

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF KENTUCKY  
PIKEVILLE DIVISION

IN RE:

SOUTHEAST TELEPHONE, INC.

CASE NO. 09-70731  
CHAPTER 11

DEBTOR

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**FIRST AMENDED DISCLOSURE STATEMENT  
FOR DEBTOR'S LIQUIDATING PLAN UNDER  
CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

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Respectfully submitted,

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Dated: July 15, 2010

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## **DISCLOSURE STATEMENT**

### **DISCLAIMER**

*All Creditors and holders of Interests are advised and encouraged to read this Disclosure Statement and the Plan in their entirety. Plan summaries and statements made in this Disclosure Statement are qualified in their entirety by reference to the Plan, any exhibits, and the Disclosure Statement as a whole.*

*This Disclosure Statement has been prepared in accordance with 11 U.S.C. § 1125 and Rule 3016 (c) of the Federal Rules of Bankruptcy Procedure. This Disclosure Statement was prepared to provide holders of Claims and Interests in the Debtor with "adequate information" (as defined in the Bankruptcy Code) so that they can make an informed judgment about the Plan.*

*As to contested matters, adversary proceedings, and other actions or threatened actions, this Disclosure Statement shall not constitute nor be construed as an admission of any fact or liability, stipulation, or waiver, but rather as a statement made in settlement negotiations.*

*The information contained in this Disclosure Statement is included herein for the purpose of soliciting acceptances of the Plan and may not be relied upon for any other purpose other than to make a judgment with respect to, and how to vote on, the Plan.*

*This Disclosure Statement shall not be admissible in any non-bankruptcy proceeding involving the Debtor and any party, nor shall it be construed to be conclusive advice on the tax or other legal effects of the Plan as to holders of Claims against, or Interests in, the Debtor; provided, however, that in the event the Debtor defaults under the Plan, the Disclosure Statement may be admissible in a proceeding relating to such default for the purpose of establishing the existence of such default.*

**THE REPRESENTATIONS IN THIS DISCLOSURE STATEMENT ARE THOSE OF THE DEBTOR. NO REPRESENTATIONS CONCERNING THE DEBTOR ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE ACCEPTANCE OF THIS PLAN WHICH ARE OTHER THAN AS CONTAINED IN THIS DOCUMENT SHOULD NOT BE RELIED UPON BY ANY PERSON. NO INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PREPARED BY AN INDEPENDENT PUBLIC ACCOUNTANT TO THE KNOWLEDGE OF THE DEBTOR.**

**NEITHER THE PLAN NOR THIS DISCLOSURE STATEMENT HAS BEEN DESIGNED TO FORECAST CONSEQUENCES WHICH FOLLOW FROM A GENERAL REJECTION OF THE PLAN, ALTHOUGH AN ATTEMPT IS MADE TO STATE THE CONSEQUENCES OF A LIQUIDATION OF THE DEBTOR. THE DEBTOR IS REPRESENTED BY THE LAW FIRM OF DELCOTTO LAW GROUP PLLC, 200 NORTH UPPER STREET, LEXINGTON, KENTUCKY 40507, WHICH HAS NOT EXPRESSED AN OPINION ON ANY INFORMATION SET FORTH HEREIN.**

**THE LAW FIRM OF DELCOTTO LAW GROUP PLLC HAS NO ACTUAL KNOWLEDGE OF ANY INFORMATION WHICH WOULD CONFLICT WITH THE INFORMATION SET FORTH HEREIN.**

**I. INTRODUCTION AND NOTICE TO HOLDERS OF CLAIMS**

SouthEast Telephone, Inc. (the "Debtor"), as the Debtor and the Debtor in possession in the above-captioned case, provides this Disclosure Statement to all known Creditors in order to disclose that information deemed by the Debtor to be material, important and necessary to Creditors to arrive at a reasonably informed decision in exercising rights to vote on the First Amended Liquidating Plan (the "Plan") filed herewith by the Debtor. A copy of the Plan accompanies this Disclosure Statement and you are urged to refer to the Plan when reading the Disclosure Statement. THE PROVISIONS CONTAINED IN THE PLAN CONTROL OVER ANY STATEMENTS CONTAINED HEREIN.

You should read this Disclosure Statement before voting on the Plan. As a Creditor your vote is important. The Plan will be confirmed by the Bankruptcy Court if it is accepted by the holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Creditors' Claims in each class voting on the Plan. However, the provisions of 11 U.S.C. § 1129(b) may be invoked by the Debtor if necessary in order to obtain confirmation of the Plan. These provisions permit confirmation even though a class or classes reject the Plan if the Bankruptcy Court finds that the Plan provides fair and equitable treatment for the rejecting class.

The Disclosure Statement contained herein is provided to enable holders of Claims to make an informed judgment whether to accept or reject the Plan. Whether or not you expect to be present at the Confirmation Hearing, you are urged to fill in, date, sign, and promptly return the ballot. Holders of Claims in a class that is Impaired may vote to accept or reject the Plan by completing and delivering or transmitting their ballots to the Attorneys for the Debtor, DelCotto Law Group PLLC, 200 North Upper Street, Lexington, Kentucky 40507, Attention: Linda Conner, telephone (859) 231-5800, fax (859) 281-1179, email: lconner@dlgfirm.com. **Only ballots received on or before 5:00 p.m. EDT on \_\_\_\_\_, 2010, will be counted in determining whether a class has accepted or rejected the Plan.**

**II. DEFINITIONS**

All capitalized terms used herein and not otherwise specifically defined shall have the meanings given to them in the Plan. As used in this Disclosure Statement, any other terms defined in the Bankruptcy Code shall have the meanings given to them in the Bankruptcy Code, unless the context clearly requires otherwise.

### **III. GENERAL INFORMATION AND DESCRIPTION**

#### **A. HISTORICAL BACKGROUND AND DESCRIPTION OF DEBTOR**

The Debtor is a Kentucky corporation formed in 1997 as a “competitive local exchange carrier” (a “CLEC”) providing telecommunications and internet services to residential and commercial customers in a service area of 52 primarily rural counties extending from its Pike County base of operations westward as far as Nelson County. As of the Petition Date, the Debtor had approximately 32,000 customers in its rural service areas.

The Debtor operates under both state (Kentucky Public Service Commission) and federal (Federal Communications Commission) regulatory mandates and guidelines. Further, the Debtor is governed by the federal Telecommunications Act of 1996 (the “1996 Act”). Pub. L. No. 104-104, 110 Stat. 56 (1996). The 1996 Act requires “incumbent local exchange carriers” (“ILECs”), such as AT&T Kentucky (“AT&T”), to provide competitors with access to their networks in order to provide service to the end-user customers. The Debtor offers many of its services to its customers through use of network elements obtained from AT&T. These services include local phone service, long distance, dial-up internet, DSL, paging, web hosting, and conferencing.

#### **B. PRINCIPAL FACTORS LEADING TO THE CHAPTER 11 BANKRUPTCY FILING**

As a result of federal regulatory changes enacted by the Federal Communications Commission (“FCC”) in early 2005, AT&T announced that it would stop accepting certain orders from Kentucky’s CLECs, including but not limited to the Debtor, for certain network elements, effective in March, 2005. Following negotiation efforts with AT&T, the Debtor and AT&T have been involved, from 2005 to date, in protracted litigation and multiple proceedings in both the United States District Courts and before the Kentucky Public Service Commission (“PSC”) regarding the availability and pricing of certain network elements and other issues. Certain portions of the disputes are on appeal to the Sixth Circuit Court of Appeals, and certain disputes remain pending in the United States District Court. There is also a pending Kentucky PSC administrative action.

AT&T and the Debtor have engaged in extensive business negotiations to attempt to resolve their differences but have been unable to do so. Due in part to AT&T collection efforts and the continuing disputes with AT&T which affect ongoing billing, the resolution of which are critical to the Debtor’s affairs, the Debtor sought to restructure its debt and reorganize its business operations under Chapter 11 of the Bankruptcy Code to protect its Assets and continued operations.

#### **C. SUMMARY OF ASSETS AND LIABILITIES**

The following is a summary of the Debtor’s primary Assets and Liabilities according to the Debtor’s books and records and its Bankruptcy Schedules and the events subsequent to the Petition Date. THIS SUMMARY DOES NOT TAKE INTO CONSIDERATION ALL OF THE PROOFS OF CLAIM FILED HEREIN NOR CLAIMS FOR LEASE OR CONTRACT REJECTION DAMAGES. THE ASSET VALUES CONTAINED HEREIN AND/OR IN THE

DEBTOR'S SCHEDULES ARE BASED ON THE DEBTOR'S BEST ESTIMATES OF MARKET VALUES, AND MAY NOT AND IN ALL LIKELIHOOD DO NOT ACCURATELY REFLECT LIQUIDATION VALUES OR WHAT MAY ULTIMATELY BE ACHIEVED FOR THESE ASSETS. HOLDERS OF CLAIMS ARE ENCOURAGED TO REVIEW THE SCHEDULES FOR A COMPLETE LISTING OF THE DEBTOR'S ASSETS AND LIABILITIES.

### **SUMMARY OF PRIMARY ASSETS**

#### Prepetition Assets

The Debtor's Assets as of the Petition Date totaled \$15,573,655.07, which includes: (a) real property valued at \$400,500.00; (b) cash and checking accounts valued at \$1,910,069.37; (c) security deposits with public utilities valued at \$571,972.00; (d) life insurance policy with Northwestern Mutual valued at \$2,000,000.00; (e) accounts receivable valued at \$4,861,301.00; (f) refund from Consolidated Ventura valued at \$142.00; (g) claim against AT&T valued at \$750,000.00; (h) intellectual property valued at \$453,752.70; (i) licenses and other general intangibles valued at \$668,220.20; (j) customer lists valued at unknown; (k) automobiles and other vehicles and accessories valued at \$276,990.00; (l) office equipment valued at \$588,004.82; (m) machinery and equipment used in business valued at \$2,296,208.87; (n) inventory valued at \$245,837.10; and (o) past-due accounts in collection valued at \$550,657.00.

### **SUMMARY OF LIABILITIES**

#### Prepetition Liabilities

The Debtor's liabilities as of the Petition Date totaled \$31,260,195.50, which includes: (a) secured claims totaling \$4,574,258.82; (b) priority claims totaling \$988,252.76<sup>1</sup>; and (c) unsecured claims totaling \$25,697,683.92.

For more detail regarding the Debtor's Assets and Liabilities, see the Debtor's Schedules filed herein [Doc. No. 1].

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<sup>1</sup> Pursuant to the Order [Doc. No. 89] entered on October 23, 2009, the Debtor was authorized to pay certain taxes (including sales, telephone excise, telecom, local, interstate telecommunications, local number portability, occupational, 911 taxes, and other taxes necessary to operate its business) incurred or collected by the Debtor in the ordinary course of business.

**D. SIGNIFICANT EVENTS OCCURRING DURING PENDENCY OF CHAPTER 11 CASE**

1. **Retention of Professionals.** Pursuant to the Order [Doc. No. 87] entered on October 23, 2009, the Debtor was authorized to employ the law firm of Wise DelCotto PLLC n/k/a DelCotto Law Group PLLC as its counsel in the bankruptcy proceedings. Pursuant to the Order [Doc. No. 93] entered on October 23, 2009, the Debtor was authorized to employ the law firm of Stratton, Hogg & Maddox, PSC as Special Counsel for the Debtor in the bankruptcy proceedings. Pursuant to the Order [Doc. No. 94] entered on October 23, 2009, the Debtor was authorized to employ the law firm of Stoll Keenon Ogden PLLC as Telecommunications Special Counsel for the Debtor in the bankruptcy proceedings. Pursuant to the Order [Doc. No. 117] entered on November 30, 2009, the Debtor was authorized to employ Mountjoy Chilton Medley LLP as accountant for the Debtor. Pursuant to the Order [Doc. No. 188] entered on March 1, 2010, the Debtor was authorized to employ Dean Dorton Ford P.S.C. as its special purpose accountant.

2. **Cash Collateral Orders and Agreed Adequate Protection Orders.** On October 6 and October 29, 2009, respectively, this Court entered (a) an Interim Cash Collateral Order and Agreed Adequate Protection Order and (b) a Final Cash Collateral Order and Agreed Adequate Protection Order [Doc. Nos. 44 and 104] approving budgets for the Debtor's pre-confirmation operations and requiring a monthly adequate protection payment of \$96,911.71 to CTB, the Debtor's largest secured creditor. On January 27, 2010, this Court entered the Agreed Order Extending Final Cash Collateral and Agreed Adequate Protection Order with Community Trust Bank, Inc. [Doc. No. 171]. On January 27, 2010, the Court entered an Agreed Order extending cash collateral use until February 28, 2010. On February 25, 2010, the Court entered a Second Agreed Order extending cash collateral use until March 31, 2010. On March 26, 2010, the Court entered a Third Agreed Order extending cash collateral use until April 30, 2010. On April 29, 2010, the Court entered a Fourth Agreed Order extending cash collateral use until May 31, 2010. On May 25, 2010, the Court entered a Fifth Agreed Order extending cash collateral use until June 25, 2010. On June 25, 2010, the Court entered Sixth Agreed Order Extending Final Cash Collateral Order and Agreed Adequate Protection Order with Community Trust Bank, Inc. extending cash collateral use till July 31, 2010. To date, the Debtor has been operating in compliance with the orders.

3. **Critical Vendors.** Pursuant to the Order [Doc. No. 38] entered on October 2, 2009, the Debtor was authorized to pay certain prepetition critical vendors which provide specialized service of a technical nature related to the Debtor's operations and agents who are crucial to ongoing day-to-day customer relations and service.

4. **Payment of Taxes.** Pursuant to the Order [Doc. No. 89] entered on October 23, 2009, the Debtor was authorized to pay certain taxes (including sales, telephone excise, telecom, local, interstate telecommunications, local number portability, occupational, 911 taxes, and other taxes necessary to operate its business) incurred or collected by the Debtor in the ordinary course of business.

5. **Equipment Lease Agreement.** Pursuant to the Order [Doc. No. 91] entered on October 23, 2009, the Debtor was authorized to enter into a lease of equipment with Pitney Bowes Global Financial Services, LLC.

6. **Operating Order.** Pursuant to the Order [Doc. No. 95] entered on October 23, 2009, Section V of the Chapter 11 Operating Order [Doc. No. 19] was modified to authorize the Debtor to file its monthly operating reports on or before the 25th day of each month. To date, the Debtor has been timely filing operating reports in compliance with this order [See Doc. Nos. 116, 148, 169, 187, 209, 237, 255, and 274].

7. **Other Adequate Protection Orders.** On December 8, 2009, this Court entered an Agreed Adequate Protection Order requiring the monthly payment of \$1,704.96 to Mountain Ventures, Inc. [Doc. No. 121]. On December 11, 2009, this Court entered ten Agreed Adequate Protection Orders [Doc. Nos. 133 – 142] requiring a total monthly payment of \$6,980.00 to Family Bank FSB. On December 16, 2009, this Court entered an Agreed Adequate Protection Order requiring a monthly payment of \$29,058.68 to The Leasing Group, LLC. [Doc. No. 146]. The Debtor has been making payments in compliance with the orders.

8. **Broadcast License Agreement.** On December 30, 2009, the Debtor filed a motion seeking authority to enter into a Broadcast License Agreement with ESPN Enterprises, Inc. On January 14, 2010, the Court entered an order sustaining the motion [Doc. No. 165].

9. **Extension of Time to Assume or Reject Leases.** On January 5, 2010, the Debtor filed a motion seeking to extend by 90 days the time to assume or reject its unexpired nonresidential real property leases, to and including April 26, 2010 [Doc. No. 153]. On January 14, 2010, the Court entered an order sustaining the motion [Doc. No. 166]. On May 11, 2010, the Court entered the Second Order [Doc. No. 239] extending the deadline to assume or reject nonresidential real estate leases until July 26, 2010. On May 11, 2010, the Court entered the Order [Doc. No. 238] authorizing the Debtor to assume the Bailey Land Company and John G. Charles leases.

10. **Exclusivity Periods.** On January 5, 2010, the Debtor filed a motion seeking to extend the exclusivity period within which the Debtor may file its plan and disclosure statement to and including March 29, 2010, and the exclusivity period for solicitation of acceptances thereof up to and including May 29, 2010 [Doc. No. 152]. An Agreed Order Extending Debtor's Exclusivity Periods To File Plan and Disclosure Statement and Solicit Acceptances Thereof [Doc. No. 168] was entered on January 15, 2010. On March 16, 2010, the Court entered a Second Agreed Order extending exclusivity until March 31, 2010. On March 26, 2010, the Court entered a Third Agreed Order extending exclusivity until April 30, 2010. On April 29, 2010, the Court entered a Fourth Agreed Order extending exclusivity until May 31, 2010. On May 27, 2010, the Court entered a Fifth Agreed Order extending exclusivity until June 30, 2010. The Debtor has filed its Plan and Disclosure Statement within the extended period in compliance with the most recent order.



11. **Sale of Estate Property.** Pursuant to the Order [Doc. No. 205] entered on March 16, 2010, the Debtor was authorized to sell fiber via private sale free and clear of all claims, liens, and encumbrances to Kentucky Data Link, Inc.

12. **Turnover of Estate Property.** Pursuant to the Order [Doc. No. 193] entered on March 8, 2010, YMAX was directed to turn over funds owed to the Estate.

13. **Insight Adversary.** On April 27, 2010, the Debtor filed Complaint commencing the adversary proceeding styled as *Southeast Telephone, Inc. v. Insight Midwest Holdings, LLC* (Adv. Proc. No. 10-7047). On June 21, 2010, the Debtor filed a motion pursuant to Bankruptcy Rule 9019 seeking to compromise the Adversary Proceeding.

14. **Ordinary Course of Business.** The Debtor has managed its affairs as the Debtor in possession under the protection and supervision of the Bankruptcy Court. The Debtor has continued to operate its business in the ordinary course. The Debtor states that no other transactions have occurred which were outside the ordinary course of the Debtor's affairs during the time period from the Petition Date through the filing of this Disclosure Statement and Plan. For a full and complete listing of all of the pleadings which have been filed in this Chapter 11 case, the docket for the case can be reviewed.

#### **IV. SUMMARY OF DEBTOR'S PLAN OF REORGANIZATION**

##### **A. GENERAL SUMMARY**

The Plan provides for the sale of substantially all of the Assets of the Debtor (the "Sale") to SE Acquisitions, LLC (the "Purchaser") pursuant to the terms and conditions set forth in the Asset Purchase Agreement attached hereto as Exhibit 1 (the "APA"), all as more particularly set forth in Section IV. G. herein.

##### **B. RECOMMENDATION OF DEBTOR**

After months of negotiations and analysis of its options, the Debtor believes that the Plan is in the best interests of all its Creditors and will permit the maximum recovery possible for all classes of Claims, greater than any recovery in a Chapter 7 proceeding.

##### **C. DESCRIPTION OF THE PLAN**

1. **The Sale.** On May 10, 2010, the Debtor entered into a Letter of Intent ("LOI") with the Purchaser. The Debtor continued to explore alternative transactions and sent solicitation letters to telecom companies to solicit interest in a potential merger and/or acquisition. The Debtor entered into non-disclosure agreements with a few companies which conducted some due diligence. To date, the Debtor has received no other purchase offers other than the offer of the Purchaser and has received no offers regarding an alternative transaction.

The Debtor evaluated whether or not to hire a broker to market its assets and explored whether or not to conduct a sale through an auction process or through a liquidating plan. As the

Purchaser was the only party to make an offer, the Debtor, in its business judgment, determined that the liquidating plan option would be the most viable option to preserve the value of the business. The Debtor's intent was to consummate a sale prior to exhausting all of its cash reserves and/or experiencing a depreciation in the value of its assets.

On June 30, 2010, in anticipation of the Sale, the Debtor and the Purchaser entered into the APA for the sale of substantially all of the Debtor's Assets. Pursuant to the terms of the APA, the Purchaser agreed to purchase substantially all of the Debtor's Assets, all on the terms and conditions set forth therein as set forth in more detail in Section IV.G.

2. **APA Negotiations.** The APA negotiations were focused on maximizing value to the Debtor's Estate, customers, creditors, and employees. The negotiation team consisted of the following individuals: Carla Reichelderfer, Dan Stratton, and Rick Yates. The APA provides for the assumption of Secured Claims and a mechanism for the payment of all Allowed Administrative and Priority claims. The APA also provides for \$4,000.00 to be contributed to fund for each employee who is not offered employment with the Purchaser or is terminated by the Purchaser within six (6) months of the Final Closing for a reason other than cause. Said funds will be put in a reserve fund to be distributed in such proportionate amounts as approved by the Court. The intent was to create a safety net for employees who will not be rehired by the Purchaser. As part of the APA negotiation process, the Board did not negotiate employment contracts for itself or the terms of continued employment for the Board. Upon information and belief, the only officers or directors that have been offered employment from the Purchaser are Darrell Maynard and Carla Reichelderfer. Any offer of employment was not part of the APA negotiation process and is not a provision of the APA. The majority of shareholders are local businesses and individuals who are community minded and dedicated to the rural service purpose of the Debtor. The APA provides for the holders of Class B Common Stock to receive a distribution of LNS Shares. The distribution is a pure pro rata distribution. Such consideration will be paid to these shareholders as a goodwill gesture to engender continued community and business support. Holders of Class A Common Stock<sup>2</sup> will receive no distributions since their original contribution was only "sweat equity." The following Board members are also shareholders and will receive LNS Shares pursuant to the Plan either as individuals or part of a group<sup>3</sup>: Harding Dawahare, Dan Stratton, Rick Yates, and Darrell Maynard. Mr. Dawahare, Mr. Stratton, Mr. Maynard, and Alex Dade also have family members that will receive LNS Shares pursuant to the Plan. No LNS Shares will be distributed to Unsecured Creditors as many Unsecured Creditors are also telecom companies and competitors. The Debtor believes Class 7 Unsecured Claimants will vote in favor of the Plan despite this treatment since the Purchaser will continue to do business with many Unsecured Creditors to their benefit as opposed to a Chapter 7 liquidation of the Debtor which would yield no monies and no opportunity for a continued business relationship.

