISA Affiliate could have liability under Section 4069 of ERISA in the event such plan has been or were to be terminated.

“Solvent” and **“Solvency”** mean, 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, without limitation, 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 such debts and liabilities as they mature and (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person’s property would constitute an unreasonably small capital. The amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. In determining the Solvency of any Person hereunder, the

value to such Person of its Investments in its Subsidiaries, and the assets and financial resources of such Subsidiaries, shall be taken into consideration.

“Subordinated Debt” means any Debt incurred by the Parent or any Subsidiary of the Parent that (a) is, on terms reasonably satisfactory to the Administrative Agent, expressly subordinated in right of payment to the prior payment in full of the Obligations of the Loan Parties under the Loan Documents, with any terms of subordination also benefiting the holders of the obligations of the Parent and its Subsidiaries in respect of any Secured Hedge Agreements to which the Parent or any of its Subsidiaries are parties, (b) is unsecured, (c) provides, on the date of issuance, a cash yield not to exceed 13.25% per annum, (d) requires no scheduled payments of principal, prepayments, redemptions or sinking fund or like payments on the principal of such Debt prior to the date 270 days after the Maturity Date, *provided that this provision shall not apply to any prepayments required by, and shall not restrict any, customary change of control or asset sale provisions contained in the terms of such Debt and* (e) does not contain any terms or conditions that are materially more restrictive, taken as a whole, on the Parent and its Subsidiaries than the terms and conditions customarily found in subordinated notes of similar issuers issued under Rule 144A of the Securities Act of 1933, as amended, or in a public offering, in each case as reasonably determined by the Administrative Agent.

“Subsidiary” of any Person means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (b) the interest in the capital or profits of such partnership, joint venture or limited liability company or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such Person, by such Person and one or more of its other Subsidiaries or by one or more of such Person’s other Subsidiaries.

“Subsidiary Guarantors” means the Subsidiaries of the Borrower listed on Schedule II hereto and each Designated Subsidiary that shall be required to execute and deliver a guaranty pursuant to Section 6.01(j).

“Subsidiary Guaranty” means the guaranty of the Subsidiary Guarantors set forth in Article IX, together with each other guaranty and guaranty supplement delivered pursuant to Section 6.01(j), in each case as amended.

“Surviving Debt” means Debt of each Loan Party and its Subsidiaries outstanding immediately before and after giving effect to the Initial Extension of Credit; *provided, however,* that, from and after the date on which certain Existing Notes are required to be redeemed pursuant to Section 6.01(m), Surviving Debt shall not include the Existing Notes so redeemed.

“System” means, as to any Person, assets constituting a commercial radio communications system authorized under the Federal Communications Act or the rules, regulations or published orders of the FCC thereunder (including any license and the network, marketing, distribution, sales, customer interface and operations functions relating thereto) owned and operated by such Person.

“Tax Disputes” means the Coastal and Gulf Tax Disputes and the Alabama State Tax Disputes.

“**Taxes**” has the meaning specified in Section 2.11(a).

“**Telecommunications Business**” means the development, ownership or operation of one or more communications or information systems businesses or enterprises that provide voice, video transmission, data or Internet services, and any related, ancillary or complementary services; *provided* that the determination of what constitutes a Telecommunications Business shall be made in good faith by the Board of Directors (or other analogous governing body) of the Parent and/or Holdings.

“**Term B Advance**” has the meaning specified in Section 2.01(a).

“**Term B Borrowing**” means a borrowing consisting of simultaneous Term B Advances of the same Type made by the Term B Lenders.

“**Term B Commitment**” means, with respect to any applicable Lender at any time, the amount set forth opposite such Lender’s name on Schedule I hereto under the caption “Term B Commitment” or, if such Lender has entered into one or more Assignment and Acceptances, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 10.07(d) as such Lender’s “Term B Commitment.” The original aggregate amount of the Term B Commitments of all Term B Lenders is \$475,000,000.

“**Term B Facility**” means, at any time, the aggregate amount of the Term B Lenders’ Term B Commitments at such time.

“**Term B Lender**” means any Lender that has a Term B Commitment.

“**Termination Date**” means the earlier of the Maturity Date and the date of termination in whole of the Revolving Credit Commitments pursuant to Section 2.04 or 7.01.

“**Total Debt**” means, on any date, all Debt for Borrowed Money of the Parent and its Subsidiaries *minus* any Cooperative Certificates.