3. **Termination of the Debtor.** Upon the Effective Date and the appointment of the Estate Representative as provided herein, the Debtor will have no rights to operate the Debtor's

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<sup>2</sup> The only holder of such stock is CAVU Holding, Inc., which is owned by Darrell Maynard and Alex Dade.

<sup>3</sup> "Group" refers to either a company, estate, or trust.

business or to perform any of the functions of the Debtor as specified in 11 U.S.C. § 1107 but, rather, the Estate Representative will have full and complete power to act on behalf of the Debtor in a manner consistent with the provisions of the Plan. The Confirmation Order will constitute an Order of the Bankruptcy Court pursuant to 11 U.S.C. § 1107(a) limiting the rights, powers, and duties of the Debtor as provided herein. On the Effective Date, the officers and directors of the Debtor will resign. As of the Effective Date of the Plan, the Estate Representative shall have the sole signature power and authority to (i) open and close accounts with any banking, financial or investment institution; (ii) make deposits and withdrawals of cash and other property into or from any such account; (iii) make or endorse checks with respect to any such account; (iv) administer the Debtor's Cash Reserve Fund; and (v) complete and file federal and state tax returns on behalf of the Estate subject to the terms of the APA.

4. **Estate Representative.** The Plan contemplates the appointment of an Estate Representative. Carla J. Reichelderfer, whose appointment was agreed to by the Debtor's Board, shall serve as the Estate Representative. On the Effective Date, the Estate Representative will, without further action by the Board of Directors or shareholders of the Debtor, take possession and control of the Estate with the full and complete power to act on behalf of the Reorganized Debtor in accordance with the provisions of this Plan. Ms. Reichelderfer is not a Board member or a shareholder of the Debtor. She will not receive any LNS Shares or distributions under the Plan, nor will any of her family members receive LNS Shares under the Plan. Ms. Reichelderfer is the Debtor's Chief Financial Officer ("CFO") and Chief Operating Officer ("COO") and was selected to serve as the Estate Representative due to her expertise and knowledge of the Debtor's day-to-day operations. The entry of the Confirmation Order shall vest authority in the Estate Representative as set forth herein. The Estate Representative will be authorized to manage and administer the Distributable Assets, if any, to Unsecured Creditors and shall thereupon take such steps as otherwise necessary and proper to close the Bankruptcy Case. The Estate Representative shall take such actions as are necessary to implement the Plan including executing documents, directing payments and disbursements and filing all required reports, including final tax returns and UST quarterly reports and UST quarterly fee payments. The Estate Representative shall have the right to object to and compromise Claims and will have the authority to prosecute and defend any Causes of Action which may arise under the applicable provisions of the Bankruptcy Code and/or other applicable law, including but not limited to those Causes of Action set forth in Bankruptcy Code Sections 542 through 553.

5. **Limitation of Liability.** The Estate Representative shall not be liable in any manner in the performance of her duties, except for criminal acts, malfeasance or gross recklessness, and no bond shall be required. The Estate Representative will not be required to submit an application to be employed or subsequent applications to be compensated but, rather, the Confirmation Order will (i) constitute a finding by the Bankruptcy Court that the appointment of the Estate Representative as the management of the Reorganized Debtor satisfies the requirements of 11 U.S.C. § 1129(a)(5), and (ii) contain a finding that the Estate Representative is not a "professional person" as that term is used in 11 U.S.C. §§ 327, 328, 329, 330, and 331, or if no such finding is made, contain a provision expressly approving and authorizing the employment and compensation of the Estate Representative on the terms set forth herein. It is not anticipated that the Estate Representative will need to devote her full business time to her duties as such, but rather it is anticipated that the Estate Representative can fulfill her

duties on a part-time basis. The Estate Representative's compensation initially shall not exceed a fee of \$150.00 per hour. Such hourly rate may be adjusted, subject to approval by the Bankruptcy Court after notice and a hearing. The Estate Representative will be entitled to reimbursement of any necessary expenses incurred by her in connection with administration of the Plan. The Estate Representative shall be authorized and directed to execute, deliver, file, or record such contracts, instruments, releases and other agreements and documents and take such actions on behalf of the Reorganized Debtor or the Estate, as may be necessary or appropriate to effectuate and further evidence the provisions of the APA or this Plan. The Estate Representative will serve in such capacity until the earliest of (i) the entry of a Final Order closing the Bankruptcy Case; (ii) the replacement of the Estate Representative by Order of the Bankruptcy Court; or (iii) the conversion of the Bankruptcy Case to a case under Chapter 7 and the appointment of a Chapter 7 trustee.

6. **Assumable Executory Contracts.**<sup>4</sup> The Purchaser is assuming all liabilities and all cure amounts under each Executory Contract that is assumed by the Debtor and assigned to it. Schedule 5.5(a) of the APA, the "Assumable Executory Contract Schedule," sets forth a list of Executory Contracts entered into by the Seller that the Seller may assume and assign to the Purchaser in accordance with Section 5.5(a) of the APA (each, an "Assumable Executory Contract"). Any Contract identified on Schedule 5.5(a) of the APA shall automatically be designated as an Assumed Executory Contract and deemed to be set forth on the Assumed Executory Contract Schedule. The Purchaser may, from the date hereof until the Executory Contract Designation Deadline, designate in writing any additional Executory Contract it wishes to designate as an Assumable Executory Contract and include on the Assumable Executory Contract Schedule, or any Assumable Executory Contract it no longer wishes to designate as an Assumable Executory Contract and remove from the Assumable Executory Contract Schedule; provided, however, that (i) the Purchaser may not designate as an Assumable Executory Contract any (A) Rejectable Executory Contract, unless the Seller has consented to such designation in writing or (B) Contract that has previously been rejected by the Seller pursuant to 11 U.S.C. § 365, and (ii) the Purchaser may not remove from the Assumable Executory Contract Schedule (x) any Contract on Schedule 5.5(a) of the APA, and (y) any Contract that has been previously assumed by the Seller pursuant to 11 U.S.C. § 365, unless the Seller has consented to such removal in writing (such consent not to be unreasonably withheld, conditioned or delayed). For each Assumable Executory Contract, the Purchaser must determine, prior to the Executory Contract Designation Deadline, the date on which it seeks to have the assumption and assignment become effective, which date may be the Final Closing or a later date (but not an earlier date). The term "Executory Contract Designation Deadline" shall mean the date that is thirty (30) calendar days following the Final Closing, or if such date is not a Business Day, the next Business Day, or if mutually agreed upon by the Parties.

7. **Rejectable Executory Contracts; Notice.** the Seller may, from the date hereof until the Executory Contract Designation Deadline, provide written notice (a "Notice of Intent to Reject") to the Purchaser of the Seller's intent to designate any Executory Contract (that has not been designated as an Assumable Executory Contract or a Deferred Executory Contract) as a

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<sup>4</sup> All defined terms, Section references, and Schedule references in paragraphs 5-9 refer to the APA.

Rejectable Executory Contract (each a “Proposed Rejectable Executory Contract”). Following receipt of a Notice of Intent to Reject, the Purchaser shall as soon as reasonably practicable, but in no event later than ten (10) calendar days following receipt of a Notice of Intent to Reject (the “Option Period”), provide the Seller written notice of the Purchaser’s designation of one (1) or more Proposed Rejectable Executory Contracts identified in such Notice of Intent to Reject as an Assumable Executory Contract; provided, however, if the Notice of Intent to Reject is received by the Purchaser at or after Final Closing and prior to the Executory Contract Designation Deadline, the Purchaser may, in lieu of designating such Proposed Rejectable Executory Contract as an Assumable Executory Contract, designate such Proposed Rejectable Executory Contract as a Contract subject to subsequent designation by the Purchaser as an Assumable Executory Contract pursuant to Section 5.5(a) of the APA (each a “Deferred Executory Contract”). Each Proposed Rejectable Executory Contract that has not been designated by the Purchaser as an Assumable Executory Contract or Deferred Executory Contract during the applicable Option Period shall automatically, without further action by the Seller, be designated as an Executory Contract that the Seller may, but is not obligated to, reject pursuant to 11 U.S.C. § 365 (a “Rejectable Executory Contract”).

8. **Assumption Effective Date.** All Assumable Executory Contracts shall be assumed and assigned to the Purchaser on the date (the “Assumption Effective Date”) that is the later of (i) the date designated by the Purchaser and (ii) the date following expiration of the objection deadline if no objection, other than to the Cure Amount, has been timely filed or the date of resolution of any objection unrelated to Cure Amount, as provided in the Plan; provided, however, that in the case of all Assumable Executory Contracts identified on Schedule 5.5(a) of the APA, the Assumption Effective Date shall be the Final Closing Date. On the Assumption Effective Date for any Assumable Executory Contract, such Assumable Executory Contract shall be deemed to be a Purchased Contract hereunder. If it is determined under the procedures set forth in the Plan that the Seller may not assume and assign to the Purchaser any Assumable Executory Contract, such Executory Contract shall cease to be an Assumable Executory Contract and shall be an Excluded Contract and a Rejectable Executory Contract. Notwithstanding anything else to the contrary herein, any Executory Contract that has not been specifically designated as an Assumable Executory Contract as of the Executory Contract Designation Deadline, including any Deferred Executory Contract, shall automatically be deemed to be a Rejectable Executory Contract and an Excluded Contract hereunder. the Seller shall have the right, but not the obligation, to reject, at any time following the date hereof, any Rejectable Executory Contract; provided, however, that the Seller shall not reject any Contract that affects both Owned Real Property and Excluded Real Property (whether designated on Schedule 2.1(g) of the APA or now or hereafter designated on Schedule 2.2(c) of the APA, including any such Executory Contract that involves the provision of water, water treatment, electric, fuel, gas, telephone and other utilities to any facilities located at the Excluded Real Property, whether designated on Schedule 2.1(g) of the APA or now or hereafter designated on Schedule 2.2(c) of the APA (the “Shared Executory Contracts”), without the prior written consent of the Purchaser.

9. **Assumable Executory Contracts; Payment.** At and after the Final Closing Date and until the Executory Contract Designation Deadline, the Purchaser shall be obligated to pay or cause to be paid all amounts due in respect of the Seller’s performance (i) under each Deferred Executory Contract for so long as such Contract remains a Deferred Executory Contract and (ii)

under each Assumable Executory Contract as long as such Contract remains an Assumable Executory Contract. At and after the Final Closing Date and until such time as any Shared Executory Contract is either (y) rejected by the Seller pursuant to the provision set forth in Section 5.5 of the APA or (z) assumed by the Seller and subsequently modified with the Purchaser's consent so as to no longer be applicable to the affected Owned Real Property, the Purchaser shall reimburse the Seller as and when requested by the Seller for the Purchaser and its Affiliates' allocable share of all costs and expenses incurred under such Shared Executory Contract.

10. **Claims and Equity Interests.** The Plan divides Claims and Equity Interests of the Debtor into various classes for all purposes, including voting, confirmation and distribution pursuant to the Plan, as follows:

Class	Claimant	Status	Voting Rights
Unclassified Claims	Administrative Claims, Priority Tax Claims and Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
Class 1	CTB	Impaired	Yes
Class 2	Family Bank	Impaired	Yes
Class 3	PCFC	Impaired	Yes
Class 4	Other Secured Claims (includes Mountain Ventures)	Unimpaired	No (deemed to accept)
Class 5	AT&T	Impaired	Yes
Class 6	Windstream	Impaired	Yes
Class 7	Unsecured Creditors	Impaired	Yes
Class 8	Class A Equity Interests	Impaired	Yes
Class 9	Class B Equity Interests	Impaired	Yes

**D. SUMMARY OF TREATMENT OF UNCLASSIFIED CLAIMS**

THE PLAN PROVISIONS CONTROL OVER THE FOLLOWING SUMMARY:

1. **Administrative Claims (excluding Professional Claims).** As soon as practicable after the later of the Effective Date and the date the Claim becomes an Allowed Administrative Claim, each holder of an Allowed Administrative Claim (excluding Professional Claims which shall be treated as set forth below) against the Debtor will receive in full satisfaction, settlement, release and discharge of and in exchange for such Allowed Administrative Claim (excluding Professional Claims) a Distribution from the Debtor (i) in Cash equal to the unpaid portion of such Allowed Administrative Claim against the Debtor, or (ii) in such amounts and on such other terms as may be agreed between the holder of an Allowed Administrative Claim, the Debtor and the Purchaser pursuant to the APA; provided, however, that Administrative Claims representing

obligations incurred in the ordinary course of business may be paid by the Debtor in accordance with the terms of the particular agreements under which such Administrative Claims arise.

2. **Professional Claims.** All persons and/or entities seeking an award by the Bankruptcy Court of compensation for Professional Claims against the Debtor (a) shall file their respective final applications for allowances of compensation, for services rendered and reimbursement of expenses incurred through Effective Date for Debtor, by the date that is thirty (30) days after the Effective Date or such other date as may be fixed by the Bankruptcy Court, and (b) if granted such an award by the Bankruptcy Court, will receive in full satisfaction, settlement, release and discharge of and in exchange for such Allowed Professional Claim a Distribution from Debtor (i) in Cash equal to the unpaid portion of such Allowed Professional Claim against Debtor, or (ii) in such amounts as are Allowed by the Bankruptcy Court on the date such Claim becomes an Allowed Claim, or within ten (10) days hereafter. The Debtor has escrowed some funds (\$251,395.86 through June 25, 2010) in the DelCotto Law Group, PLLC Escrow Account for Professional Claims. Professional Claims for the Debtor's counsel and special counsel are not expected to exceed \$295,000 at Confirmation. The only other Professional Claim is for accountant fees of less than \$4,000.00. Professional Claims exceeding the amount of escrowed funds will be paid from the Administrative Claim Payment Fund.

3. **Priority Tax Claims.** As soon as practicable after the later of the Effective Date and the date the Claim becomes an Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim against the Debtor will receive in full satisfaction, settlement, release and discharge of and in exchange for such Allowed Priority Tax Claim a Distribution from the Debtor (i) in Cash equal to the unpaid portion of such Allowed Priority Tax Claim against the Debtor, or (ii) in such amounts and on such other terms as may be agreed between the holder of an Allowed Priority Tax Claim, Debtor and Purchaser pursuant to the APA, or (iii) regular installment payments in cash of a total value as of the Effective Date, over a five year period from the Effective Date. The Debtor believes certain Tax Claims have been paid in full pursuant to the Order Authorizing Debtor to Pay and Honor Pre-Petition Wages and Related Items entered by the Court on October 2, 2009 [Doc. No. 37] (the "Payroll Order") and the Order Authorizing Debtor to Remit and Pay Certain Taxes and Fees entered by the Court on October 22, 2009 [Doc. No. 89] (the "Taxes Order").

4. **Priority Non-Tax Claims.** As soon as practicable after the later of the Effective Date and the date the Claim becomes an Allowed Claim, each holder of an Allowed Priority Non Tax Claim against the Debtor will receive in full satisfaction, settlement, release and discharge of and in exchange for such Allowed Priority Non-Tax Claim a Distribution from Debtor (i) in Cash equal to the unpaid portion of such Allowed Priority Non-Tax Claim against Debtor, or (ii) in such amounts and on such other terms as may be agreed between the holder of the Allowed Priority Non Tax Claim, Debtor and Purchaser pursuant to the APA, or (iii) in accordance with the terms of the particular agreement under which such Priority Non Tax Claim arose.

5. **U.S. Trustee Fees.** All fees payable to the U.S. Trustee pursuant to 28 U.S.C. § 1930 shall be paid on or before the Confirmation Date of the Plan. Following Confirmation, the Reorganized Debtor's obligation to pay U.S. Trustee fees shall continue until the Bankruptcy Case is converted, dismissed or closed, whichever occurs first, and said fees will be paid by the

Estate Representative on behalf of the Reorganized Debtor in the ordinary course as they are incurred. Post-Confirmation U.S. Trustee fees will be paid from the Administrative Claim Payment.<sup>5</sup>

6. **Administrative Claimants.** The following Administrative Claims<sup>6</sup> will be paid from the Administrative Claim Payment Fund:

Federal Communications Commission	\$7,000.00
KGP Logistics	\$2,360.99
Universal Service Administration	40,000.00

The Debtor estimates that other regulatory fees and expenses will not exceed \$20,000.00. The Debtor estimates that 503(b)(9) Claims will not exceed \$12,000.00

7. **Tax Claimants.** The following tax claimants will be paid from the Administrative Claim Payment Fund:

Bell County	\$ 100
Boyle County	1,100
City of Allen	10
City of Berry	100
City of Clay City	100
City of Cynthiana	600
City of Loyall	100
City of Middlesboro	100
City of Pikeville	12,100
City of Stanton	100
Danville Schools	1,650
Fayette County	14,800
Floyd County	500
Harlan County	2,100
Harrison County	2,800
IRS, KY Dept. of Revenue, Coal Run, City of Pikeville, City of Lexington	25,000
KY Dept. of Revenue	130,000
Lincoln County	15,600

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<sup>5</sup> At the Final Closing, the Purchaser shall allow the Debtor to retain \$560,000 in cash as an Excluded Asset (the "Administrative Claim Payment"), but to the extent the Debtor does not have such proceeds available, the Purchaser shall deliver the balance of such amount to the Debtor; provided, however, the Administrative Claim Payment shall be reduced dollar for dollar to the extent the Purchaser assumes any such Claims as an Assumed Liability. However, nothing herein shall excuse the Reorganized Debtor from full and timely payment of all U.S. Trustee fees, and said fees shall not be subject to any reduction.

<sup>6</sup> The Claim amounts are estimates only and actual values may be higher or lower.



Middlesboro Ind Schools	110
Owen County	900
Pike County	37,500
Pikeville Ind.	55,000
Powell County	300
Penalties/interest	26,000

The Debtor estimates that its liability on its final tax returns will be approximately \$50,000.00, which will be paid from the Administrative Claim Payment Fund.

**E. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS**

THE PLAN CONTROLS OVER ANY SUMMARY HEREIN.

On the respective dates set forth herein, or within twenty (20) Business Days of the date a Claim that is classified in accordance with Section IV becomes an Allowed Claim of Debtor, whichever is later, Debtor, shall make the following payments, undertake the considerations hereinafter set forth, and be obligated with respect to such Claims of Debtor, as follows:

**Class 1: Claims of Community Trust Bank**

(a) Impairment and Voting. Class 1 shall consist of the Claims of CTB. Class 1 is Impaired. As the Class 1 Claimant, CTB is entitled to vote to accept or reject the Plan.

(b) Treatment. The Claims of CTB shall be satisfied at or before the Final Closing either by (i) Purchaser and/or Parent assuming the CTB Agreements pursuant to a restated credit agreement on terms acceptable to CTB in its sole discretion (the "CTB Assumption") or (ii) the proceeds from a new credit facility made by CTB on terms acceptable to CTB in its sole discretion to Purchaser and/or Parent (the "CTB New Loan" together with the CTB Assumption, the "CTB Refinance") with such proceeds to be paid to CTB as a Distribution from Debtor at the Final Closing. Notwithstanding anything contained in this Plan or the APA to the contrary, CTB shall retain its Liens on and security interests in the Debtor's Assets (the "CTB Liens") until either (i) the CTB Claims are paid in full, or (ii) the parties close the CTB Refinance.

**Class 2: Claims of Family Bank**

(a) Impairment and Voting. Class 2 shall consist of the Claims of Family Bank. Class 2 is Impaired. As the Class 2 Claimant, Family Bank is entitled to vote to accept or reject the Plan.

(b) Treatment. The Claims of Family Bank shall be satisfied either by (i) Purchaser assuming the Family Bank Agreements pursuant to a restated credit agreement as negotiated by and between Family Bank and Purchaser or (ii) the proceeds from a new credit facility made by Family Bank to Purchaser with such proceeds to be paid to Family Bank as a Distribution from Debtor at the Final Closing.

**Class 3: Claims of PCFC**

(a) Impairment and Voting. Class 3 shall consist of the Claims of PCFC. Class 3 is Impaired. As the Class 2 Claimant, PCFC is entitled to vote to accept or reject the Plan.

(b) Treatment. The Claims of PCFC shall be satisfied either by (i) Purchaser assuming the PCFC Agreements pursuant to a restated credit agreement as negotiated by and between PCFC and Purchaser or (ii) the proceeds from a new credit facility made by PCFC to Purchaser with such proceeds to be paid to PCFC as a Distribution from Debtor at the Final Closing.

**Class 4: Allowed Other Secured Claims**

(a) Impairment and Voting. Class 4 shall consist of an Allowed Other Secured Claim, if any. Class 4 is not Impaired. Each Class 4 Claimant is conclusively presumed to have accepted the Plan and is not entitled to vote to accept or reject the Plan. The only Claimant in this class is Mountain Ventures, which has been paid in full according to the underlying contract terms.

(b) Treatment. Except to the extent that a holder of an Allowed Other Secured Claim agrees to a different treatment, at the sole option of the Debtor or, on and after the Effective Date, the Estate Representative (except as specified with respect to clause (iii) below): (i) each Allowed Other Secured Claim shall be reinstated and rendered unimpaired in accordance with section 1124(2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable nonbankruptcy law that entitles the holder of an Allowed Other Secured Claim to demand or receive payment of such Allowed Other Secured Claim prior to the stated maturity of such Allowed Other Secured Claim from and after the occurrence of a default; (ii) each holder of an Allowed Other Secured Claim shall receive Cash in an amount equal to the value of the holder's interest in the Collateral securing such Allowed Other Secured Claim, on the later of the Effective Date and the date such Other Secured Claim becomes an Allowed Other Secured Claim, or as soon thereafter as is practicable; or (iii) with respect to Collateral that would otherwise constitute Purchased Assets, subject to the prior consent of the Purchaser each holder of an Allowed Other Secured Claim shall receive the Collateral securing its Allowed Other Secured Claim, in full and complete satisfaction of such Allowed Other Secured Claim on the later of the Effective Date and the date such Allowed Other Secured Claim becomes an Allowed Other Secured Claim, or as soon thereafter as is practicable. Any deficiency Claim arising in the case of option (ii) shall constitute a Claim in Class 7.

**Class 5: Claims of AT&T**

(a) Impairment and Voting. Class 5 consists of all of the Claims of AT&T pursuant to the AT&T Settlement Agreement attached to the Plan as Schedule 4.5(a).<sup>7</sup> Class 5 is Impaired. As the Class 5 Claimant, AT&T is entitled to vote to accept or reject the Plan.

(b) Treatment. The Plan shall constitute a Motion under Bankruptcy Rule 9019 to settle the AT&T Litigation pursuant to the AT&T Settlement Agreement. Pursuant to the AT&T Settlement Agreement and the Plan, but subject to Section 5.6 of the Plan, AT&T shall be deemed to have an Allowed Claim in the amount set forth in the AT&T Settlement Agreement and, in full satisfaction of such Allowed Claim, AT&T shall receive the AT&T Settlement Treatment. The Deficiency Claim of AT&T shall constitute a Claim in Class 7.

**Class 6: Claims of Windstream**

(a) Impairment and Voting. Class 6 consists of all of the Claims of Windstream pursuant to the Windstream Settlement Agreement attached to the Plan as Schedule 4.6(a).<sup>8</sup> Class 6 is Impaired. As the Class 6 Claimant, Windstream is entitled to vote to accept or reject the Plan.

(b) Treatment. The Plan shall constitute a Motion under Bankruptcy Rule 9019 to settle the Claims of Windstream pursuant to the Windstream Settlement Agreement. Pursuant to the Windstream Settlement Agreement and the Plan, but subject to Section 5.6 of the Plan, Windstream shall be deemed to have an Allowed Claim in the amount set forth in the Windstream Settlement Agreement and, in full satisfaction of such Allowed Claim, Windstream shall receive the Windstream Settlement Treatment. The Deficiency Claim of Windstream shall constitute a Claim in Class 7.

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<sup>7</sup> If the AT&T Settlement Agreement is not attached to the Plan, material terms of the Settlement Agreement will be provided at least seven (7) days before the deadline for voting. Material terms shall include a specific settlement amount or a specific dollar range for settlement.

<sup>8</sup> If the Windstream Settlement Agreement is not attached to the Plan, material terms will be provided at least seven (7) days before the deadline for voting. Material terms shall include a specific settlement amount or a specific dollar range for settlement.

**Class 7: Unsecured Claims<sup>9</sup>**

(a) Impairment and Voting. Class 7 consists of all of the Unsecured Claims against Debtor. Class 7 is Impaired. The Class 7 Claimants are entitled to vote to accept or reject the Plan.

(b) Treatment. Each holder of an Allowed Unsecured Claim shall receive its Pro Rata share of the Distributable Assets<sup>10</sup> remaining after all Administrative Claims and Priority Claims are paid in full until the Distributable Assets are completely liquidated or until the Allowed Unsecured Claims are paid in full. Any recovery for Unsecured Creditors will be *de minimis*.

**Class 8: Claims of Class A Equity Interests**

(a) Impairment and Voting. Class 8 consists of the Class A Equity Interests. Class 8 is Impaired. The Class 8 Claimant is entitled to vote to accept or reject the Plan.

(b) Treatment. The holders of Class A Equity Interests shall not receive any Distributions on account of such interests. On the Effective Date, all Class A Equity Interests in Debtor shall be extinguished.

**Class 9: Claims of Class B Equity Interests**

(a) Impairment and Voting. Class 9 consists of the Class B Equity Interests. Class 9 is Impaired. The Class 9 Claimants are entitled to vote to accept or reject the Plan.

(b) Treatment. Each holder of a Class B Equity Interests shall receive the LNS Shares as set forth in Schedule 3.2 (c) of the APA pursuant to Section 3.2(c) of the APA as allowed by Section 1145 of the Bankruptcy Code. A list of the holders of Class B Equity Interests of the Debtor is attached hereto as Exhibit 4.

**F. PROCEDURES FOR TREATING DISPUTED CLAIMS**

1. **Procedure for Contingent and Unliquidated Claims.** Creditors holding contingent or unliquidated Claims shall have sixty (60) days from the Confirmation Date to file a motion with the Court to have their Claim allowed. Upon the allowance of a contingent or unliquidated Claim, it shall be entitled to distribution under the Plan consistent with the treatment of other Claims in the Class in which the contingent or unliquidated Claim is ultimately allowed. The contingent or unliquidated Claim of any Creditor who fails to initiate action pursuant to this provision for the allowance of its Claim shall have its Claim disallowed and be forever barred from seeking any recovery from the Debtor, the Estate and the Assets. The

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<sup>9</sup> Exhibit 3 lists Class 7 Unsecured Claimants. Unsecured Claims include the deficiency Claims of Windstream and AT&T.

<sup>10</sup> The value of the Distributable Assets is estimated at \$10,000.00.

only known contingent and unliquidated Claims are the potential breach of contract Claims of Yvonne Levy and the Claim of Qwest Communications Company, LLC, to the extent this claim alleges that the Debtor has overbilled Qwest. The Debtor disputes this Claim.

2. **Objections to Claims.** The Reorganized Debtor shall be entitled to object to Claims, (other than any Claims assumed by Purchaser under the APA and/or settled pursuant to the Settlement Agreements), including Claims set forth on the Schedules. Purchaser shall be entitled to object to any Claims assumed under the Purchase Agreement except for those claims settled pursuant to the Settlement Agreements or Purchaser Assumed Debt. Any such objections to Claims shall be filed and served on or before the later of (i) 60 days after the Effective Date, (ii) such date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clause (i) above; and (iii) 120 days after the date of filing of the applicable proof of Claim or request for payment of an Administrative Claim.

3. **Estimation of Claims.** At any time, the Reorganized Debtor, may request that the Court estimate any contingent or unliquidated Claim to the extent permitted by section 502(c) of the Bankruptcy Code regardless of whether the Reorganized Debtor has previously objected to such Claim or whether the Court has ruled on any such objection, and the Court shall have jurisdiction to estimate any Claim at any time during litigation concerning any objection to such Claim, including during the pendency of any appeal relating to any such objection. If the Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute either the Allowed amount of such Claim or a maximum limitation on the Claim, as determined by the Court. If the estimated amount constitutes a maximum limitation on the Claim, the Reorganized Debtor may elect to pursue supplemental proceedings to object to the ultimate allowance of the Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Court.

4. **No Distributions Pending Allowance.** Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed Claim, no payment or Distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

5. **Distributions to Unsecured Claims.** Subject to any applicable restrictions in this Plan, after such time as a Unsecured Claim becomes an Allowed Claim, the Reorganized Debtor shall distribute to the holder thereof the Distributions, if any, to which such holder is then entitled under the Plan. Such Distributions to holders of Allowed Unsecured Claims shall be made as set forth in Section 6.5 of the Plan.

6. **Resolution of Claims.** On and after the Effective Date, the Reorganized Debtor shall have the authority to compromise, settle, otherwise resolve or withdraw any objections to Disputed Claims without approval of the Bankruptcy Court.

**G. MEANS OF IMPLEMENTATION**

1. **Asset Purchase Agreement.** As described below, under the APA, substantially all of the Debtor's Assets, including all accounts, real property, inventory, and equipment will be sold to the Purchaser. In turn, the Purchaser will also assume certain obligations of the Debtor, including Secured Claims, transfer taxes, and other liabilities. Under the APA and the Plan, the Debtor also intends to assume and assign to the Purchaser certain Executory Contracts and leases.

2. **Description of Purchased Assets.** The material terms of the APA are as follows (defined terms used in this section and not otherwise defined herein have the meanings ascribed to such terms in the Asset Purchase Agreement).<sup>11</sup> Upon the Final Closing Date, all Assets sold to the Purchaser include:

(a) all cash and cash equivalents, including all marketable securities, certificates of deposit and all collected funds or items in the process of collection at the Seller's financial institutions through and including the Final Closing, and all bank deposits, investment accounts and lockboxes related thereto;

(b) all accounts and notes receivable and other such Claims for money due to the Seller, including the full benefit of all security for such accounts, notes and Claims, however arising, including arising from the rendering of services or the sale of goods or materials, together with any unpaid interest accrued thereon from the respective obligors and any security or collateral therefor (collectively, "Receivables");

(c) all Owned Real Property and Leased Real Property (collectively, the "Transferred Real Property") including the Transferred Real Property set forth on Schedule 2.1(c);

(d) all machinery, equipment (including test equipment and material handling equipment), hardware, spare parts, tools, gauges, fixtures (including production fixtures), business machines, computer hardware, other information technology assets, furniture, supplies, vehicles, spare parts in respect of any of the foregoing and other tangible personal property including, without limitation, the items listed in Schedule 2.1(d) that does not constitute Inventory (collectively, "Personal Property");

(e) all inventories, raw materials, work-in-process, finished goods, supplies, stock, parts, packaging materials and other accessories related thereto, wherever located, including any of the foregoing in the possession of

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<sup>11</sup> This summary is for informational purposes only and is qualified in its entirety by the terms of the APA. All defined terms, Section references, and Schedule references herein refer to the APA.

manufacturers, suppliers, customers, dealers or others and any of the foregoing in transit or that is classified as returned goods including, without limitation, the items listed in Schedule 2.1(e) (collectively, "Inventory");

(f) (i) all Intellectual Property, whether owned, licensed or otherwise held, and whether or not registrable, including, without limitation, the intellectual property listed on Schedule 2.1(f), and (ii) all rights and benefits associated with the foregoing, including all rights to sue or recover for past, present and future infringement, misappropriation, dilution, unauthorized use or other impairment or violation of any of the foregoing, and all income, royalties, damages and payments now or hereafter due or payable with respect to any of the foregoing;

(g) subject to Section 5.5, all Contracts, other than the Excluded Contracts including, without limitation, those Contracts listed on Schedule 2.1(g) (collectively, the "Purchased Contracts");

(h) all approvals, Contracts, authorizations, permits, licenses, easements, Orders, certificates, registrations, franchises, qualifications, rulings, waivers, variances or other forms of permission, consent, exemption or authority issued, granted, given or otherwise made available by or under the authority of any Governmental Authority, including all pending applications therefor and all renewals and extensions thereof including, without limitation, those licenses and permits listed on Schedule 2.1(h) (collectively, "Permits"), other than to the extent that any of the foregoing relate exclusively to the Excluded Assets or Excluded Liabilities;

(i) all credits, cash true-ups, deferred charges, prepaid expenses, deposits (excluding deposits for customers that exercise their right to choose another carrier, with such deposits to be returned to such customers pursuant to applicable Law), advances, warranties, rights, guarantees, surety bonds, letters of credit, trust arrangements and other similar financial arrangements, in each case, relating to the Purchased Assets or Assumed Liabilities, including all warranties, rights and guarantees (whether express or implied) made by suppliers, manufacturers, contractors and other third parties under or in connection with the Purchased Contracts including those listed on Schedule 2.1(g);

(j) except for records listed on Schedule 2.1(j), which are subject to attorney-client privilege, all books, records, ledgers, files, documents, correspondence, lists, plats, specifications, surveys, drawings, advertising and promotional materials, reports and other materials (in whatever form or medium), including Tax books and records and Tax Returns used or held for use in connection with the ownership or operation of the Purchased Assets or Assumed Liabilities, including the Purchased Contracts, customer lists, customer information and account records, engineering and technical material in respect of telecommunication services provided by the Seller,

computer files, data processing records, employment and personnel records, advertising and marketing data and records, credit records, records relating to suppliers, legal records and information and other data;

(k) all of the Seller's Carrier Identification Codes ("CIC") and any other CIC's that are loaded on the Seller's network, and all rights related thereto;

(l) all customer base and agent base related to the Business and all local service and other telecommunications traffic and revenue streams related thereto, including without limitation any past or current customers or agents, and any and all information or call records relating thereto (excluding all customers that exercise their right to choose another carrier); and

(m) all goodwill and other intangible personal property arising in connection with the ownership, license, use or operation of the Purchased Assets or Assumed Liabilities, including the right to do business in the "SouthEast" name or any derivative thereof currently used by the Seller.

3. **Regulatory Compliance/Customer Privacy.** The sale and the contemplated transfer of customer list/base will be subject to applicable PSC and/or FCC notification and compliance, including the automatic migration period, which will enable the Debtor's current customers to select a new carrier. As the sale will comply with all applicable regulatory law, the transfer of personally identifiable information ("PII") in a manner that is inconsistent with the Debtor's current privacy policy is not implicated by the sale. Hence, the appointment of a consumer privacy ombudsman is not warranted or applicable under the circumstances.

4. **Assumed Liabilities.**<sup>12</sup> As part of the sale of the Assets, the Purchaser will assume, and agree to pay and perform, certain liabilities and obligations of the Debtor (except as specifically excluded in the APA), including:

(a) Two Million Six Hundred Thirty Five Thousand and No/100 Dollars (\$2,635,000.00) of Indebtedness owed by the Seller to CTB to be restructured pursuant to the terms of Section 6.2(c)(ii) (the "CTB Assumed Debt");

(b) Two Hundred Eleven Thousand Two Hundred Ten and No/100 Dollars (\$211,210.00) of Indebtedness owed by the Seller to Family Bank to be restructured pursuant to the terms of Section 6.2(c)(ii) (the "Family Bank Assumed Debt");

(c) Nine Hundred Seventeen Thousand Nine Hundred Ninety-Five and No/100 Dollars (\$917,995.00) of Indebtedness owed by the Seller to PCFC to be

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<sup>12</sup> This summary is for informational purposes only and is qualified in its entirety by the terms of the APA. All defined terms, Section references, and Schedule references herein refer to the APA.



restructured pursuant to the terms of Section 6.2(c)(ii) (the “PCFC Assumed Debt”);

(d) all Liabilities under each Purchased Contract;

(e) all Cure Amounts under each Assumable Executory Contract that becomes a Purchased Contract;

(f) all Liabilities of the Seller (A) arising in the Ordinary Course of Business during the Bankruptcy Case through and including the Final Closing Date, to the extent such Liabilities are administrative expenses of the Seller’s Estate pursuant to Section 503(b) of the Bankruptcy Code which are not otherwise being paid by the Seller pursuant to the Plan and (B) arising prior to the commencement of the Bankruptcy Case to the extent approved by the Bankruptcy Court for payment by the Seller pursuant to a Final Order which are not otherwise being paid by the Seller pursuant to the Plan, in each case, other than (1) Liabilities of the type described in Section 2.3(b)(iii) and Section 2.3(b)(v), (2) Liabilities arising under any Contract to the extent such Contract has been designated as a Rejectable Executory Contract, and (3) Liabilities otherwise assumed in this Section 2.3(a);

(g) all Transfer Taxes payable in connection with the sale, transfer, assignment, conveyance and delivery of the Purchased Assets pursuant to the terms of the APA;

(h) all Liabilities arising under any Environmental Law (A) relating to conditions present on the Transferred Real Property, (B) resulting from the Purchaser’s ownership or operation of the Transferred Real Property after the Closing or (C) relating to the Purchaser’s failure to comply with Environmental Laws after the Closing;

(i) all Liabilities of the Seller arising out of, relating to, in respect of, or in connection with workers’ compensation claims against the Seller, except for Excluded Workers’ Compensation Claims;

(j) all Liabilities (A) specifically assumed by the Purchaser pursuant to Section 5.11 and (B) arising out of, relating to or in connection with the salaries and/or wages of all Transferred Employees that are accrued and unpaid (or with respect to vacation, unused) as of the Final Closing Date;

(k) all Liabilities arising out of, relating to, in respect of, or in connection with the use, ownership or sale of the Purchased Assets after the Final Closing; and

(l) those other Liabilities identified on Schedule 2.3(a)(xi).

5. **Excluded Liabilities.**<sup>13</sup> As part of the sale of the Assets, the Purchaser will not assume or agree to pay and perform certain liabilities and obligations of the Debtor, including

(a) all Liabilities arising out of, relating to, in respect of or in connection with any Indebtedness of the Seller (other than the Purchaser Assumed Debt), including those items identified on Schedule 2.3(b)(i);

(b) all Liabilities arising out of, relating to, in respect of or in connection with the Excluded Assets, other than Liabilities specifically assumed;

(c) all Liabilities (A) associated with noncompliance with Environmental Laws (including for fines, penalties, damages and remedies); (B) arising out of, relating to, in respect of or in connection with the transportation, off-site storage or off-site disposal of any Hazardous Materials generated or located at any Transferred Real Property; (C) arising out of, relating to, in respect of or in connection with third-party Claims related to Hazardous Materials that were or are located at or that migrated or may migrate from any Transferred Real Property; (D) arising under Environmental Laws related to the Excluded Real Property; or (E) for environmental Liabilities with respect to real property formerly owned, operated or leased by the Seller (as of the Final Closing Date), which, in the case of clauses (A), (B) and (C), arose prior to or at the Final Closing Date, and which, in the case of clause (D) and (E), arise prior to, at or after the Final Closing Date;

(d) except for Taxes assumed in Section 2.3(a)(vi) and Section 2.3(a)(vii), all Liabilities with respect to any Taxes arising in connection with the Seller's business, the Purchased Assets or the Assumed Liabilities that are attributable to a Pre-Closing Tax Period (including any Taxes incurred in connection with the sale of the Purchased Assets, other than all Transfer Taxes);

(e) all Liabilities for (A) costs and expenses relating to the preparation, negotiation and entry into this Agreement and the Ancillary Agreements (and the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements, which, for the avoidance of doubt, shall not include any Transfer Taxes), (B) administrative fees, professional fees and all other expenses under the Bankruptcy Code and (C) all other fees and expenses associated with the administration of the Bankruptcy Case;

(f) Liabilities associated with the Seller's employees not otherwise assumed in Section 2.3(a) and Section 5.11, including those arising out of, relating to, in respect of or in connection with the employment, potential

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<sup>13</sup> This summary is for informational purposes only and is qualified in its entirety by the terms of the APA. All defined terms, Section references, and Schedule references herein refer to the APA.

employment or termination of employment of any individual (A) prior to or at the Final Closing Date (including any severance policy, plan or program that exists or arises, or may be deemed to exist or arise, as a result of, or in connection with, the transactions contemplated by this Agreement) or (B) who is not a Transferred Employee arising after the Final Closing Date;

(f) all Liabilities arising out of, relating to, in respect of or in connection with Claims for infringement or misappropriation of third party intellectual property rights;

(g) all Liabilities to third parties for Claims based upon Contract, tort or any other basis;

(h) all workers' compensation Claims set forth on Schedule 2.3(b)(ix) ("Excluded Workers' Compensation Claims");

(i) all Liabilities arising out of, related to or in connection with any implied warranty or other implied obligation arising under statutory or common law without the necessity of an express warranty or (B) allegation, statement or writing by or attributable to the Seller;

(j) any liability or obligation related to any multi-employer plan (within the meaning of Section 3(37) of the Employee Retirement Income Security Act of 1974); and

(k) any Liability that is not expressly assumed by the Purchaser under this Agreement as an Assumed Liability.

6. **Total Consideration.** The aggregate consideration paid and obligations assumed by the Purchaser at the Closing will consist of:

(a) The Purchaser shall allow the Seller to retain an amount not to exceed \$560,000 to pay the administrative and priority expenses of Settler's estate incurred pursuant to Section 503(b) of the Bankruptcy Code which are not otherwise being assumed pursuant to Section 2.3(a)(vi). At the Final Closing, Purchaser shall allow Seller to retain \$560,000 in cash as an Excluded Asset (the "Administrative Claim Payment"), but to the extent Seller does not have such proceeds available, Purchaser shall deliver the balance of such amount to Seller; provided, however, the Administrative Claim Payment shall be reduced dollar for dollar to the extent Purchaser assumes any such claims as an Assumed Liability. Seller shall pay all administrative and priority expenses approved by the Bankruptcy Court, including those set forth in Schedule 3.2(a)(i) to the extent approved by the Bankruptcy Court; provided, however, that on the date one year after the Final Closing Date, Seller shall return that portion of the Administrative Claim Payment remaining after payment of its administrative and priority expenses;

(b) Pursuant to Section 3.2 of the APA, the Estate shall receive \$4,000 for each employee of the Seller who is not offered employment with Purchaser, with the total of such amount to be distributed by Seller to such employees in amounts determined under the Plan or by other Order of the Bankruptcy Court, to be paid to Seller in such amount as authorized by the Bankruptcy Court, payable in cash by wire transfer of immediately available funds at the Final Closing (“Severance”); and

(c) 200,000 shares in the form of Parent common stock (“LNS Shares”). The value of LNS Shares shall be fixed as of the Final Closing Date by taking the average closing price of LNS Shares for the 20 trading days immediately prior to the Final Closing Date.<sup>14</sup> LNS Shares shall be issued among those individuals in the numbers set forth on Schedule 3.2(c) unless otherwise ordered by the Bankruptcy Court pursuant to the Confirmation Order or Sale Order, as applicable (collectively, the “Recipients,” and each individually a “Recipient”); provided, however, (A) no Recipient shall be issued fractional shares, (B) all fractional shares shall be rounded to the nearest integer, and (C) all halves shall be rounded to the nearest even integer (e.g., 13.5 shall be rounded to 14 and 12.5 shall be rounded to 12).