“**Total Leverage Ratio**” means, at any date of determination, the ratio of Consolidated Total Net Debt of the Parent and its Subsidiaries at such date to Adjusted EBITDA of the Parent and its Subsidiaries for the Measurement Period most recently completed on or prior to such date.

“**Total Net Debt**” means, on any date, Debt for Borrowed Money of the Parent and its Subsidiaries *minus* cash and Cash Equivalents on such date of the Parent and its Subsidiaries; *provided, however*, that (a) for purposes of calculating the Total Leverage Ratio hereunder, “Total Net Debt” shall not include Debt for Borrowed Money of Holdings to the extent of the amount of such Debt for Borrowed Money that is not subject to any requirement for cash payment and (b) for purposes of calculating the Total Leverage Ratio under the definition of “Qualified IPO,” “Total Net Debt” shall not include any Debt for Borrowed Money incurred specifically to purchase Cooperative Certificates.

“**Total Senior Debt**” means, on any date, the Consolidated Debt for Borrowed Money of the Parent and its Subsidiaries outstanding on such date other than Debt in respect of the Existing Notes and the Coastal Facility *minus* cash and Cash Equivalents on such date of the Parent and its Subsidiaries.

“*Type*” refers to the distinction among Advances or Borrowings bearing interest at the Base Rate, Advances bearing interest at the Eurodollar Rate, and Advances bearing interest at the RTFC Line of Credit Rate.

“*Voting Interests*” means shares of capital stock issued by a corporation, or equivalent Equity Interests in any other Person, the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even if the right so to vote has been suspended by the happening of such a contingency.

“*Weighted Average Life to Maturity*” means, when applied to any Debt at any date, the number of years obtained by dividing: (a) the sum of the product of (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, multiplied by (ii) the number of years, calculated to the nearest one-twelfth, that will elapse between such date and the making of such payment, by (b) the then outstanding principal amount of such Debt.

“*Withdrawal Liability*” has the meaning specified in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.02. Computation of Time Periods; Other Definitional Provisions. In this Agreement and the other Loan Documents in the computation of periods of time from a specified date to a later specified date, the word “*from*” means “from and including” and the words “*to*” and “*until*” each mean “to but excluding.” References in the Loan Documents to any agreement or contract “*as amended*” shall mean and be a reference to such agreement or contract as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms.

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States of America as in effect from time to time (“*GAAP*”).

ARTICLE II

AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Advances. (a) The Term B Advances. Each Term B Lender severally agrees, on the terms and conditions hereinafter set forth, to make a single advance (a “*Term B Advance*”) to the Borrower on the Closing Date in an amount not to exceed such Lender’s Term B Commitment at such time. The Term B Borrowing shall consist of Term B Advances made simultaneously by each Term B Lender in an amount equal to its Pro Rata Share of the aggregate Term B Commitments. Amounts borrowed under this Section 2.01(a) and repaid or prepaid may not be reborrowed.

(b) The Revolving Credit Advances. The Revolving Credit Lender agrees, on the terms and conditions hereinafter set forth, to make advances (each, a “*Revolving Credit Advance*” or “*Revolving Credit Borrowing*”) to the Borrower from time to time on any Business Day during the period from the Closing Date until the Termination Date in an amount for each such Advance not to exceed the Available Revolving Credit Commitment at such time. Each Revolving Credit Borrowing shall be in an aggregate amount of \$500,000 or an integral multiple of \$500,000 in excess thereof (other than a Borrowing the proceeds of which shall be used solely to repay or prepay in full outstanding L/C Obligations). Within the limits of the Available Revolving Credit Commitment in effect from time to

time, the Borrower may borrow under this Section 2.01(b), prepay pursuant to Section 2.05(a) and reborrow under this Section 2.01(b).

SECTION 2.02. Making the Advances. (a) Except as otherwise provided in Section 3.05, each Borrowing shall be made on notice, given not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Eurodollar Rate Advances, or the first Business Day prior to the date of the proposed Borrowing in the case of a Borrowing consisting of Base Rate Advances or a Borrowing consisting of RTFC Rate Advances, by the Borrower to the Administrative Agent, and the Administrative Agent shall give to each Appropriate Lender prompt notice thereof by telecopier or electronic communication. Each such notice of a Borrowing (a "**Notice of Borrowing**") shall be in writing, or telecopier or electronic communication, in substantially the form of Exhibit B hereto, specifying therein the requested (i) date of such Borrowing, (ii) Facility under which such Borrowing is to be made, (iii) Type of such Borrowing, (iv) aggregate amount of such Borrowing and (v) in the case of a Borrowing consisting of Eurodollar Rate Advances, initial Interest Period for each such Advance. Each Appropriate Lender shall, before 11:00 A.M. (New York City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent, in same day funds, such Lender's Pro Rata Share of such Borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article IV, the Administrative Agent will make such funds available to the Borrower by crediting the Borrower's Account.