7. **Closing Dates.** The Seller and the Purchaser (the “Parties”) shall hold an initial closing (the “Initial Closing”) on the next business day (the “Initial Closing Date”) after the Confirmation Order approving the Sale becomes a Final Order. The Parties shall hold a final closing (the “Final Closing”) on the first business day as soon as possible (the “Final Closing Date”) after the Purchaser obtains all approvals and licenses required for the consummation of the transactions contemplated by this Agreement.

8. **Section 1145 Exemption.** The issuance of the LNS Shares distributed pursuant to the Plan to holders of Interests shall be authorized under Section 1145 of the Bankruptcy Code as of the Effective Date without further act or action by any Person, unless required by provision of applicable law, regulation, order or rule. Notwithstanding the foregoing, each Recipient shall be obligated to execute and deliver a Recipient Agreement pursuant to which each Recipient shall agree to certain contractual restrictions applicable to the LNS Shares, including without limitation that each Recipient shall agree that no holder of LNS Shares issued pursuant to the APA may transfer such shares during the twelve (12) month period after issuance.

9. **Settlement Agreements.** As of the Final Closing Date, if the parties deem necessary and/or the Bankruptcy Court requires, the Debtor and each party involved in the Vendor Claims shall enter into a separate Settlement Order. All Settlement Orders will be subject to the approval of the Bankruptcy Court, and must become Final Orders before any of the Settlement Treatments or other payments, distributions or transfers are made under or pursuant to the Plan. The releases and satisfactions set forth in the Settlement Orders shall constitute a

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<sup>14</sup> In the past year, LNS Shares have traded in the range of \$3.00 per share to \$6.00 per share.

compromise and settlement between and among the Debtor and the applicable parties within the meaning of Bankruptcy Rule 9019(a). The Bankruptcy Court shall determine as a part of the Plan that the terms, economics and operation of the settlement of the Vendor Claims represent a fair and equitable settlement for the Debtor upon due and objective consideration of the merits of such litigation, and such determination shall be made by Final Order.

10. **Articles of Incorporation and By-laws.** To the extent necessary, the articles of incorporation and by-laws of the Debtor shall be amended to contain provisions necessary (i) to comply with the requirements of section 1123(a)(6) of the Bankruptcy Code, subject to further amendment of such articles of incorporation and by-laws as permitted by applicable law, and (ii) to effectuate the provisions of the Plan.

11. **Post-Confirmation Reorganized Debtor.** On the Effective Date, the Debtor shall become the Reorganized Debtor with responsibility for the operations, distributions and accountings required under the Plan and notwithstanding any prior Order or Final Order of this Court and notwithstanding the Sale, the Reorganized Debtor shall have the right to collect and use all revenues and other cash collateral derived from the Reorganized Debtor's business operations consistent with the terms of the Plan. The Reorganized Debtor shall have the ability to merge, consolidate and/or re-constitute itself as determined to be in the best interest of the Reorganized Debtor by the management of the Reorganized Debtor in the exercise of its business judgment; provided, however, such actions shall not relieve the Reorganized Debtor of its obligations under the Plan.

12. **Settlement of Certain Claims.** The filing of the Plan constitutes a motion by the Debtor pursuant to Bankruptcy Rule 9019 for approval of the settlement and compromise represented hereby. Pursuant to Bankruptcy Rule 9019 and section 1123(b)(3)(A) of the Bankruptcy Code, and in consideration for the classification, Distribution, releases and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims or controversies resolved pursuant to the Plan, including, but not limited to, controversies relating to the Distributions under the Plan by and among the Debtor and each of the holders of the Administrative Claims, Priority Claims, Secured Claims, Unsecured Claims and Litigation Claims.

13. **Vesting and Reservation of Other Assets.** On the Effective Date, the Excluded Assets will vest in the Reorganized Debtor to be administered, in accordance with 11 U.S.C. § 1123(b)(3), for the benefit of Creditors. The Estate Representative will remain in existence until the Excluded Assets have been wholly converted to cash or liquid assets or otherwise abandoned and all costs, expenses, and distributions have been made pursuant to the Plan.

14. **Prosecution of Claims and Causes of Action.** The Debtor's rights, duties and obligations to investigate, prosecute and collect all of the Debtor's and the Estate's Causes of Action and to pursue Avoidance Actions shall pass to and vest in the Reorganized Debtor as of the Effective Date. The Estate Representative may, but shall not be required to, prosecute any Avoidance Action in her sole discretion. Claims to be considered by the Estate Representative include, but are not limited to, preferential and fraudulent conveyance claims under state and federal law against all Persons. The Debtor has conducted a preliminary analysis of potential

Avoidance Actions and has determined that most transferees have valid affirmative defenses to preference claims as set forth in 11 U.S.C. § 547 and very few exist which would be financially beneficial to the Debtor or its creditors. The Debtor has conducted an analysis of insider transfers and determined that most of the transfers were for compensation or payments on account of Secured Claims. The Debtor is not aware of any fraudulent conveyance actions.

If a motion or suit has not been filed to collect, prosecute or liquidate any action within ninety (90) days after the Effective Date, it shall be deemed abandoned. Notwithstanding any provision relating to their Claims under the Plan, any Person or Creditor having received a transfer of Estate property during the relevant look-back period of ninety (90) days before the Filing Date should assume that they are subject to an Avoidance Action.

15. **Quarterly Reports.** After the Effective Date, the Estate Representative will file United States Trustee quarterly reports on behalf of the Reorganized Debtor.

16. **Continued Engagement of Professionals.** The Estate Representative shall continue the engagement of DelCotto Law Group PLLC and such other professionals as may be necessary for the purposes of rendering services in connection with implementing the APA or the Plan, resolving claims, and performing routine post-confirmation Chapter 11 administration such as final reporting and moving to have the case closed upon Plan completion. Post-confirmation, any professional services will not require Court approval. Professional Claims shall be paid from the Administrative Claim Payment.

17. **Termination Rights.** The APA provides termination rights to each of the Parties thereto upon the occurrence of certain specified events or the failure to occur of certain specified events. Such termination rights include:

- (a) by the mutual written consent of the Seller and the Purchaser;
- (b) by either the Seller or the Purchaser, if (i) the Final Closing Date shall not have occurred on or before October 15, 2010, or such later date as the Parties may agree in writing, such date not to be later than November 15, 2010 (as extended, the "End Date"), and (ii) the Party seeking to terminate this Agreement pursuant to this Section 7.1(b) shall not have breached in any material respect its obligations under this Agreement in any manner that shall have proximately caused the failure of the transactions contemplated hereby to close on or before such date;
- (c) by either the Seller or the Purchaser, if the Bankruptcy Court shall not have entered the Confirmation Order by August 13, 2010;
- (d) by the Purchaser, if any Bankruptcy Deadline is not met;
- (e) by either the Seller or the Purchaser, if any court of competent jurisdiction in the United States or other United States Governmental Authority shall have issued a Final Order permanently restraining, enjoining

or otherwise prohibiting the transactions contemplated by this Agreement or the sale of a material portion of the Purchased Assets;

(f) by the Seller, if the Purchaser shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, and such breach or failure to perform has not been cured by the End Date, provided that (i) the Seller shall have given the Purchaser written notice, delivered at least fifteen (15) days prior to such termination, stating the Seller's intention to terminate this Agreement pursuant to this Section 7.1(f) and the basis for such termination and (ii) the Seller shall not have the right to terminate this Agreement pursuant to this Section 7.1(f) if the Seller is then in material breach of any its representations, warranties, covenants or other agreements set forth herein;

(g) by the Purchaser, if the Seller shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would (if it occurred or was continuing as of the Initial Closing Date) give rise to the failure of a condition set forth in Section 6.2(a) or Section 6.2(b) to be fulfilled, (ii) cannot be cured by the End Date, provided that (i) the Purchaser shall have given the Seller written notice, delivered at least thirty (30) days prior to such termination, stating the Purchaser's intention to terminate this Agreement pursuant to this Section 7.1(fg) and the basis for such termination and (iii) the Purchaser shall not have the right to terminate this Agreement pursuant to this Section 7.1(fg) if the Purchaser is then in material breach of any its representations, warranties, covenants or other agreements set forth herein; or

(h) by either the Seller or the Purchaser, if a competing Plan of Reorganization of the Seller is presented in the Bankruptcy Cases or the Bankruptcy Court shall have entered an Order approving an Alternative Transaction.

18. **Expense Reimbursement.** If the APA is terminated because of (i) an Alternative Transaction, (ii) by the Seller or the Purchaser pursuant to Section 7.1(a), Section 7.1(b), Section 7.1(c), or Section 7.1(e), or (iii) by the Purchaser pursuant to Section 7.1(d), Section 7.1(g), or Section 7.1(h) of the APA, the Seller shall reimburse the Purchaser for its reasonable, out-of-pocket costs and expenses (including reasonable attorneys' fees) incurred by the Purchaser in connection with this Agreement and the transactions contemplated hereby; provided, however, such costs and expenses shall not exceed \$200,000.00 (the "Expense Reimbursement"). The Expense Reimbursement shall be paid as an administrative expense Claim of the Seller pursuant to Section 503(b)(1) of the Bankruptcy Code.

19. **Representations, Warranties and Covenants.** The APA contains standard and customary representations, warranties, and covenants.

20. **Transferred Employee.** Effective as of the Final Closing Date, the Purchaser, after consultation with the Seller, shall make an offer of employment to certain of the Seller's employees. Each such employee who accepts employment and commences working for the Purchaser shall become a "Transferred Employee." On the Final Closing Date, the Seller shall terminate the employment of all of its employees to whom no offer of employment was made or such offer of employment by the Purchaser was not accepted.

21. **Effect of Termination.** The APA can be amended (including with respect to the closing conditions included therein) or supplemented with the consent of the Debtor and the Purchaser. Except as otherwise set forth in the APA, upon termination of the APA, the Parties are released from their obligations thereunder. If the APA is terminated, the Plan will not be confirmed.

## **H. TAX CONSEQUENCES**

To the extent applicable, the Estate Representative on behalf of the Post-Effective Date Debtor will comply with all withholding and reporting requirements imposed by federal, state, and local taxing authorities, and all distributions pursuant to the Plan will be subject to such withholding and reporting requirements. No specific tax consequences to any Creditor or of an Interest are represented, implied, or warranted. The Debtor makes no representations of tax consequences to Creditors and Creditors should consult their own accountants as to tax consequences to them on their Claims herein.

## **I. VOTING PROCEDURES**

**ACCEPTANCE OR REJECTION OF THE PLAN WILL BE DETERMINED, PURSUANT TO THE BANKRUPTCY CODE, BASED UPON THE BALLOTS OF THE CREDITORS HOLDING ALLOWED CLAIMS THAT ACTUALLY VOTE ON THE PLAN. THEREFORE, IT IS IMPORTANT THAT CLAIMANTS EXERCISE THEIR RIGHT TO VOTE TO ACCEPT OR REJECT THE PLAN.**

1. **Claims Entitled to Vote.** Classes 1, 2, 3, 5, 6, 7, 8, and 9 are Impaired. Each holder of a Claim against Debtor in Classes 1, 2, 3, 5, 6, 7, 8, and 9 (including the holder of a Claim against Debtor that is subject to an objection, if such Claim that has been temporarily Allowed for voting purposes under Bankruptcy Rule 3018(a)) is entitled to vote to accept or reject the Plan. Debtor Classes 1, 2, 3, 5, 6, 7, 8, and 9 shall be deemed to have accepted the Plan if (a) the holders (other than any holder designated under Section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in each such Class have voted to accept the Plan and (b) the holders (other than any holder designated under Section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in each such Class have voted to accept the Plan.

2. **Presumed Acceptance of the Plan.** Class 4 is not Impaired. The Class 4 Claimants are presumed to have accepted the Plan pursuant to Section 1126(f) of the Bankruptcy Code; and, therefore, are not entitled to vote to accept or reject the Plan.



3. **Nonconsensual Confirmation.** If any Impaired Class fails to accept the Plan in accordance with Section 1129(a)(8) of the Bankruptcy Code or the Bankruptcy Court determines that any Class deemed to accept the Plan has not accepted the Plan for any reason, the Debtor reserves the right to request that the Court confirm the Plan in accordance with Section 1129(b) of the Bankruptcy Code with respect to such Class(es) except for Class 7 Unsecured Creditors. The Debtor believes Class 7 will vote in favor of the Plan.

4. **General Provisions.** Any Creditor holding a Claim that does not vote will not be counted in the percentage or number requirements for voting. A Claim that has been objected to is not an Allowed Claim unless and until the Court rules on the objection. The Court may temporarily set an amount for such an objected Claim for purposes of voting on the Plan. The allowance or disallowance of any Claim for voting purposes does not necessarily mean that all or a portion of the Claim will be allowed or disallowed for distribution purposes under the Plan.

## **V. LIQUIDATION ANALYSIS**

A. The Bankruptcy Court will confirm the Plan only if it finds that the Plan complies with the requirements of Chapter 11 of the Bankruptcy Code. The Debtor has asked the Bankruptcy Court to confirm the Plan, pursuant to 11 U.S.C. § 1129(b), if all the requirements for confirmation are met as set forth in 11 U.S.C. § 1129(a). Although the Debtor believes that the Plan meets the necessary requirements, there can be no assurance that the Bankruptcy Court will reach the same conclusion. The Debtor has requested that even if the Creditors do not vote in favor of the Plan that the Court nevertheless confirm the Plan pursuant to 11 U.S.C. § 1129(b) as being fair and equitable to all Creditors.

B If the Plan is not confirmed and consummated, the alternatives include preparation and presentation of an alternative plan of reorganization or a conversion of this case to one under Chapter 7 of the Bankruptcy Code. If the Court denies confirmation, the Debtor or any other party in interest could propose a different Plan. The Debtor believes such an alternative plan would result in less return to Creditors than the distributions to Creditors pursuant to the Plan. Before proposing the present Plan, the Debtor explored other alternatives and engaged in negotiations with its Creditors. The Debtor believes not only that the Plan, as described herein, fairly adjusts the rights of various classes of Creditors and enables Creditors to realize the most possible under the circumstances, but also that rejection of the Plan in favor of some alternative arrangement will require, at the very least, an extensive and time-consuming process and will not result in a better recovery for any class.

C. If no Plan can be confirmed, the Bankruptcy Case may be converted to a case under Chapter 7 of the Bankruptcy Code, in which case a trustee would be elected or appointed to liquidate the Debtor's Assets for distribution to Creditors in accordance with the priorities established by the Bankruptcy Code. The Debtor believes that Confirmation is preferable to Chapter 7 liquidation because the Plan maximizes the distributions to all classes of Creditors, and any alternative to Confirmation would result in substantial delays and potentially lesser recoveries as persons unfamiliar with the Debtor's Assets would assume administration of the case. If the Bankruptcy Case were converted to Chapter 7, the Debtor would be unable to consummate a sale of substantially all of its Assets to the Purchaser as a going concern. If the Debtor's Assets are not sold as a going concern, then the funds available for distribution would

be significantly less than the distributions available under Chapter 11. Pursuant to the Liquidation Analysis which is attached hereto as Exhibit 2, a Chapter 7 liquidation of the Debtor's Estate would result in no distributions to unsecured creditors and would not satisfy Administrative and Priority Claims in full. The Plan provides for full payment of Administrative and Priority Claims; thus, the Debtor believes its Plan will provide a greater return to creditors than would a Chapter 7 liquidation.

## **VI. CONCLUSION**

The materials provided in this Disclosure Statement are intended to assist you in reviewing the Plan in an informed manner. If the Plan is confirmed, you will be bound by the terms of the Plan. You are urged to study these materials and make such further inquiries as you may deem appropriate.

Dated: July 15, 2010

Respectfully submitted,

SOUTHEAST TELEPHONE, INC.

By /s/ Carla J. Reichelderfer  
Chief Financial Officer and  
Chief Operating Officer

Tendered by:

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DEBTOR IN POSSESSION

Z:\Clients\SouthEast Telephone, Inc\Pleadings\Disclosure Stmt First Amd VFN 20100716.doc

Exhibit 1

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ASSET PURCHASE AGREEMENT

BY AND BETWEEN

SOUTHEAST TELEPHONE, INC.

AND

SE ACQUISITIONS, LLC

Dated as of June 30, 2010

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Schedule 4.1(f) .....	Contracts; Notices of Violations, Defaults
Schedule 4.1(n) .....	Employee Benefit Plans and Policies
Schedule 5.2(a)(xi) .....	New Contracts for Capital Expenditures
Schedule 5.5(a) .....	Assumed Executory Contracts

## **ASSET PURCHASE AGREEMENT**

**THIS ASSET PURCHASE AGREEMENT** (this “Agreement”), dated as of June 30, 2010, is made by and among **SOUTHEAST TELEPHONE, INC.**, a Kentucky corporation (“Seller”), **LIGHTYEAR NETWORK SOLUTIONS, INC.**, f/k/a Libra Alliance Corporation, a Nevada corporation (“Parent”), and Parent’s wholly-owned subsidiary, **SE ACQUISITIONS, LLC**, a Kentucky limited liability company (“Purchaser”).

### **RECITALS**

**A.** On September 28, 2009 (the “Petition Date”), Seller filed a voluntary petition for relief (the “Bankruptcy Case”) under Chapter 11 of Title 11, U.S.C. §§ 101 et seq., as amended (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Eastern District of Kentucky, Pikeville Division (the “Bankruptcy Court”).

**B.** The Seller, a debtor in possession operating its business and managing its properties pursuant to Section 1108 of the Bankruptcy Code, is engaged in the business of marketing, selling and providing telecommunications products and services, including local phone service to customers (the “Business”).

**C.** Pursuant to Sections 363 and 365 of the Bankruptcy Code, Seller desires to sell, transfer, assign, convey and deliver to Purchaser, and Purchaser desires to purchase, accept and acquire from Seller all of the Purchased Assets (as hereinafter defined) and assume and thereafter pay or perform as and when due, or otherwise discharge, all of the Assumed Liabilities (as hereinafter defined), in accordance with the terms and subject to the conditions set forth in this Agreement, the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure.

**D.** The Purchased Assets are assets of the Seller, which are to be purchased and assumed by the Purchaser, free and clear of all liens, claims and encumbrances, except as otherwise provided herein, pursuant to a final, non-appealable order of the Bankruptcy Court approving such sale, which order will include the authorization for the assumption by the Seller and assignment to the Purchaser of certain unexpired executory contracts and unexpired executory leases and liabilities thereunder under Section 365 of the Bankruptcy Code, all in the manner and subject to the terms and conditions set forth in this Agreement, the Sale Order and in accordance with other applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the applicable approval orders entered by the Bankruptcy Court.

### **AGREEMENT**

**NOW, THEREFORE**, in consideration of the foregoing and their respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Seller and the Purchaser hereby agree as follows:

## ARTICLE 1. DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Agreement, the following terms have the meanings set forth below or in the Sections referred to below:

“Administrative Claim Payment” has the meaning set forth in Section 3.2(a).

“Affiliate” has the meaning set forth in Rule 12b-2 of the Exchange Act.

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

“Allocation” has the meaning set forth in Section 3.5.

“Alternative Transaction” means the sale, transfer, lease or other disposition, directly or indirectly, including through an asset sale, stock sale, merger or other similar transaction, of all or substantially all of the Purchased Assets in a transaction or a series of transactions with one or more Persons other than Purchaser.

“Arms-Length Basis” means a transaction between two Persons that is carried out on terms no less favorable than the terms on which the transaction would be carried out by unrelated or unaffiliated Persons, acting as a willing buyer and a willing seller, and each acting in his own self-interest.

“Ancillary Agreements” means the Registration Rights Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Intellectual Property Assignment and Assumption Agreement, the Assignment and Assumption of Real Property Leases, the Quitclaim Deeds, and any and all other documents to be executed by Seller relating to or required by this Agreement.

“Assumed Liabilities” has the meaning set forth in Section 2.3.

“Assumable Executory Contract” has the meaning set forth in Section 5.5(a).

“Assumable Executory Contract Schedule” has the meaning set forth in Section 5.5(a).

“AT&T” shall mean AT&T Corp. on behalf of itself and its affiliates, including, but not limited to, BellSouth Telecommunications, Inc. d/b/a AT&T Kentucky.

“Bankruptcy Avoidance Actions” has the meaning set forth in Section 2.2(g).

“Bankruptcy Case” has the meaning set forth in Recital A.

“Bankruptcy Code” has the meaning set forth in Recital A.

“Bankruptcy Court” has the meaning set forth in Recital A.

“Benefit Plan” has the meaning set forth in Section 4.1(n)(i).

“Bill of Sale” has the meaning set forth in Section 6.2(f)(ii).



“Business” has the meaning set forth in Recital B.

“Business Day” means any day that is not a Saturday, Sunday or other day on which banks are required or authorized by Law to be closed in the City of New York, New York.

“Cause” means (i) an intentional act of fraud, embezzlement, theft, or any other material violation of law that occurs during or in the course of employment with Purchaser; (ii) intentional damage to Purchaser’s assets; (iii) intentional disclosure of Purchaser’s confidential information; (iv) breach of an employment agreement, if any; (v) intentional engagement in any competitive activity which would constitute a breach of the duty of loyalty; (vi) intentional breach of Purchaser’s employment policies; (vii) willful and continued failure to substantially perform the duties associated with employment; or (viii) willful misconduct that is demonstrably and materially harmful to Purchaser. “Cause” does not include an unwillingness to relocate pursuant to Purchaser’s request.

“CIC” has the meaning set forth in Section 2.1(k).

“Claims” means all rights, claims (including any cross-claim or counterclaim), investigations, causes of action, choses in action, charges, suits, defenses, demands, damages, defaults, assessments, rights of recovery, rights of set-off, rights of recoupment, litigation, third party actions, arbitral proceedings or proceedings by or before any Governmental Authority or any other Person, of any kind or nature, whether known or unknown, accrued, fixed, absolute, contingent or matured, liquidated or unliquidated, due or to become due, and all rights and remedies with respect thereto.

“Confidential Information” has the meaning set forth in Section 5.12(d).

“Confirmation Hearing” has the meaning set forth in Section 5.4(a).

“Confirmation Order” has the meaning set forth in Section 5.3(b).

“Contracts” means all purchase orders, sales agreements, supply agreements, distribution agreements, sales representative agreements, employee or consulting agreements, leases, subleases, licenses, product warranty or service agreements and other binding commitments, agreements, contracts, arrangements, obligations and undertakings of any nature (whether written or oral, and whether express or implied).

“Copyright Licenses” means all Contracts naming a Seller as licensee or licensor and providing for the grant of any right to reproduce, publicly display, publicly perform, distribute, create derivative works of or otherwise exploit any works covered by any Copyright.

“Copyrights” means all domestic and foreign copyrights, whether registered or unregistered, including all copyright rights throughout the universe (whether now or hereafter arising) in any and all media (whether now or hereafter developed), in and to all original works of authorship (including all compilations of information or marketing materials created by or on behalf of Seller), acquired, owned or licensed by Seller, all applications, registrations and recordings thereof (including applications, registrations and recordings in the United States

Copyright Office or in any similar office or agency of the United States or any other country or any political subdivision thereof) and all reissues, renewals, restorations, extensions and revisions thereof.

“CTB” shall mean Community Trust Bank, Inc.

“CTB Assumed Debt” has the meaning set forth in Section 2.3(a)(i).

“Cure Amounts” means all cure amounts payable in order to cure any monetary defaults required to be cured under Section 365(b)(1) of the Bankruptcy Code or otherwise to effectuate, pursuant to the Bankruptcy Code, the assumption by the applicable Seller and assignment to Purchaser of the Purchased Contracts.

“Damages” means any and all Losses, other than punitive damages.

“Deferred Executory Contract” has the meaning set forth in Section 5.5(b).

“Disqualified Individual” has the meaning set forth in Section 4.1(n)(vi).

“Employee Benefit Plans and Policies” means all of Seller’s (i) “employee benefit plans” (as defined in Section 3(3) of ERISA) and all pension, savings, profit sharing, retirement, bonus, incentive, health, dental, life, death, accident, disability, stock purchase, stock option, stock appreciation, stock bonus, other equity, executive or deferred compensation, hospitalization, post-retirement (including retiree medical or retiree life, voluntary employees’ beneficiary associations, and multiemployer plans (as defined in Section 3(37) of ERISA)), severance, retention, change in control, vacation, cafeteria, sick leave, fringe, perquisite, welfare benefits or other employee benefit plans, programs, policies, agreements or arrangements (whether written or oral), (ii) employment or individual consulting Contracts and (iii) employee manuals and written policies, practices or understandings relating to employment, compensation and benefits.

“Encumbrance” means any lien (statutory or otherwise), charge, deed of trust, pledge, security interest, conditional sale or other title retention agreement, lease, mortgage, option, charge, hypothecation, easement, right of first offer, license, covenant, restriction, ownership interest of another Person or other encumbrance.

“End Date” has the meaning set forth in Section 7.1(b).

“Environment” means any surface water, groundwater, drinking water supply, land surface or subsurface soil or strata, ambient air, natural resource or wildlife habitat.

“Environmental Law” means any Law in existence on the date hereof relating to the management or Release of, or exposure of humans to, any Hazardous Materials; or pollution; or the protection of human health and welfare and the Environment.

“Equipment” means the machinery, vehicles, equipment, furniture, tools, fixtures, furnishings and other tangible personal property wherever located and however titled which are

owned or leased by Seller for use in the operation of the Business, identified or described on Schedule 2.1(d), and to the extent transferable, all rights of the Seller to warranties, express or implied and licenses received from manufacturers and Seller of the Equipment.

“Equity Interest” means, with respect to any Person, any shares of capital stock of (or other ownership or profit interests in) such Person, warrants, options or other rights for the purchase or other acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, options or rights for the purchase or other acquisition from such Person of such shares (or such other ownership or profits interests) and other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Excluded Assets” has the meaning set forth in Section 2.2.

“Excluded Contracts” has the meaning set forth in Section 2.2(c).

“Excluded Insurance Policies” has the meaning set forth in Section 2.2(i).

“Excluded Liabilities” has the meaning set forth in Section 2.3(b)

“Excluded Personal Property” has the meaning set forth in Section 2.2(b).

“Excluded Real Property” has the meaning set forth in Section 2.2(a).

“Excluded Workers’ Compensation Claims” has the meaning set forth in Section 2.3(b)(ix).

“Executory Contract” means an executory Contract or unexpired lease of personal property or nonresidential real property.

“Executory Contract Designation Deadline” has the meaning set forth in Section 5.5(a).

“Expense Reimbursement” has the meaning set forth in Section 7.2(b).

“Family Bank” shall mean Family Bank FSB, 232 Main Street, Paintsville, Kentucky 41240.

“Family Bank Assumed Debt” has the meaning set forth in Section 2.3(a)(ii).

“Final Closing” has the meaning set forth in Section 3.1.

“Final Closing Date” has the meaning set forth in Section 3.1.

“Final Order” means (i) an Order of the Bankruptcy Court or any other court or adjudicative body as to which the time to appeal, petition for certiorari or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceedings for reargument or rehearing shall then be pending, or (ii) in the event that an appeal, writ of certiorari, reargument or rehearing thereof has been sought, such Order of the Bankruptcy Court or any other court or adjudicative body shall have been affirmed by the highest court to which such Order was appealed, or certiorari has been denied, or from which reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, however, that no Order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 may be filed with respect to such Order.

“GAAP” means the United States generally accepted accounting principles and practices as in effect from time to time, consistently applied throughout the specified period.

“Governmental Authority” means any United States or non-United States federal, national, provincial, state or local government or other political subdivision thereof, any entity, authority, agency or body exercising executive, legislative, judicial, regulatory or administrative functions of any such government or political subdivision, and any supranational organization of sovereign states exercising such functions for such sovereign states.

“Hazardous Materials” means any material or substance that is regulated, or can give rise to Claims, Liabilities or Losses, under any Environmental Law or a Permit issued pursuant to any Environmental Law, including any petroleum, petroleum-based or petroleum-derived product, polychlorinated biphenyls, asbestos or asbestos-containing materials, lead and any noxious, radioactive, flammable, corrosive, toxic, hazardous or caustic substance (whether solid, liquid or gaseous).

“Indebtedness” means, with respect to any Person, without duplication: (i) all obligations of such Person for borrowed money (including all accrued and unpaid interest and all prepayment penalties or premiums in respect thereof); (ii) all obligations of such Person to pay amounts evidenced by bonds, debentures, notes or similar instruments (including all accrued and unpaid interest and all prepayment penalties or premiums in respect thereof); (iii) all obligations of others, of the types set forth in clauses (i)-(ii) above that are secured by any Encumbrance on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, but only to the extent so secured; (iv) all unreimbursed reimbursement obligations of such Person under letters of credit issued for the account of such Person; (v) obligations of such Person under conditional sale, title retention or similar arrangements or other obligations, in each case, to pay the deferred purchase price for property or services, to the extent of the unpaid purchase price (other than trade payables and customary reservations or retentions of title under Contracts with suppliers, in each case, in the Ordinary Course of Business); (vi) all net monetary obligations of such Person in respect of interest rate, equity and currency swap and other derivative transaction obligations; and (vii) all guarantees of or by such Person of any of the matters described in clauses (i)-(vi) above, to the extent of the maximum amount for which such Person may be liable pursuant to such guarantee.

“Initial Closing” has the meaning set forth in Section 3.1.

“Initial Closing Date” has the meaning set forth in Section 3.1.

“Intellectual Property” means all Patents, Trademarks, Copyrights, Trade Secrets, Software, all rights under the Licenses and all concepts, ideas, know-how, show-how, proprietary information, technology, formulae, processes and other general intangibles of like nature, and other intellectual property to the extent entitled to legal protection as such, including products under development and methodologies therefor, in each case acquired, owned or licensed by a Seller.

“Inventory” has the meaning set forth in Section 2.1(e).

“Law” means any and all applicable United States or non-United States federal, national, provincial, state or local laws, rules, regulations, directives, decrees, treaties, statutes, provisions of any constitution and principles (including principles of common law) of any Governmental Authority, as well as any applicable Final Order.

“Leased Equipment” has the meaning set forth in Section 2.1(d).

“Leased Real Property” means all the real property leased or subleased by Seller, except for any such leased or subleased real property subject to any Contracts designated as Excluded Contracts.

“Liabilities” means any and all liabilities and obligations of every kind and description whatsoever, whether such liabilities or obligations are known or unknown, disclosed or undisclosed, matured or unmatured, accrued, fixed, absolute, contingent, determined or undeterminable, on or off-balance sheet or otherwise, or due or to become due, including Indebtedness and those arising under any Law, Claim, Order, Contract or otherwise.

“Licenses” means the Patent Licenses, the Trademark Licenses, the Copyright Licenses, the Software Licenses and the Trade Secret Licenses.

“LNS Shares” has the meaning set forth in Section 3.2(c).

“Losses” means any and all Liabilities, losses, damages, fines, amounts paid in settlement, penalties, costs and expenses (including reasonable and documented attorneys’, accountants’, consultants’, engineers’ and experts’ fees and expenses).

“Material Adverse Effect” means a state of facts, event, change or effect on the value of the Purchased Assets that results in a material adverse effect on the value of the Purchased Assets taken as a whole, but excludes any state of facts, event, change or effect caused by events, changes or developments relating to (A) any action of the Seller pursuant to any order of the Bankruptcy Court entered before the date hereof, including, without limitation, the transactions contemplated by this Agreement or the announcement thereof; (B) changes or conditions affecting the telecommunications industry generally; (C) changes in economic, regulatory or political conditions generally; (D) changes resulting from, or from any motion, application,

pleading or order filed related to, the Bankruptcy Case before the Final Closing, or (E) any act(s) of war or of terrorism.

“Non-Assignable Assets” has the meaning set forth in Section 2.5(a).

“Notice of Intent to Reject” has the meaning set forth in Section 5.5(b).

“Option Period” has the meaning set forth in Section 5.5(b).

“Order” means any writ, judgment, decree, stipulation, agreement, determination, award, injunction or similar order of any Governmental Authority, whether temporary, preliminary or permanent.

“Ordinary Course of Business” means the usual, regular and ordinary course of business consistent with the past practice thereof (including with respect to quantity and frequency) as and to the extent modified in connection with the Bankruptcy Case and to the extent such modifications were approved by the Bankruptcy Court (or any other court or other Governmental Authority in connection with any such other proceedings), or in furtherance of such approval.

“Organizational Document” means (i) with respect to a corporation, the certificate or articles of incorporation and bylaws or their equivalent; (ii) with respect to any other entity, any charter, bylaws, limited liability company agreement, certificate of formation, articles of organization or similar document adopted or filed in connection with the creation, formation or organization of a Person; and (iii) in the case of clauses (i) and (ii) above, any amendment to any of the foregoing other than as prohibited by Section 5.2(a)(iv).

“Owned Equipment” has the meaning set forth in Section 2.1(d).

“Owned Real Property” means all real property owned by Seller (including all buildings, structures and improvements thereon and appurtenances thereto), except for any such real property included in the Excluded Real Property.

“Participation” has the meaning set forth in Section 3.2.

“Participation Agreement” has the meaning set forth in Section 3.2.

“Participation Term Sheet” has the meaning set forth in Section 8.1(c).

“Parties” means Seller and Purchaser together, and “Party” means Seller, on the one hand, or Purchaser, on the other hand, as appropriate and as the case may be.

“Patent Licenses” means all Contracts naming Seller as licensee or licensor and providing for the grant of any right to manufacture, use, lease, or sell any invention, design, idea, concept, method, technique or process covered by any Patent.

“Patents” means all inventions, patentable designs, letters patent and design letters patent of the United States or any other country and all applications (regular and provisional) for letters patent or design letters patent of the United States or any other country, including applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof, and all reissues, divisions, continuations, continuations in part, revisions, reexaminations and extensions or renewals of any of the foregoing.

“PCFC” shall mean Pike County Fiscal Court.

“PCFC Assumed Debt” has the meaning set forth in Section 2.3(a)(iii).

“Permits” has the meaning set forth in Section 2.1(h).

“Permitted Encumbrances” means all (i) purchase money security interests arising in the Ordinary Course of Business; (ii) security interests relating to progress payments created or arising pursuant to government Contracts in the Ordinary Course of Business; (iii) security interests relating to vendor tooling arising in the Ordinary Course of Business; (iv) Encumbrances that have been or may be created by or with the written consent of Purchaser; (v) mechanic’s, materialmen’s, laborer’s, workmen’s, repairmen’s, carrier’s liens and other similar Encumbrances arising by operation of law or statute in the Ordinary Course of Business for amounts that are not delinquent or that are being contested in good faith by appropriate proceedings and for which appropriate reserves have been established; (vi) statutory liens for current Taxes not yet due, payable or delinquent (or which may be paid without interest or penalties) or liens for Taxes, the validity or amount of which is being contested in good faith by appropriate proceedings, and in each case for which appropriate reserves have been established (and to the extent that such liens relate to a period ending on or before December 31, 2009, the amount of any such Liability is accrued or reserved for as a Liability in accordance with GAAP in the audited balance sheet of Seller at December 31, 2009); (vii) with respect to the Transferred Real Property that is Owned Real Property, other than Secured Real Property Encumbrances at and following the Closing: (a) matters that a current ALTA/ACSM survey, or a similar cadastral survey in any country other than the United States, would disclose, the existence of which, individually or in the aggregate, would not materially and adversely interfere with the present use of the affected property; (b) rights of the public, any Governmental Authority and adjoining property owners in streets and highways abutting or adjacent to the applicable Owned Real Property; (c) easements, licenses, rights-of-way, covenants, servitudes, restrictions, encroachments, site plans, subdivision plans and other Encumbrances of public record or that would be disclosed by a current title commitment of the applicable Owned Real Property, which, individually or in the aggregate, would not materially and adversely interfere with the present use of the applicable Owned Real Property; and (d) such other Encumbrances, the existence of which, individually or in the aggregate, would not materially and adversely interfere with or affect the present use or occupancy of the applicable Owned Real Property; and (viii) with respect to the Transferred Real Property that is Leased Real Property: (1) matters that a current ALTA/ACSM survey, or a similar cadastral survey in any country other than the United States, would disclose; (2) rights of the public, any Governmental Authority and adjoining property owners in streets and highways abutting or adjacent to the applicable Leased Real Property; (3) easements, licenses, rights-of-way, covenants, servitudes, restrictions,

encroachments, site plans, subdivision plans and other Encumbrances of public record or that would be disclosed by a current title commitment of the applicable Leased Real Property or which have otherwise been imposed on such property by landlords.

“Person” means any individual, partnership, firm, corporation, association, trust, unincorporated organization, joint venture, limited liability company, Governmental Authority or other entity.

“Personal Property” has the meaning set forth in Section 2.1(d).

“Petition Date” has the meaning set forth in Recital A.

“Plan” has the meaning set forth in Section 5.3(b).

“Post-Closing Tax Period” means any taxable period beginning after the Final Closing Date and the portion of any Straddle Period beginning after the Final Closing Date.

“Pre-Closing Tax Period” means any taxable period ending on or before the Final Closing Date and the portion of any Straddle Period ending on the Final Closing Date.

“Proposed Rejectable Executory Contract” has the meaning set forth in Section 5.5(b).

“Purchased Assets” has the meaning set forth in Section 2.1(a).

“Purchased Contracts” has the meaning set forth in Section 2.1(g).

“Purchase Price” has the meaning set forth in Section 3.2.

“Purchaser” has the meaning set forth in the Preamble.

“Purchaser Assumed Debt” shall mean collectively the CTB Assumed Debt, Family Bank Assumed Debt and the PCFC Assumed Debt.

“Purchaser Material Adverse Effect” has the meaning set forth in Section 4.2(c)(i).

“Quitclaim Deeds” has the meaning set forth in Section 6.2(g)(v).

“Receivables” has the meaning set forth in Section 2.1(b).

“Recipients” has the meaning set forth in Section 3.2(a).

“Rejectable Executory Contract” has the meaning set forth in Section 5.5(b).

“Related Person” means, with respect to a specific Person, any officer, director, employee, agent, shareholder, representative, successor or assign of such Person.

“Sale Approval Order” has the meaning set forth in Section 5.3(b).



“SEC” means the United States Securities and Exchange Commission.

“Secured Real Property Encumbrances” means all Encumbrances related to the Indebtedness of Seller, which is secured by one or more parcels of the Owned Real Property.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“Seller” has the meaning set forth in Preamble.

“Severance” has the meaning set forth in Section 3.2(b).

“Shared Executory Contract” has the meaning set forth in Section 5.5(c).

“Software” means all software of any type (including programs, applications, middleware, utilities, tools, drivers, firmware, microcode, scripts, batch files, JCL files, instruction sets and macros) and in any form (including source code, object code, executable code and user interface), databases and associated data and related documentation, in each case owned, acquired or licensed by Seller.

“Software Licenses” means all Contracts naming a Seller as licensee or licensor and providing for the grant of any right to use, modify, reproduce, distribute or create derivative works of any Software.

“Straddle Period” means a taxable period that includes but does not end on the Final Closing Date.

“Subsidiary” or “Subsidiaries” means, with respect to any Person, any corporation, limited liability company, partnership or other legal entity (in each case, other than a joint venture if such Person is not empowered to control the day-to-day operations of such joint venture) of which such Person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, more than fifty percent (50%) of the Equity Interests, the holder of which is entitled to vote for the election of the board of directors or other governing body of such corporation, limited liability company, partnership or other legal entity.

“Tax” or “Taxes” means any federal, state, provincial, local, foreign and other income, alternative minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth or gross receipts, income, alternative or add-on minimum, capital, capital gains, sales, use, ad valorem, franchise, profits, license, privilege, transfer, withholding, payroll, employment, social, excise, severance, stamp, occupation, premium, goods and services, value added, property (including real property and personal property taxes), environmental, windfall profits or other taxes, customs, duties or similar fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any Governmental Authority, including any transferee, successor or secondary liability for any such tax and any Liability assumed by Contract or arising as a result of being or ceasing to be a member of any affiliated group or similar group under state, provincial, local or foreign Law, or being included or required to be included in any Tax Return relating thereto.

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

“Taxing Authority” means, with respect to any Tax, the Governmental Authority thereof that imposes such Tax and the agency, court or other Person or body (if any) charged with the interpretation, administration or collection of such Tax for such Governmental Authority.

“Tax Return” means any return, report, declaration, form, election letter, statement or other information filed or required to be filed with any Governmental Authority with respect to Taxes, including any schedule or attachment thereto or amendment thereof.

“Termination Event” has the meaning set forth in Section 7.1.

“Trademark Licenses” means all Contracts naming any Seller as licensor or licensee and providing for the grant of any right concerning any Trademark together with any goodwill connected with and symbolized by any such Trademark or Trademark Contract, and the right to prepare for sale or lease and sell or lease any and all products, inventory or services now or hereafter owned or provided by Seller or any other Person and now or hereafter covered by such Contracts.

“Trademarks” means all domestic and foreign trademarks, service marks, collective marks, certification marks, trade dress, trade names, business names, d/b/a’s, Internet domain names, designs, logos and other source or business identifiers, and all general intangibles of like nature, now or hereafter owned, adopted, used, acquired, or licensed by Seller, all applications, registrations and recordings thereof (including applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any state thereof or any other country or any political subdivision thereof) and all reissues, extensions or renewals thereof, together with all goodwill of the business symbolized by or associated with such marks.

“Trade Secrets” means all trade secrets or Confidential Information, including any confidential technical and business information, program, process, method, plan, formula, product design, compilation of information, customer list, sales forecast, know-how, Software, and any other confidential proprietary intellectual property, and all additions and improvements to, and books and records describing or used in connection with, any of the foregoing, in each case, owned, acquired or licensed by Seller.

“Trade Secret Licenses” means all Contracts naming a Seller as licensee or licensor and providing for the grant of any rights with respect to Trade Secrets.

“Transferred Real Property” has the meaning set forth in Section 2.1(c).

“Transfer Taxes” means all transfer, documentary, sales, use, stamp, registration and other similar Taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the transactions contemplated hereby and not otherwise exempted under the Bankruptcy Code, including relating to the transfer of the Transferred Real Property.