(b) Anything in subsection (a) above to the contrary notwithstanding, (i) unless consented to by the Administrative Agent, the Borrower may not select Eurodollar Rate Advances for the initial Borrowing hereunder and for the 30-day period following the Closing Date (or such shorter period as shall be specified in its reasonable discretion by the Administrative Agent in a written notice to the Borrower and the Lenders) or if the obligation of the Appropriate Lenders to make Eurodollar Rate Advances shall then be suspended pursuant to Section 2.08 or 2.09 and (ii) the Eurodollar Advances may not be outstanding as part of more than 9 separate Eurodollar Tranches.

(c) Each Notice of Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing that the related Notice of Borrowing specifies is to be comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Appropriate Lender against any loss, cost or expense incurred by such Lender as a result of any failure to fulfill on or before the date specified in such Notice of Borrowing for such Borrowing the applicable conditions set forth in Article IV, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such borrowing when such Advance, as a result of such failure, is not made on such date.

(d) Unless the Administrative Agent shall have received notice from an Appropriate Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's Pro Rata Share of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay or pay to the Administrative Agent forthwith on demand such corresponding amount and to pay interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid or paid to the Administrative Agent, at (i) in the case of the Borrower, the interest rate applicable at such time under Section 2.06 to Advances comprising such Borrowing and (ii) in the case of such Lender, the Federal Funds Rate. If such

Lender shall pay to the Administrative Agent such corresponding amount, such amount so paid shall constitute such Lender's Advance as part of such Borrowing for all purposes.

(e) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

SECTION 2.03. Repayment of Advances. (a) Term B Advances. The Borrower shall repay to the Administrative Agent for the ratable account of the Term B Lenders the aggregate outstanding principal amount of the Term B Advances on the Maturity Date.

(b) Revolving Credit Advances. The Borrower shall repay to the Administrative Agent for the account of the Revolving Credit Lender on the Termination Date the aggregate principal amount of the Revolving Credit Advances then outstanding.

SECTION 2.04. Termination or Reduction of the Commitments. (a) Optional. The Borrower may, upon at least five Business Days' notice to the Administrative Agent, terminate in whole or reduce in part the Available Revolving Credit Commitment; *provided, however*, that each partial reduction of the Available Revolving Credit Commitment shall be (i) in an aggregate amount of \$2,000,000 or an integral multiple of \$1,000,000 in excess thereof and (ii) made by reducing the Revolving Credit Commitment by an amount equal to such reduction.

(b) Mandatory. The Revolving Credit Facility shall be automatically and permanently reduced, on a pro rata basis, on each date on which prepayment thereof is required to be made pursuant to Section 2.05(b)(vii) in an amount equal to the applicable Reduction Amount, *provided* that each such reduction of the Revolving Credit Facility shall be made ratably among the Revolving Credit Lenders in accordance with their Revolving Credit Commitments.

SECTION 2.05. Prepayments. (a) Optional. The Borrower may, without premium or penalty, upon at least three Business Days' notice to the Administrative Agent in the case of Eurodollar Rate Advances, or upon notice given to the Administrative Agent not later than 11:00 A.M. (New York City time) on the proposed date of prepayment in the case of any Base Rate Advances or RTFC Rate Advances, in each case, stating the proposed date, the Facility or Facilities subject to the prepayment, the Type of Advances to be prepaid, the application of such prepayment among Facilities and Advances and aggregate principal amount of the prepayment for each, and if such notice is given the Borrower shall, prepay the specified outstanding aggregate principal amount of the applicable Advances, in whole or ratably in part, together with accrued interest to the date of such prepayment on the aggregate principal amount prepaid; *provided, however*, that (x) each partial prepayment shall be in an aggregate principal amount of \$1,000,000 or an integral multiple of \$1,000,000 in excess thereof and (y) if any prepayment of a Eurodollar Rate Advance is made on a date other than the last day of an Interest Period for such Advance, the Borrower shall also pay any amounts owing pursuant to Section 10.04(c).

(b) Mandatory. (i) The Borrower shall, on the 90th day following the end of each Fiscal Year, prepay an aggregate principal amount of the Advances and, in the case of prepayment of any Eurodollar Rate Advances, such Advances comprising part of the same Eurodollar Tranches, and deposit an amount in the Collateral Account in an amount equal to the Applicable Prepayment Percentage of the Net Excess Cash Flow for such Fiscal Year.

(ii) The Borrower shall:

(A) on the date of receipt of any Net Cash Proceeds by any Loan Party or any of its Subsidiaries from (x) any Asset Sale by the Parent or any of its Subsidiaries pursuant to Section 6.02(e)(iii) or (y) the incurrence or issuance of any Debt by the Parent or any of its Subsidiaries (other than any Excluded Issuances), and

(B) on the Business Day following the 180th day following the receipt of any Net Cash Proceeds by any Loan Party or any of its Subsidiaries from any Asset Sale referred to in clause (d) or (j) of the definition of Excluded Asset Sale to the extent such Net Cash Proceeds have not been invested or applied as contemplated thereby within such 180 day period,

prepay an aggregate principal amount of the Advances comprising, in the case of prepayment of any Eurodollar Rate Advances, part of the same Eurodollar Tranches, and deposit an amount in the Collateral Account, in an amount equal to the amount of such Net Cash Proceeds less any amount of such Net Cash Proceeds required to be applied to prepay the Coastal Facility by its terms.

(iii) (A) Prior to a Qualified IPO (and excluding (i) any transaction constituting a Qualified IPO, (ii) any Permitted Investment described in clause (b) of the definition of "Permitted Investments" and (iii) any sale or issuance of Equity Interests in the Parent in a transaction permitted by Section 6.02(f)(vi)), the Borrower shall, on the date of receipt of any Net Cash Proceeds by any Loan Party or any of its Subsidiaries from the issuance of any Equity Interest in the Parent, prepay an aggregate principal amount of the Advances comprising, in the case of prepayment of any Eurodollar Rate Advances, part of the same Eurodollar Tranches, and deposit an amount in the Collateral Account, in an amount equal to 50% of the amount of such Net Cash Proceeds less any amount of such Net Cash Proceeds required to be applied to prepay the Coastal Facility by its terms and (B) after a Qualified IPO, the Borrower shall, on or prior to the 60th day following the last day of each fiscal quarter of the Parent during any Dividend Suspension Period, prepay an aggregate principal amount of the Advances comprising, in the case of prepayment of any Eurodollar Rate Advances, part of the same Eurodollar Tranches, and deposit an amount in the Collateral Account, in an amount equal to 50% of the increase in the Restricted Payments Basket Amount during such fiscal quarter.

(iv) The Borrower shall, on each Business Day, prepay an aggregate principal amount of the Revolving Credit Advances and deposit an amount in the Collateral Account in an amount equal to the amount by which (A) the aggregate Revolving Extensions of Credit then outstanding exceeds (B) the Revolving Credit Facility on such Business Day.

(v) The Borrower shall, on each Business Day, pay to the Administrative Agent for deposit in the Collateral Account an amount sufficient to cause the aggregate amount on deposit in the Collateral Account to equal the amount by which the aggregate undrawn amount of all Letters of Credit then outstanding exceeds the L/C Sublimit on such Business Day.

(vi) Subject to clause (vii) below, prepayments of the Revolving Credit Facility made pursuant to clause (i), (ii), (iii) or (iv) above shall be *first* applied to prepay Advances made as a result of any drawings under Letters of Credit that have not been reimbursed pursuant to Section 3.05 until such Advances are paid in full, *second* applied to prepay Revolving Credit Advances then outstanding, until such Advances are paid in full and *third* deposited in the Collateral Account to cash collateralize 100% of the aggregate then undrawn amount of the Letters of Credit then outstanding, and, in the case of prepayments of the Revolving Credit Facility required pursuant to clause (i), (ii) or (iii) above, the amount remaining (if any) after the prepayment in full of the Advances then outstanding and the 100% cash collateralization of the aggregate then undrawn amount of Letters of Credit then outstanding (the sum of such prepayment amounts, cash collateralization amounts and remaining amount being referred to herein as the "**Reduction Amount**") may be retained by the Borrower and the Revolving Credit Facility shall be