“Transferred Employee” has the meaning set forth in Section 5.11(a).

“Windstream” shall mean Windstream Corporation.

SECTION 1.2. Other Interpretive Provisions. The words “hereof”, “herein” and “hereunder” and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and all Article, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified. The words “include”, “includes” and “including” are deemed to be followed by the phrase “without limitation.” The meanings given to terms defined herein are equally applicable to both the singular and plural forms of such terms. Whenever the context may require, any pronoun includes the corresponding masculine, feminine and neuter forms. Except as otherwise expressly provided herein, all references to “Dollars” or “\$” are deemed references to lawful money of the United States. Unless otherwise specified, references to any statute, listing rule, rule, standard, regulation or other Law (a) include a reference to the corresponding rules and regulations and (b) include a reference to each of them as amended, modified, supplemented, consolidated, replaced or rewritten from time to time, and to any section of any statute, listing rule, rule, standard, regulation or other Law, including any successor to such section. Where this Agreement states that a Party “shall” or “will” perform in some manner or otherwise act or omit to act, it means that the Party is legally obligated to do so in accordance with this Agreement.

## ARTICLE 2. PURCHASE AND SALE OF THE PURCHASED ASSETS.

SECTION 2.1. Purchase and Sale of Purchased Assets; Assumption of Liabilities. On the terms and subject to the conditions set forth in this Agreement, at the Final Closing, Purchaser shall (a) purchase, accept and acquire from Seller, and Seller shall sell, transfer, assign, convey and deliver to Purchaser, free and clear of all Encumbrances (other than Permitted Encumbrances), Claims and other interests, the Purchased Assets and (b) assume and thereafter pay or perform as and when due, or otherwise discharge, all of the Assumed Liabilities. The “Purchased Assets” shall consist of the right, title and interest that Seller possesses and has the right to legally transfer in and to all of the properties, assets, rights, titles and interests of every kind and nature, owned, leased, used or held for use by Seller (including indirect and other forms of beneficial ownership), whether tangible or intangible, real, personal or mixed, and wherever located and by whomever possessed, in each case, as the same may exist as of the Final Closing, including the following properties, assets, rights, titles and interests (but, in every case, excluding the Excluded Assets):

(a) all cash and cash equivalents, including all marketable securities, certificates of deposit and all collected funds or items in the process of collection at Seller’s financial institutions through and including the Final Closing, and all bank deposits, investment accounts and lockboxes related thereto;

(b) all accounts and notes receivable and other such Claims for money due to Seller, including the full benefit of all security for such accounts, notes and Claims, however arising, including arising from the rendering of services or the sale of goods or materials, together with any unpaid interest accrued thereon from the respective obligors and any security or collateral therefor (collectively, “Receivables”);

(c) all Owned Real Property and Leased Real Property (collectively, the “Transferred Real Property”) including the Transferred Real Property set forth on Schedule 2.1(c);

(d) all machinery, equipment (including test equipment and material handling equipment), hardware, spare parts, tools, gauges, fixtures (including production fixtures), business machines, computer hardware, other information technology assets, furniture, supplies, vehicles, spare parts in respect of any of the foregoing and other tangible personal property including, without limitation, the items listed in Schedule 2.1(d) that does not constitute Inventory (collectively, “Personal Property”);

(e) all inventories, raw materials, work-in-process, finished goods, supplies, stock, parts, packaging materials and other accessories related thereto, wherever located, including any of the foregoing in the possession of manufacturers, suppliers, customers, dealers or others and any of the foregoing in transit or that is classified as returned goods including, without limitation, the items listed in Schedule 2.1(e) (collectively, “Inventory”);

(f) (i) all Intellectual Property, whether owned, licensed or otherwise held, and whether or not registrable, including, without limitation, the intellectual property listed on Schedule 2.1(f), and (ii) all rights and benefits associated with the foregoing, including all rights to sue or recover for past, present and future infringement, misappropriation, dilution, unauthorized use or other impairment or violation of any of the foregoing, and all income, royalties, damages and payments now or hereafter due or payable with respect to any of the foregoing;

(g) subject to Section 5.5, all Contracts, other than the Excluded Contracts including, without limitation, those Contracts listed on Schedule 2.1(g) (collectively, the “Purchased Contracts”);

(h) all approvals, Contracts, authorizations, permits, licenses, easements, Orders, certificates, registrations, franchises, qualifications, rulings, waivers, variances or other forms of permission, consent, exemption or authority issued, granted, given or otherwise made available by or under the authority of any Governmental Authority, including all pending applications therefor and all renewals and extensions thereof including, without limitation, those licenses and permits listed on Schedule 2.1(h) (collectively, “Permits”), other than to the extent that any of the foregoing relate exclusively to the Excluded Assets or Excluded Liabilities;

(i) all credits, cash true-ups, deferred charges, prepaid expenses, deposits (excluding deposits for customers that exercise their right to choose another carrier, with such deposits to be returned to such customers pursuant to applicable Law), advances, warranties, rights, guarantees, surety bonds, letters of credit, trust arrangements and other similar financial arrangements, in each case, relating to the Purchased Assets or Assumed Liabilities, including all warranties, rights and guarantees (whether express or implied) made by suppliers, manufacturers, contractors and other third parties under or in connection with the Purchased Contracts including those listed on Schedule 2.1(g);

(j) except for records listed on Schedule 2.1(j), which are subject to attorney-client privilege, all books, records, ledgers, files, documents, correspondence, lists, plats, specifications, surveys, drawings, advertising and promotional materials, reports and other materials (in whatever form or medium), including Tax books and records and Tax Returns used or held for use in connection with the ownership or operation of the Purchased Assets or Assumed Liabilities, including the Purchased Contracts, customer lists, customer information and account records, engineering and technical material in respect of telecommunication services provided by the Seller, computer files, data processing records, employment and personnel records, advertising and marketing data and records, credit records, records relating to suppliers, legal records and information and other data;

(k) all of the Seller's Carrier Identification Codes ("CIC") and any other CIC's that are loaded on the Seller's network, and all rights related thereto;

(l) all customer base and agent base related to the Business and all local service and other telecommunications traffic and revenue streams related thereto, including without limitation any past or current customers or agents, and any and all information or call records relating thereto (excluding all customers that exercise their right to choose another carrier);

(m) all goodwill and other intangible personal property arising in connection with the ownership, license, use or operation of the Purchased Assets or Assumed Liabilities, including the right to do business in the "Southeast" name or any derivative thereof currently used by the Seller.

SECTION 2.2. Excluded Assets. Notwithstanding anything to the contrary contained in this Agreement, Seller shall retain all of its right, title and interest in and to, and shall not, and shall not be deemed to, sell, transfer, assign, convey or deliver to Purchaser, and the Purchased Assets shall not, and shall not be deemed to, include the following (collectively, the "Excluded Assets"):

(a) all real property (i) owned by Seller and set forth on Schedule 2.2(a) (including, in each case, any structures, buildings or other improvements located thereon and appurtenances thereto) and (ii) leased or subleased by Seller and subject to a Contract designated as an "Excluded Contract" (collectively, the "Excluded Real Property");

(b) all Personal Property that is (i) set forth on Schedule 2.2(b) or (ii) subject to a Contract designated as an Excluded Contract (collectively, the "Excluded Personal Property");

(c) (i) all Contracts identified on Schedule 2.2(c), (ii) all Executory Contracts designated as Rejectable Executory Contracts, (iii) all Executory Contracts that have not been designated as Assumable Executory Contracts in accordance with Section 5.5 as of the Executory Contract Designation Deadline or that are determined, pursuant to the Confirmation Order or any other Order, not to be assumable and assignable to Purchaser, and (iv) all non-Executory Contracts for which performance by a third-party or counterparty is substantially complete and for which a Seller owes a continuing or future obligation with

respect to such non-Executory Contracts (collectively, the “Excluded Contracts”), including any accounts receivable arising out of or in connection with any Excluded Contract;

(d) all books, records, ledgers, files, documents, correspondence, lists, plats, specifications, surveys, drawings, advertising and promotional materials, reports and other materials (in whatever form or medium) relating exclusively to the Excluded Assets or Excluded Liabilities, and any books, records and other materials that Seller is required by Law to retain;

(e) the corporate charter, qualification to conduct business as a foreign corporation, arrangements with registered agents relating to foreign qualifications, taxpayer and other identification numbers, corporate seal, minute books, stock transfer books, blank stock certificates and any other documents relating to the organization, maintenance and existence of Seller;

(f) all Claims against suppliers, and any other third parties relating exclusively to the Excluded Assets or Excluded Liabilities;

(g) all of Seller’s Claims under this Agreement, the Ancillary Agreements and the Bankruptcy Code, of whatever kind or nature, as set forth in Sections 544 through 551 (inclusive), 553, 558 and any other applicable provisions of the Bankruptcy Code, and any related Claims and actions arising under such sections by operation of Law or otherwise, including any and all proceeds of the foregoing (the “Bankruptcy Avoidance Actions”), except to the extent Claims relate (i) to Assumed Liabilities, and/or (ii) solely to the collection of the Receivables (in each such instance, such Claims shall be Purchased Assets);

(h) all credits, deferred charges, prepaid expenses, deposits and advances, warranties, rights, guarantees, surety bonds, letters of credit, trust arrangements and other similar financial arrangements, in each case, relating exclusively to the Excluded Assets or Excluded Liabilities;

(i) all insurance policies identified on Schedule 2.2(i) and the rights to proceeds thereof (collectively, the “Excluded Insurance Policies”), other than any rights to proceeds to the extent such proceeds relate to any Purchased Asset or Assumed Liability;

(j) all Permits, to the extent that they relate exclusively to the Excluded Assets or Excluded Liabilities; and

(k) those assets identified on Schedule 2.2(k).

### SECTION 2.3. Assumed Liabilities; Excluded Liabilities.

(a) Assumed Liabilities. The “Assumed Liabilities” shall consist only of the following Liabilities of Seller:

(i) Two Million Six Hundred Thirty Five Thousand and No/100 Dollars (\$2,635,000) of Indebtedness owed by Seller to CTB to be restructured pursuant to the terms of Section 6.2(c)(ii) (the “CTB Assumed Debt”);

(ii) Two Hundred Eleven Thousand Two Hundred Ten and No/100 Dollars (\$211,210) of Indebtedness owed by Seller to Family Bank to be restructured pursuant to the terms of Section 6.2(c)(ii) (the “Family Bank Assumed Debt”);

(iii) Nine Hundred Seventeen Thousand Nine Hundred Ninety-Five and No/100 Dollars (\$917,995) of Indebtedness owed by Seller to PCFC to be restructured pursuant to the terms of Section 6.2(c)(ii) (the “PCFC Assumed Debt”);

(iv) all Liabilities under each Purchased Contract;

(v) all Cure Amounts under each Assumable Executory Contract that becomes a Purchased Contract;

(vi) all Liabilities of Seller (A) arising in the Ordinary Course of Business during the Bankruptcy Case through and including the Final Closing Date, to the extent such Liabilities are administrative expenses of Seller’s estate pursuant to Section 503(b) of the Bankruptcy Code which are not otherwise being paid by Seller pursuant to the Plan and (B) arising prior to the commencement of the Bankruptcy Case to the extent approved by the Bankruptcy Court for payment by Seller pursuant to a Final Order which are not otherwise being paid by Seller pursuant to the Plan, in each case, other than (1) Liabilities of the type described in Section 2.3(b)(iii) and Section 2.3(b)(v), (2) Liabilities arising under any Contract to the extent such Contract has been designated as a Rejectable Executory Contract, and (3) Liabilities otherwise assumed in this Section 2.3(a);

(vii) all Transfer Taxes payable in connection with the sale, transfer, assignment, conveyance and delivery of the Purchased Assets pursuant to the terms of this Agreement;

(viii) all Liabilities arising under any Environmental Law (A) relating to conditions present on the Transferred Real Property, (B) resulting from Purchaser’s ownership or operation of the Transferred Real Property after the Closing or (C) relating to Purchaser’s failure to comply with Environmental Laws after the Closing;

(ix) all Liabilities of Seller arising out of, relating to, in respect of, or in connection with workers’ compensation claims against Seller, except for Excluded Workers’ Compensation Claims;

(x) all Liabilities (A) specifically assumed by Purchaser pursuant to Section 5.11 and (B) arising out of, relating to or in connection with the salaries and/or wages and vacation of all Transferred Employees that are accrued and unpaid (or with respect to vacation, unused) as of the Final Closing Date;

(xi) all liabilities arising out of, relating to, in respect of, or in connection with the use, ownership or sale of the Purchased Assets after the Final Closing;

(xii) those other Liabilities identified on Schedule 2.3(a)(xi);

(b) Excluded Liabilities. Seller acknowledges and agrees that pursuant to the terms and provisions of this Agreement, Purchaser shall not assume, or become liable to pay, perform or discharge, any Liability of Seller, whether occurring or accruing before, at or after the Final Closing, other than the Assumed Liabilities. In furtherance and not in limitation of the foregoing, and in all cases with the exception of the Assumed Liabilities, neither Purchaser nor any of its Affiliates shall assume, or be deemed to have assumed, any Indebtedness, Claim or other Liability of Seller or any predecessor whatsoever, whether occurring or accruing before, at or after the Final Closing, including the following (collectively, the “Excluded Liabilities”):

(i) all Liabilities arising out of, relating to, in respect of or in connection with any Indebtedness of Seller (other than the Purchaser Assumed Debt), including those items identified on Schedule 2.3(b)(i);

(ii) all Liabilities arising out of, relating to, in respect of or in connection with the Excluded Assets, other than Liabilities specifically assumed;

(iii) all Liabilities (A) associated with noncompliance with Environmental Laws (including for fines, penalties, damages and remedies); (B) arising out of, relating to, in respect of or in connection with the transportation, off-site storage or off-site disposal of any Hazardous Materials generated or located at any Transferred Real Property; (C) arising out of, relating to, in respect of or in connection with third-party Claims related to Hazardous Materials that were or are located at or that migrated or may migrate from any Transferred Real Property; (D) arising under Environmental Laws related to the Excluded Real Property; or (E) for environmental Liabilities with respect to real property formerly owned, operated or leased by Seller (as of the Final Closing Date), which, in the case of clauses (A), (B) and (C), arose prior to or at the Final Closing Date, and which, in the case of clause (D) and (E), arise prior to, at or after the Final Closing Date;

(iv) except for Taxes assumed in Section 2.3(a)(vi) and Section 2.3(a)(vii), all Liabilities with respect to any Taxes arising in connection with Seller’s business, the Purchased Assets or the Assumed Liabilities that are attributable to a Pre-Closing Tax Period (including any Taxes incurred in connection with the sale of the Purchased Assets, other than all Transfer Taxes);

(v) all Liabilities for (A) costs and expenses relating to the preparation, negotiation and entry into this Agreement and the Ancillary Agreements (and the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements, which, for the avoidance of doubt, shall not include any Transfer Taxes), (B) administrative fees, professional fees and all other expenses under the Bankruptcy Code and (C) all other fees and expenses associated with the administration of the Bankruptcy Case;

(vi) Liabilities associated with Seller’s employees not otherwise assumed in Section 2.3(a) and Section 5.11, including those arising out of, relating to, in respect of or in connection with the employment, potential employment or termination of employment of



any individual (A) prior to or at the Final Closing Date (including any severance policy, plan or program that exists or arises, or may be deemed to exist or arise, as a result of, or in connection with, the transactions contemplated by this Agreement) or (B) who is not a Transferred Employee arising after the Final Closing Date;

(vii) all Liabilities arising out of, relating to, in respect of or in connection with Claims for infringement or misappropriation of third party intellectual property rights;

(viii) all Liabilities to third parties for Claims based upon Contract, tort or any other basis;

(ix) all workers' compensation Claims set forth on Schedule 2.3(b)(ix) ("Excluded Workers' Compensation Claims");

(x) all Liabilities arising out of, related to or in connection with any implied warranty or other implied obligation arising under statutory or common law without the necessity of an express warranty or (B) allegation, statement or writing by or attributable to Seller;

(xi) any liability or obligation related to any multi-employer plan (within the meaning of Section 3(37) of the Employee Retirement Income Security Act of 1974); and

(xii) any Liability that is not expressly assumed by Purchaser under this Agreement as an Assumed Liability.

SECTION 2.4. Post-Initial Closing Management. Commencing on the Initial Closing Date until the Final Closing Date, the Seller will consult with the Purchaser in the management of the Business.

SECTION 2.5. Non-Assignment of Assets.

(a) Consents to Assignment. This Agreement shall not constitute an agreement to assign or transfer any asset of the Seller, if, notwithstanding the provisions of Sections 363 and 365 of the Bankruptcy Code, an attempted assignment thereof, without the approval, authorization or consent of, or granting or issuance of any license or permit by, any the third party thereto (or with respect thereto), would constitute a breach thereof or in any way negatively affect the rights of the Seller or the Purchaser, as the assignee or transferee of such asset, as the case may be, thereunder ("Non-Assignable Assets"). Seller shall use reasonable best efforts, and Purchaser shall use reasonable best efforts to cooperate with Seller, to obtain the consents necessary to assign to Purchaser the Non-Assignable Assets before, at or after the Closing; provided, however, that neither Seller nor Purchaser shall be required to make any expenditure, incur any Liability, agree to any modification to any Contract or forego or alter any rights in connection with such efforts.

(b) Benefit of Non-Assignable Assets. To the extent that the consents referred to in Section 2.5(a) are not obtained by Seller, except as otherwise provided in the

Ancillary Documents to which Seller is a party, Seller's sole responsibility with respect to such Non-Assignable Assets shall be to use reasonable best efforts, at no cost to Seller, to (i) provide to Purchaser the benefits of any Non-Assignable Assets; (ii) cooperate in any reasonable and lawful arrangement designed to provide the benefits of any Non-Assignable Assets to Purchaser without incurring any financial obligation to Purchaser; and (iii) enforce for the account of Purchaser and at the cost of Purchaser any rights of Seller arising from any Non-Assignable Asset against such party or parties thereto; provided, however, that any such efforts described in clauses (i) through (iii) above shall be made only with the consent, and at the direction, of Purchaser. Without limiting the generality of the foregoing, with respect to any Non-Assignable Asset that is a Contract of Leased Real Property for which a consent is not obtained on or prior to the Initial Closing Date, Purchaser shall enter into a sublease containing the same terms and conditions as such lease (unless such lease by its terms prohibits such subleasing arrangement), and entry into and compliance with such sublease shall satisfy the obligations of the Parties under this Section 2.5(b) until such consent is obtained.

(c) Performance. If Purchaser is provided the benefits of any Non-Assignable Asset pursuant to Section 2.5(b), Purchaser shall perform, on behalf of the Seller, for the benefit of the issuer thereof or the other party or parties thereto, the obligations (including payment obligations) of the Seller thereunder or in connection therewith arising from and after the Final Closing Date and if Purchaser fails to perform to the extent required herein, Seller, without waiving any rights or remedies that it may have under this Agreement or applicable Laws, may (i) suspend its performance under Section 2.5(b) in respect of the Non-Assignable Asset that is the subject of such failure to perform unless and until such situation is remedied, or (ii) perform at Purchaser's sole cost and expense, in which case, Purchaser shall reimburse Seller's costs and expenses of such performance immediately upon receipt of an invoice therefor. To the extent that Purchaser is provided the benefits of any Non-Assignable Asset pursuant to Section 2.5(b), Purchaser shall indemnify, defend and hold Seller harmless from and against any and all Liabilities relating to such Non-Assignable Asset and arising from and after the Final Closing Date (other than such Damages that have resulted from the gross negligence or willful misconduct of Seller).

(d) No Termination; No Purchase Price Adjustment. For the avoidance of doubt, the inability of any Asset which by the terms of this Agreement is intended to be included in the Purchased Assets to be assigned or transferred to Purchaser at the Final Closing shall not (i) give rise to a basis for termination of this Agreement pursuant to ARTICLE VII or (ii) give rise to any right to any adjustment to the Purchase Price.

### ARTICLE 3. CLOSINGS; PURCHASE PRICE

SECTION 3.1. Closings. The parties shall hold an initial closing (the "Initial Closing") on the next business day (the "Initial Closing Date") after the Confirmation Order or Sale Approval Order, as applicable, becomes a Final Order. The parties shall hold a final closing (the "Final Closing") on the first business day as soon as possible (the "Final Closing Date") after the Purchaser obtains all approvals and licenses required for the consummation of the transactions contemplated by this Agreement. The transactions contemplated hereby shall take place at the office of Frost Brown Todd LLC, 250 West Main Street, Suite 2800, Lexington,

Kentucky 40507 or at such other place or such other date as the Parties may agree in writing pursuant to, and in accordance with, the protections afforded the Purchaser under Section 363(m) of the Bankruptcy Code) pursuant to the terms and conditions hereof.

SECTION 3.2. Purchase Price. In consideration of the transfer of the Purchased Assets and the Business, Purchaser agrees to pay for the Purchased Assets (the "Purchase Price"), consideration in the form of the assumption of the Assumed Liabilities, and the cash and shares of Parent common stock as follows:

(a) Administrative and Priority Claims. An amount not to exceed \$560,000 to pay the administrative and priority expenses of Settler's estate incurred pursuant to Section 503(b) of the Bankruptcy Code which are not otherwise being assumed pursuant to Section 2.3(a)(vi). At the Final Closing, Purchaser shall allow Seller to retain \$560,000 in cash as an Excluded Asset (the "Administrative Claim Payment"), but to the extent Seller does not have such proceeds available, Purchaser shall deliver the balance of such amount to Seller; provided, however, the Administrative Claim Payment shall be reduced dollar for dollar to the extent Purchaser assumes any such claims as an Assumed Liability. Seller shall pay all administrative and priority expenses approved by the Bankruptcy Court, including those set forth in Schedule 3.2(a)(i) to the extent approved by the Bankruptcy Court; provided, however, that on the date one year after the Final Closing Date, Seller shall return that portion of the Administrative Claim Payment remaining after payment of its administrative and priority expenses;

(b) Payment to Certain Seller Employees. \$4,000 for each employee of the Seller who is not offered employment with Purchaser, with the total of such amount to be distributed by Seller to such employees in amounts determined under the Plan or by other Order of the Bankruptcy Court, to be paid to Seller in such amount as authorized by the Bankruptcy Court, payable in cash by wire transfer of immediately available funds at the Final Closing ("Severance"); and

(c) LNS Shares. 200,000 shares in the form of Parent common stock ("LNS Shares"). The value of LNS Shares shall be fixed as of the Final Closing Date by taking the average closing price of LNS Shares for the 20 trading days immediately prior to the Final Closing Date. LNS Shares shall be issued among those individuals in the numbers set forth on Schedule 3.2(c) unless otherwise ordered by the Bankruptcy Court pursuant to the Confirmation Order or Sale Order, as applicable (collectively, the "Recipients," and each individually a "Recipient"); provided, however, (A) no Recipient shall be issued fractional shares, (B) all fractional shares shall be rounded to the nearest integer, and (C) all halves shall be rounded to the nearest even integer (e.g., 13.5 shall be rounded to 14 and 12.5 shall be rounded to 12).

SECTION 3.3. Payment of Purchase Price.

(a) Cash Payments. Cash payments of the Purchase Price shall be made on the Final Closing Date by wire transfer of immediately available funds.

(b) Assumed Liabilities. At the Final Closing, the Purchaser shall also assume the Assumed Liabilities, with the Purchaser agreeing to pay the Assumed Liabilities pursuant to this Agreement or any other agreements entered into by the Purchaser. The

Purchaser shall pay the Assumed Liabilities when such liabilities come due on or after the Final Closing Date.

(c) LNS Shares. Purchaser shall deliver the LNS Shares to the Recipients via certified mail or other agreed upon method on the Final Closing Date.

SECTION 3.4. LNS Shares.

(a) Restrictions. All LNS Shares issued pursuant to this Agreement shall be issued pursuant to 11 U.S.C. § 1145. Notwithstanding the foregoing, each Recipient shall be obligated to execute and deliver the Recipient Agreement attached hereto as Exhibit A (the "Recipient Agreement") pursuant to which each Recipient shall agree to certain contractual restrictions applicable to the LNS Shares, including without limitation that each Recipient shall agree that no holder of LNS Shares issued pursuant to this Agreement may transfer such shares during the 12 month period after issuance.

(b) Price Per Share. The price per share and number of LNS Shares to be issued pursuant to Section 3.2(c) shall be appropriately adjusted to reflect any recapitalization, merger, consolidation, combination, stock dividend or split, reverse stock split, spin-off, exchange of shares or similar corporate change as the Board of Directors of LNS may deem reasonably appropriate to prevent the enlargement or dilution of rights of Recipient to LNS Shares under this Agreement.

SECTION 3.5. Allocation of Purchase Price. Following the Closing, Purchaser shall also prepare and deliver to Seller a proposed allocation of the Purchase Price and other consideration paid in exchange for the Purchased Assets, prepared in accordance with Section 1060, and if applicable, Section 338, of the Tax Code (the "Allocation"). The Seller shall have thirty (30) days after the delivery of the Allocation to review and consent to the Allocation in writing, which consent shall not be unreasonably withheld, conditioned or delayed. If the Seller consents to the Allocation, Seller and Purchaser shall use such Allocation to prepare and file in a timely manner all appropriate Tax filings, including the preparation and filing of all applicable forms in accordance with applicable Law, including Forms 8594 and 8023, if applicable, with their respective Tax Returns for the taxable year that includes the Final Closing Date and shall take no position in any Tax Return that is inconsistent with such Allocation; provided, however, that nothing contained herein shall prevent the Seller and Purchaser from settling any proposed deficiency or adjustment by any Governmental Authority based upon or arising out of such Allocation, and neither the Seller nor Purchaser shall be required to litigate before any court, any proposed deficiency or adjustment by any Taxing Authority challenging such Allocation. If the Seller does not consent to such Allocation, the Seller shall notify Purchaser in writing of such disagreement within such thirty (30) day period, and thereafter, the Seller shall attempt in good faith to promptly resolve any such disagreement. If the Parties cannot resolve a disagreement under this Section 3.5, such disagreement shall be resolved by an independent accounting firm chosen by Purchaser and reasonably acceptable to the Seller, and such resolution shall be final and binding on the Parties. The fees and expenses of such accounting firm shall be borne equally by Purchaser, on the one hand, and the Seller, on the other hand. The Seller shall provide Purchaser, and Purchaser shall provide the

Seller, with a copy of any information described above required to be furnished to any Taxing Authority in connection with the transactions contemplated herein.

SECTION 3.6. Prorations. The following prorations relating to the Purchased Assets shall be made:

(a) Taxes. Except as provided in Section 2.3(a)(vi) and Section 2.3(a)(vii), in the case of Taxes with respect to a Straddle Period, for purposes of Excluded Liabilities, the portion of any such Tax that is allocable to Seller with respect to any Purchased Asset shall be:

(i) in the case of Taxes that are either (1) based upon or related to income or receipts, or (2) imposed in connection with any sale or other transfer or assignment of property (real or personal, tangible or intangible), other than Transfer Taxes, equal to the amount that would be payable if the taxable period ended on the Final Closing Date; and

(ii) in the case of Taxes imposed on a periodic basis, or otherwise measured by the level of any item, deemed to be the amount of such Taxes for the entire Straddle Period (after giving effect to amounts which may be deducted from or offset against such Taxes) (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period), multiplied by a fraction, the numerator of which is the number of days in the period ending on the Final Closing Date and the denominator of which is the number of days in the entire Straddle Period.

(iii) In the case of any Tax based upon or measured by capital (including net worth or long-term debt) or intangibles, any amount thereof required to be allocated under this clause (i) shall be computed by reference to the level of such items on the Final Closing Date. All determinations necessary to effect the foregoing allocations shall be made in a manner consistent with prior practice of the Seller.

(iv) All charges for water, wastewater treatment, sewers, electricity, fuel, gas, telephone, garbage and other utilities relating to the Transferred Real Property shall be prorated as of the Final Closing Date, with Seller being liable to the extent such items relate to the Pre-Closing Tax Period, and Purchaser being liable to the extent such items relate to the Post-Closing Tax Period.

(b) Prorations After Final Closing Date. If any of the foregoing proration amounts cannot be determined as of the Final Closing Date due to final invoices not being issued as of the Final Closing Date, Purchaser and Seller shall prorate such items as and when the actual invoices are issued to the appropriate Party. The Party owing amounts to the other by means of such prorations shall pay the same within thirty (30) days after delivery of a written request by the paying Party.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES

SECTION 4.1. Representations and Warranties of the Seller. The Seller represents and warrants to the Purchaser as follows:

(a) Organization and Good Standing. Seller is duly organized and validly existing under the Laws of its jurisdiction of organization. Subject to the limitations imposed on Seller as a result of having filed the Bankruptcy Case, Seller has all requisite corporate and authority to own, lease and operate its properties and assets and to carry on its business as now being conducted. Seller is duly qualified or licensed or admitted to do business, and is in good standing in (where such concept is recognized under applicable Law), the jurisdictions in which the ownership of its property or the conduct of its business requires such qualification or license, in each case, except where the failure to be so qualified, licensed or in good standing would not reasonably be expected to have a Material Adverse Effect. Seller has made available to Purchaser prior to the execution of this Agreement true and complete copies of Seller's Organizational Documents, in each case, as in effect on the date of this Agreement.

(b) Authorization; Enforceability. Subject to the entry and effectiveness of the Confirmation Order or Sale Approval Order, as applicable, Seller has the requisite corporate power and authority to (i) execute and deliver this Agreement and the Ancillary Agreements to which Seller is a party; (ii) perform its obligations hereunder and thereunder; and (iii) consummate the transactions contemplated by this Agreement and the Ancillary Agreements to which Seller is a party. Subject to the entry and effectiveness of the Confirmation Order or Sale Approval Order, as applicable, this Agreement constitutes, and each Ancillary Agreement, when duly executed and delivered by Seller that is a party thereto, shall constitute, a valid and legally binding obligation of Seller (assuming that this Agreement and such Ancillary Agreements constitute valid and legally binding obligations of Purchaser), enforceable against such Seller in accordance with its respective terms and conditions, except as enforceability may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer and other similar Laws relating to or affecting the enforcement of creditors' rights generally from time to time in effect and by general equitable principles relating to enforceability, including principles of commercial reasonableness, good faith and fair dealing.

(c) Noncontravention; Consents.

(i) Subject, in the case of clauses (A), (B) and (D), to the entry and effectiveness of the Confirmation Order or Sale Approval Order, as applicable, the execution, delivery and performance by Seller of this Agreement and the Ancillary Agreements to which it is a party, and (subject to the entry of the Confirmation Order or Sale Approval Order, as applicable) the consummation by Seller of the transactions contemplated hereby and thereby, do not (A) violate any Law to which the Purchased Assets are subject; (B) conflict with or result in a breach of any provision of the Organizational Documents of Seller; (C) result in a material breach or constitute a material default under, or create in any Person the right to terminate, cancel or accelerate any material obligation of Seller pursuant to any material Purchased Contract (including any material License); or (D) result in the creation or

imposition of any Encumbrance, other than a Permitted Encumbrance, upon the Purchased Assets, except for any of the foregoing in the case of clauses (A), (B) and (D), that would not reasonably be expected to have a Material Adverse Effect.

(ii) Subject to the entry and effectiveness of the Confirmation Order or Sale Approval Order, as applicable, no consent, waiver, approval, Order, Permit, qualification or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority (other than the Bankruptcy Court) is required by Seller for the consummation by Seller of the transactions contemplated by this Agreement or by the Ancillary Agreements to which such Seller is a party or the compliance by such Seller with any of the provisions hereof or thereof, except for (A) compliance with the applicable requirements of any Antitrust Laws and (B) such consent, waiver, approval, Order, Permit, qualification or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority, the failure of which to be received or made would not reasonably be expected to have a Material Adverse Effect.

(d) Compliance with Laws; Permits.

(i) Seller is in compliance with and is not in default under or in violation of any applicable Law, except where such non-compliance, default or violation would not reasonably be expected to have a Material Adverse Effect.

(ii) Seller has all Permits necessary for such Seller to own, lease and operate the Purchased Assets where the failure to possess such Permits would not reasonably be expected to have a Material Adverse Effect. All such Permits are in full force and effect, except where the failure to be in full force and effect would not reasonably be expected to have a Material Adverse Effect.

(e) Title to and Sufficiency of Assets.

(i) Subject to the entry and effectiveness of the Confirmation Order or Sale Approval Order, as applicable, at the Final Closing, Seller will obtain good and marketable title to, or a valid and enforceable right by Contract to use, the Purchased Assets, which shall be transferred to Purchaser, free and clear of all Encumbrances other than Permitted Encumbrances.

(ii) The tangible Purchased Assets of Seller are in normal operating condition and repair, subject to ordinary wear and tear, and sufficient for the operation of the Business as currently conducted, except where such instances of noncompliance with the foregoing would not reasonably be expected to have a Material Adverse Effect.

(f) Contracts. As of the date of this Agreement, other than as set forth on Schedule 4.1(f), neither the Seller nor any other party to any of the Contracts has commenced any action against any of the parties to such Contracts or given or received any written notice of any material default or violation under any Contract that was not withdrawn or dismissed, except only for those defaults that will be cured in accordance with the Plan (or that need not be cured under the Bankruptcy Code to permit the assumption and assignment of the Contracts). Each of

the Contracts is, or will be at the Final Closing, valid, binding and in full force and effect against the Seller, except as otherwise set forth on Schedule 4.1(f).

(g) Permits. Schedule 2.1(h) sets forth a complete and correct list of all Permits currently held by the Seller in connection with the Business.

(h) Environmental Laws. Except as would not reasonably be expected to have a Material Adverse Effect, (i) Seller has conducted its business on the Transferred Real Property in compliance with all applicable Environmental Laws; (ii) none of the Transferred Real Property currently contains any Hazardous Materials, which could reasonably be expected to give rise to an undisclosed Liability under applicable Environmental Laws; (iii) as of the date of this Agreement, Seller has not received any currently unresolved written notices, demand letters or written requests for information from any Governmental Authority indicating that such entity may be in violation of any Environmental Law in connection with the ownership or operation of the Transferred Real Property; and (d) no Hazardous Materials have been transported in violation of any applicable Environmental Law, or in a manner reasonably foreseen to give rise to any Liability under any Environmental Law, from any Transferred Real Property as a result of any activity of Seller.

(i) Investigations; Litigation. There is no investigation or review pending by any Governmental Authority with respect to the Seller that would reasonably be expected to have a Material Adverse Effect, and there are no actions, suits, inquiries or proceedings, or investigations, pending against Seller, or relating to any of the Transferred Real Property, at law or in equity before, and there are no Orders of or before, any Governmental Authority, in each case that would reasonably be expected to have a Material Adverse Effect.

(j) Tax Matters. Except as would not reasonably be expected to have a Material Adverse Effect, (i) all Tax Returns required to have been filed by with respect to or on behalf of Seller have been timely filed (taking into account any extension of time to file granted or obtained) and are correct and complete in all respects, (ii) all amounts of Tax required to be paid with respect to Seller (whether or not shown on any Tax Return) have been timely paid or are being contested in good faith by appropriate proceedings and have been reserved for in accordance with GAAP in Seller's audited financial statements, (iii) no deficiency for any amount of Tax has been asserted or assessed by a Taxing Authority in writing relating to Seller that has not been satisfied by payment, settled or withdrawn, (iv) there are no audits, Claims or controversies currently asserted or threatened in writing with respect to Seller in respect of any amount of Tax or failure to file any Tax Return, (v) Seller has not agreed to any extension or waiver of the statute of limitations applicable to any Tax Return, or agreed to any extension of time with respect to a Tax assessment or deficiency, which period (after giving effect to such extension or waiver) has not yet expired, (vi) Seller is not a party to or the subject of any ruling requests, private letter rulings, closing agreements, settlement agreements or similar agreements with any Taxing Authority for any periods for which the statute of limitations has not yet run, (vii) Seller (A) has no Liability for Taxes of any Person, including as a transferee or successor, or pursuant to any contractual obligation (other than pursuant to any commercial Contract not primarily related to Tax), or (B) is a party to or bound by any Tax sharing agreement, Tax allocation agreement or Tax indemnity agreement (in every case, other than this Agreement and those Tax sharing, Tax allocation or Tax



indemnity agreements that will be terminated prior to Closing and with respect to which no post-Closing Liabilities will exist), (viii) Seller has withheld or collected all Taxes required to have been withheld or collected and, to the extent required, has paid such Taxes to the proper Taxing Authority, (ix) Seller will not be required to make any adjustments in taxable income for any Tax period (or portion thereof) ending after the Final Closing Date, including pursuant to Section 481(a) or 263A of the Tax Code or any similar provision of foreign, provincial, state, local or other Law as a result of transactions or events occurring, or accounting methods employed, prior to the Closing, nor is any application pending with any Taxing Authority requesting permission for any changes in accounting methods that relate to Seller; (x) the Assumed Liabilities were incurred through the Ordinary Course of Business, (xi) there are no Tax Encumbrances on any of the Purchased Assets (other than Permitted Encumbrances), and (xii) there are no unpaid Taxes with respect to Seller or Purchased Asset for which Purchaser will have liability as a transferee or successor.

(k) Intellectual Property and IT Systems.

(i) Schedule 2.1(f) sets forth certain of the Intellectual Property, including, but not limited to: (A) all fictional business names, trade names, registered trademarks and service marks, and related applications used in respect of the Business. The Seller has not used, and is currently not using any corporate or fictional business names other than those names listed on Schedule 2.1(f); (B) all patents and patent applications that relate to the Business; and (C) all copyright registrations in both published works and unpublished works used in the Business.

(ii) Except as would not reasonably be expected to have a Material Adverse Effect: (A) Seller owns, controls, or otherwise possesses sufficient rights to use, free and clear of all Encumbrances (other than Permitted Encumbrances) all Intellectual Property necessary for the conduct of its business in substantially the same manner as conducted as of the date hereof; and (B) all Intellectual Property owned by Seller that is necessary for the conduct of the Business as conducted as of the date hereof is subsisting and in full force and effect, has not been adjudged invalid or unenforceable, has not been abandoned or allowed to lapse, in whole or in part, and is valid and enforceable.

(iii) Except as would not reasonably be expected to have a Material Adverse Effect, all necessary registration, maintenance and renewal fees in connection with the Intellectual Property owned by Seller has been paid and all necessary documents and certificates in connection with such Intellectual Property have been filed with the relevant patent, copyright, trademark or other authorities in the United States or applicable foreign jurisdictions, as the case may be, for the purposes of prosecuting, maintaining or renewing such Intellectual Property.

(iv) Except as would not reasonably be expected to have a Material Adverse Effect, no Intellectual Property owned by Seller is the subject of any licensing or franchising Contract that prohibits or materially restricts the conduct of business as presently conducted by Seller or the transfer of such Intellectual Property.

(v) Except as would not reasonably be expected to have a Material Adverse Effect: (A) the Intellectual Property or the conduct of the Business does not infringe, misappropriate, dilute, or otherwise violate or conflict with the trademarks, patents, copyrights, inventions, trade secrets, proprietary information and technology, know-how, formulae, rights of publicity or any other intellectual property rights of any Person; (B) no other Person is now infringing or in conflict with any Intellectual Property owned by Seller or Seller's rights thereunder; and (C) Seller has not received any written notice that it is violating or has violated the trademarks, patents, copyrights, inventions, trade secrets, proprietary information and technology, know-how, formulae, rights of publicity or any other intellectual property rights of any third party.

(vi) Except as would not reasonably be expected to have a Material Adverse Effect, no holding, decision or judgment has been rendered by any Governmental Authority against Seller, which would limit, cancel or invalidate any Intellectual Property owned by Seller.

(vii) No action or proceeding is pending, or to the knowledge of Seller, threatened, on the date hereof that (A) seeks to limit, cancel or invalidate any Intellectual Property owned by Seller or Seller's ownership interest therein; and (B) if adversely determined, would reasonably be expected to have a Material Adverse Effect.

(viii) Except as would not reasonably be expected to have a Material Adverse Effect, Seller has taken reasonable action to (A) maintain, enforce and police its Intellectual Property; and (B) protect its material Software, websites and other systems (and the information therein) from unauthorized access or use.

(ix) Except as would not reasonably be expected to have a Material Adverse Effect: (A) Seller has taken reasonable steps to protect its rights in, and confidentiality of, all the Trade Secrets, and any other confidential information owned by Seller; and (B) to the knowledge of Seller, such Trade Secrets have not been disclosed by Seller to any Person except pursuant to a valid and appropriate non-disclosure, license or any other appropriate Contract that has not been breached.

(x) Except as would not reasonably be expected to have a Material Adverse Effect, there has not been any malfunction with respect to any of the Software, electronic data processing, data communication lines, telecommunication lines, firmware, hardware, Internet websites or other information technology equipment of Seller which has not been remedied or replaced in all respects.

(xi) Except as would not reasonably be expected to have a Material Adverse Effect: (A) the consummation of the transactions contemplated by this Agreement will not cause to be provided or licensed to any third Person, or give rise to any rights of any third Person with respect to, any source code that is part of the Software owned by Seller; and (B) Seller has implemented reasonable disaster recovery and back-up plans with respect to the Software.

(l) Real Property. Seller owns and has valid title to the Transferred Real Property that is Owned Real Property owned by it and has valid leasehold or subleasehold interests, as the case may be, in all of the Transferred Real Property that is Leased Real Property leased or subleased by it, in each case, free and clear of all Encumbrances, other than Permitted Encumbrances. Seller has complied with the terms of each lease, sublease, license or other Contract relating to the Transferred Real Property to which it is a party, except any failure to comply that would not reasonably be expected to have a Material Adverse Effect.

(m) Financial Information. The financial statements of the Seller and delivered to the Purchaser fairly present the financial condition and the results of operations, changes in stockholders' equity, and cash flow for the Business as of the respective dates and for the periods referred to therein, all in accordance with GAAP, consistently applied.

(n) Employee Benefit Plans and Policies.

(i) Schedule 4.1(n) sets forth all Employee Benefit Plans and Policies (each individually a "Benefit Plan"). Seller has made available to Purchaser true, complete and correct copies of (i) each Benefit Plan, (ii) the three (3) most recent annual reports on Form 5500 (including all schedules and attachments thereto) filed with the IRS with respect to each such Benefit Plan (if any such report was required by applicable Law), (iii) the most recent accounting report showing the assets held by and individual account statements under any such Benefit Plan that is a defined contribution retirement plan, (iv) each trust agreement and insurance or annuity Contract or other funding or financing arrangement relating to such Benefit Plan and (v) any material written communications received by Seller from any Governmental Authority relating to a Benefit Plan.

(ii) Except as would not reasonably be expected to have a Material Adverse Effect, (i) each Benefit Plan has been administered in accordance with its terms, (ii) Seller and each Benefit Plan is in compliance with the applicable provisions of ERISA, the Tax Code, all other applicable Laws (including Section 409A of the Tax Code, TARP or under any enhanced restrictions on executive compensation agreed to by Seller), (iii) there are no (A) investigations by any Governmental Authority, (B) termination proceedings or other Claims (except routine Claims for benefits payable under any Benefit Plans) or (C) Claims, in each case, against or involving any Benefit Plan or asserting any rights to or Claims for benefits under any Benefit Plan that could give rise to any Liability, and there are not any facts or circumstances that could give rise to any Liability in the event of any such Claim and (iv) each Benefit Plan that is intended to be a Tax-qualified plan under Section 401(a) of the Tax Code (or similar provisions for Tax-registered or Tax-favored plans of non-United States jurisdictions) is qualified and any trust established in connection with any Benefit Plan that is intended to be exempt from taxation under Section 501(a) of the Tax Code (or similar provisions for Tax-registered or Tax-favored plans of non-United States jurisdictions) is exempt from United States federal income Taxes under Section 501(a) of the Tax Code (or similar provisions under non-United States law). To the Knowledge of Seller, no circumstance and no fact or event exists that would be reasonably expected to adversely affect the qualified status of any Benefit Plan.

(iii) No Benefit Plan that is an “employee pension benefit plan” (as defined in Section 3(2) of ERISA) has failed to satisfy, as applicable, the minimum funding standards (as described in Section 302 of ERISA or Section 412 of the Tax Code), whether or not waived, nor has any waiver of the minimum funding standards of Section 302 of ERISA or Section 412 of the Tax Code been requested.

(iv) Seller (i) has no actual or contingent Liability (A) under any employee benefit plan subject to Title IV of ERISA other than the Benefit Plans (except for contributions not yet due), or (B) under any “multiemployer plan” (as defined in Section 3(37) of ERISA), or (ii) will incur withdrawal Liability under Title IV of ERISA as a result of the consummation of the transactions contemplated hereby, except for Liabilities with respect to any of the foregoing that would not reasonably be expected to have a Material Adverse Effect.

(v) Neither the execution of this Agreement or any Ancillary Agreement nor the consummation of the transactions contemplated hereby (alone or in conjunction with any other event, including termination of employment) will entitle any member of the board of directors of Seller or any Transferred Employee who is an officer or member of senior management of Seller to any increase in compensation or benefits, any grant of severance, retention, change in control or other similar compensation or benefits, any acceleration of the time of payment or vesting of any compensation or benefits (but not including, for this purpose, any retention, stay bonus or other incentive plan, program, arrangement that is an Assumed Liability) or will require the securing or funding of any compensation or benefits or limit the right of Seller or Purchaser to amend, modify or terminate any Benefit Plan. Any new grant of severance, retention, change in control or other similar compensation or benefits to any Employee, and any payout to any Transferred Employee under any such existing arrangements, that would otherwise occur as a result of the execution of this Agreement or any Ancillary Agreement (alone or in conjunction with any other event, including termination of employment), has been waived by such Employee or otherwise cancelled.

(vi) No amount or other entitlement currently in effect that could be received (whether in cash or property or the vesting of property) as a result of the actions contemplated by this Agreement and the Ancillary Agreements (alone or in combination with any other event) by any Person who is a “disqualified individual” (as defined in Treasury Regulation Section 1.280G-1) (each, a “Disqualified Individual”) with respect to Seller would be an “excess parachute payment” (as defined in Section 280G(b)(1) of the Tax Code). No Disqualified Individual or Employee is entitled to receive any additional payment (e.g., any Tax gross-up or any other payment) from Seller in the event that the additional or excise Tax required by Section 409A or 4999 of the Tax Code, respectively is imposed on such individual.

SECTION 4.2. Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to the Seller as follows:

(a) Organization and Good Standing. Purchaser is a legal entity duly organized, validly existing and in good standing under the Laws of the Commonwealth of

Kentucky. Purchaser has the requisite limited liability company power and authority to own, lease and operate its assets and to carry on its business as now being conducted.

(b) Authorization; Enforceability.

(i) Purchaser has the requisite limited liability company power and authority to (A) execute and deliver this Agreement and the Ancillary Agreements to which it is a party; (B) perform its obligations hereunder and thereunder; and (C) consummate the transactions contemplated by this Agreement and the Ancillary Agreements to which it is a party.

(ii) This Agreement constitutes, and each of the Ancillary Agreements to which Purchaser is a party, when duly executed and delivered by Purchaser, shall constitute, a valid and legally binding obligation of Purchaser (assuming that this Agreement and such Ancillary Agreements constitute valid and legally binding obligations of Seller and the other applicable parties thereto), enforceable against Purchaser in accordance with its respective terms and conditions, except as may be limited by applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer and other similar Laws relating to or affecting the enforcement of creditors' rights generally from time to time in effect and by general equitable principles relating to enforceability, including principles of commercial reasonableness, good faith and fair dealing.

(c) Noncontravention; Consents.

(i) The execution and delivery by Purchaser of this Agreement and the Ancillary Agreements to which it is a party, and (subject to the entry of the Confirmation Order or Sale Approval Order, as applicable) the consummation by Purchaser of the transactions contemplated hereby and thereby, do not (A) violate any Law to which Purchaser or its assets is subject; (B) conflict with or result in a breach of any provision of the Organizational Documents of Purchaser; or (C) create a breach, default, termination, cancellation or acceleration of any obligation of Purchaser under any Contract to which Purchaser is a party or by which Purchaser or any of its assets or properties is bound or subject, except for any of the foregoing in the cases of clauses (A) and (C), that would not reasonably be expected to have a material adverse effect on Purchaser's ability to consummate the transactions contemplated hereby or thereby or to perform any of its obligations under this Agreement or any Ancillary Agreement to which it is a party (a "Purchaser Material Adverse Effect").

(ii) No consent, waiver, approval, Order, Permit or authorization of, or declaration or filing with, or notification to, any Person or Governmental Authority is required by Purchaser for the consummation by Purchaser of the transactions contemplated by this Agreement or the Ancillary Agreements to which it is a party or the compliance by Purchaser with any of the provisions hereof or thereof, except for (A) compliance with the applicable requirements of any Antitrust Laws and (B) such consent, waiver, approval, Order, Permit, qualification or authorization of, or declaration or filing with, or notification to, any Governmental Authority, the failure of which to be received or made would not, individually or in the aggregate, reasonably be expected to have a Purchaser Material Adverse Effect.

(d) Availability of Funds. On the Final Closing Date, the Purchaser will have sufficient funds available to finance and consummate the transactions contemplated by this Agreement, including the payment of the Purchase Price and the satisfaction of the Assumed Liabilities.

SECTION 4.3. Warranties Exclusive. The parties acknowledge that the representations and warranties contained in Article 4 are the only representations or warranties given by the parties and that all other express or implied warranties are disclaimed. Without limiting the foregoing the Purchaser acknowledges that the Purchased Assets are conveyed “AS IS”, “WHERE IS” and “WITH ALL FAULTS” and that all warranties of merchantability or fitness for a particular purpose are disclaimed. WITHOUT LIMITING THE FOREGOING THE PURCHASER ACKNOWLEDGES THAT THE SELLER AND ITS RELATED PERSONS HAVE MADE NO REPRESENTATION OR WARRANTY CONCERNING (I) ANY USE TO WHICH THE PURCHASED ASSETS MAY BE PUT, (II) ANY FUTURE REVENUES, COSTS, EXPENDITURES, CASH FLOW, RESULTS OF OPERATIONS, FINANCIAL CONDITION OR PROSPECTS THAT MAY RESULT FROM THE OWNERSHIP, USE OR SALE OF THE PURCHASED ASSETS OR THE ASSUMPTION OF THE ASSUMED LIABILITIES, (III) ANY OTHER INFORMATION OR DOCUMENTS MADE AVAILABLE TO THE PURCHASER OR ITS AFFILIATES OR RELATED PERSONS, OR (IV) EXCEPT AS EXPRESSLY SET FORTH IN SECTION 4.1, THE CONDITION OF THE PURCHASED ASSETS, INCLUDING, WITHOUT LIMITATION, COMPLIANCE WITH ANY ENVIRONMENTAL LAWS OR OTHER LAWS.

#### ARTICLE 5. COVENANTS AND OTHER AGREEMENTS.

##### SECTION 5.1. Access to Information.

(a) Access to Seller’s Executives. Seller agrees that, until the earlier of the Executory Contract Designation Deadline and the termination of this Agreement, Purchaser shall be entitled, through its Related Persons or otherwise, to have reasonable access to the executive officers and Related Persons of Seller and the properties and other facilities, businesses, books, Contracts, personnel, records and operations (including the Purchased Assets and Assumed Liabilities) of Seller, including access to systems, data, databases for benefit plan administration; provided however, that no such investigation or examination shall be permitted to the extent that it would, in Seller’s reasonable determination, require Seller or any of its Related Persons to disclose information subject to attorney-client privilege or in conflict with any confidentiality agreement to which Seller or its Related Persons are bound (in which case, to the extent requested by Purchaser, Seller will use reasonable best efforts to seek an amendment or appropriate waiver, or necessary consents, as may be required to avoid such conflict, or restructure the form of access, so as to permit the access requested). If any material is withheld pursuant to this Section 5.1(a), Seller shall inform Purchaser in writing as to the general nature of what is being withheld and the reason for withholding such material.

(b) Confidentiality. Any investigation and examination contemplated by, and any information obtained by Purchaser under, this Section 5.1 shall be kept confidential. Seller shall cooperate, and shall cause its Related Persons to cooperate, with Purchaser and its Related Persons in connection with such investigation and examination, and each of

Purchaser and its Related Persons shall use their reasonable best efforts to not materially interfere with the Business. Without limiting the generality of the foregoing, subject to Section 5.1(a), such investigation and examination shall include reasonable access to Seller's executive officers (and employees of Seller), offices, properties and other facilities, and books, Contracts and records (including any document retention policies of Seller) and access to accountants of Seller (provided that Seller shall have the right to be present at any meeting between any such accountant and Purchaser or Representative of Purchaser, whether such meeting is in person, telephonic or otherwise) and Seller and its Related Persons shall prepare and furnish to Purchaser's Related Persons such additional financial and operating data and other information as Purchaser may from time to time reasonably request, subject, in each case, to the confidentiality restrictions outlined in this Section 5.1. Notwithstanding anything contained herein to the contrary, Purchaser shall consult with Seller prior to conducting any environmental investigations or examinations of any nature, including Phase I and Phase II site assessments and any environmental sampling in respect of the Transferred Real Property.

SECTION 5.2. Conduct of Business.

(a) Operations. Except as (i) otherwise expressly contemplated by or permitted under this Agreement; (ii) disclosed on Schedule 5.2; (iii) approved by the Bankruptcy Court (or any other court or other Governmental Authority in connection with any other bankruptcy, insolvency or similar proceeding filed by or in respect of Seller); or (iv) required by or resulting from any changes to applicable Laws, from and after the date of this Agreement and until the earlier of the Final Closing and the termination of this Agreement, Seller shall (A) conduct its operations in the Ordinary Course of Business, (B) not take any action inconsistent with this Agreement or with the consummation of the Final Closing, (C) use reasonable best efforts to preserve in the Ordinary Course of Business and in all material respects the present relationships of Seller with its respective customers, suppliers and others having significant business dealings with them, (D) not take any action to cause Seller's representations and warranties set forth in ARTICLE IV to be untrue in any material respect as of any such date when such representation or warranty is made or deemed to be made and (E) not take any action that would reasonably be expected to materially prevent or delay the Closing. Subject to the exceptions contained in clauses (i) through (iv) of this Section 5.2(a), Seller agrees that, from and after the date of this Agreement and until the earlier of the Final Closing and the termination of this Agreement, without the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed), Seller shall not:

(i) declare, set aside or pay any dividend or make any distribution (whether in cash, securities or other property or by allocation of additional Indebtedness to Seller);

(ii) directly or indirectly, purchase, redeem or otherwise acquire any Equity Interests or any rights to acquire any Equity Interests of Seller;

(iii) materially change any of its financial accounting policies or procedures or any of its methods of reporting income, deductions or other material items for financial accounting purposes, except as permitted by GAAP, a SEC rule, regulation or policy or applicable Law, or as modified as a result of the filing of the Bankruptcy Case;

(iv) adopt any amendments to its Organizational Documents;

(v) sell, pledge, lease, transfer, assign or dispose of any Purchased Asset or permit any Purchased Asset to become subject to any Encumbrance, other than a Permitted Encumbrance, in each case, except in the Ordinary Course of Business or pursuant to a Contract in existence as of the date hereof (or entered into in compliance with this Section 5.2);

(vi) (A) incur or assume any Indebtedness for borrowed money or issue any debt securities, or (B) assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other Person;

(vii) discharge or satisfy any Indebtedness other than the discharge or satisfaction of any Indebtedness when due in accordance with its originally scheduled terms;

(viii) (A) increase the compensation or benefits of any Employee of Seller (except for increases in salary or wages in the Ordinary Course of Business with respect to Employees who are not current or former directors or officers of Seller), (B) grant any severance or termination pay to any Employee of Seller other than in the Ordinary Course of Business or as otherwise provided in this Agreement, (C) establish, adopt, enter into, amend or terminate any Benefit Plan (including any change to any actuarial or other assumption used to calculate funding obligations with respect to any Benefit Plan or any change to the manner in which contributions to any Benefit Plan are made or the basis on which such contributions are determined), other than in the Ordinary Course of Business or as otherwise provided in this Agreement, except where any such action would reduce Seller's costs or Liabilities pursuant to such plan, (D) grant any awards under any Benefit Plan (including any equity or equity-based awards), (E) increase or promise to increase or provide for the funding under any Benefit Plan, (F) forgive any loans to Employees of Seller or (G) exercise any discretion to accelerate the time of payment or vesting of any compensation or benefits under any Benefit Plan;

(ix) acquire (including by merger, consolidation, combination or acquisition of Equity Interests or assets) any Person or business or division thereof (other than acquisitions in the Ordinary Course of Business);

(x) enter into any Contract that limits or otherwise restricts or that would reasonably be expected to, after the Final Closing, restrict or limit in any material respect (A) Purchaser or any of its Subsidiaries or any successor thereto or (B) any Affiliates of Purchaser or any successor thereto, in the case of each of clause (A) or (B), from engaging or competing in any line of business or in any geographic area;

(xi) except as disclosed on Schedule 5.2(a)(xi), enter into any new Contracts for capital expenditures in connection with any single project or group of related projects; and

(xii) agree, in writing or otherwise, to take any of the foregoing actions.



(b) Notice; Consent. Seller shall and Purchaser shall use reasonable best efforts to, promptly give all notices to, obtain all material consents, approvals or authorizations from, and file all notifications and related materials with, any third parties (including any Governmental Authority) that may be or become necessary to be given or obtained by Seller, or Purchaser, respectively, in connection with the transactions contemplated by this Agreement. Seller and Purchaser shall, to the extent permitted by Law, promptly notify the other Party of any communication it or any of its Affiliates receives from any Governmental Authority relating to the transactions contemplated by this Agreement and permit the other Party to review in advance any proposed substantive communication by such Party to any Governmental Authority.

### SECTION 5.3. Plan; Bankruptcy Court Approval.

(a) Approval; Alternative Transaction. This Agreement is subject to approval by the Bankruptcy Court. Nothing contained herein shall be construed to prohibit Seller and its Related Persons from soliciting, considering, negotiating, agreeing to, or otherwise taking action in furtherance of, any Alternative Transaction but only to the extent that Seller determines in good faith that such actions are permitted or required by the Law or the Plan.

(b) Plan; Confirmation Order; Sale Approval Order. As soon as practicable after the date hereof, but in any event no later than five (5) Business Days hereafter, Seller shall file with the Bankruptcy Court a Plan and Disclosure Statement (and related notices and proposed Orders) (the "Plan"), in form and substance reasonably satisfactory to Purchaser, seeking entry of a confirmation order, in such form that is reasonably satisfactory to Purchaser (the "Confirmation Order"). If reasonably requested by Purchaser, Seller shall file a motion to seek approval of the Bankruptcy Court to sell the Assets and the Business to Purchaser independent of the Plan pursuant to Section 363 of the Bankruptcy Code pursuant to an Order approved by Purchaser (the "Sale Approval Order"). Seller shall use reasonable best efforts to obtain entry by the Bankruptcy Court of the Confirmation Order as soon as practicable. To the extent reasonably practicable, Seller shall consult with and provide Purchaser a reasonable opportunity to review and comment on material motions, applications and supporting papers prepared by Seller in connection with this Agreement prior to the filing or delivery thereof in the Bankruptcy Case.

(c) Confirmation Hearing. Seller shall use its reasonable best efforts to (i) file with the Bankruptcy Court the Plan and Disclosure Statement as soon as practicable, and in no event later than June 30, 2010; (ii) cause the Bankruptcy Court to hold the Disclosure Statement hearing as soon as practicable according to applicable law, and in no event later than July 16, 2010; (iii) cause the Bankruptcy Court to hold the Confirmation Hearing as soon as practicable, and in no event later than August 9, 2010; and (iv) obtain entry of the Confirmation Order on the Bankruptcy Court's docket as soon as practicable, and in no event no later than August 13, 2010 provided, however, that any of the deadlines set forth above (collectively, the "Bankruptcy Deadlines") shall be shortened at the request of Purchaser by Seller filing such motions to be approved by the Bankruptcy Court or, alternatively, may be extended by agreement of the parties hereto or the Bankruptcy Court.

(d) Compliance with Law. Seller shall use reasonable best efforts to comply (or obtain an Order from the Bankruptcy Court waiving compliance) with all requirements under the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure in connection with obtaining approval of the transactions contemplated by this Agreement, including serving on all required Persons in the Bankruptcy Case (including all holders of Encumbrances and parties to the Purchased Contracts), a notice of the Plan, related hearings and any objection deadline related thereto, all in accordance with the Federal Rules of Bankruptcy Procedure (as modified by Orders of the Bankruptcy Court), or other Orders of the Bankruptcy Court and any applicable local rules of the Bankruptcy Court.

(e) Purchaser's Review and Comment. Seller shall provide Purchaser with a reasonable opportunity to review and comment on all motions, applications and supporting papers prepared by Seller in connection with this Agreement (including forms of Orders and of notices to interested parties) prior to the filing or delivery thereof in the Bankruptcy Case. All motions, applications and supporting papers prepared by Seller and relating to the approval of this Agreement (including forms of Orders and of notices to interested parties) to be filed or delivered on behalf of Seller shall be reasonably acceptable in form and substance to Purchaser. Seller shall provide written notice to Purchaser of all matters that are required to be served on Seller's creditors pursuant to the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure. In the event the Confirmation Order or Sale Approval Order, if applicable, is appealed, Seller shall use its reasonable best efforts to defend such appeal.

(f) Cooperation. Purchaser agrees, to the extent reasonably requested by Seller, to cooperate with and assist Seller in seeking entry of the Confirmation Order or Sale Approval Order, if applicable, by the Bankruptcy Court, including attending all hearings related thereto.

SECTION 5.4. Supplements to Excluded Assets; Assumed Liabilities and Excluded Liabilities.

(a) Supplements Generally. Subject to Section 5.4, Purchaser shall, until the date that is two (2) Business Days prior to the hearing, for confirmation of the Plan (the "Confirmation Hearing") have the right to designate in writing (i) additional assets it wishes to designate as "Excluded Assets" on Schedule 2.2(k) (and may remove any Purchased Asset identified on Schedules 2.1 (c) through (h)), and (ii) additional Liabilities it wishes to designate as "Assumed Liabilities" on Schedule 2.3(a)(xi). Promptly upon Purchaser's designation of an additional asset as an "Excluded Asset" or an additional Liability as an "Assumed Liability," the appropriate Schedule shall be updated to reflect such designation and such additional asset or additional Liability shall thereafter be deemed to be an Excluded Asset or Assumed Liability, as applicable, for all purposes under this Agreement.

(b) Workers' Compensation Claims. Until the date that is two (2) Business Days prior to the Confirmation Hearing, Purchaser and Seller may mutually agree and jointly designate in writing any workers' compensation Claims against Seller they wish to designate or remove as an additional Excluded Liability Schedule 2.3(b)(ix).

SECTION 5.5. Assumption or Rejection of Contracts.

(a) Assumable Executory Contracts. Schedule 5.5(a), the “Assumable Executory Contract Schedule” sets forth a list of Executory Contracts entered into by Seller that Seller may assume and assign to Purchaser in accordance with this Section 5.5(a) (each, an “Assumable Executory Contract”). Any Contract identified on Schedule 5.5(a) shall automatically be designated as an Assumed Executory Contract and deemed to be set forth on the Assumed Executory Contract Schedule. Purchaser may, from the date hereof until the Executory Contract Designation Deadline, designate in writing any additional Executory Contract it wishes to designate as an Assumable Executory Contract and include on the Assumable Executory Contract Schedule, or any Assumable Executory Contract it no longer wishes to designate as an Assumable Executory Contract and remove from the Assumable Executory Contract Schedule; provided, however, that (i) Purchaser may not designate as an Assumable Executory Contract any (A) Rejectable Executory Contract, unless Seller has consented to such designation in writing or (B) Contract that has previously been rejected by Seller pursuant to Section 365 of the Bankruptcy Code, and (ii) Purchaser may not remove from the Assumable Executory Contract Schedule (x) any Contract on Schedule 5.5(a), and (y) any Contract that has been previously assumed by Seller pursuant to Section 365 of the Bankruptcy Code, unless Seller has consented to such removal in writing (such consent not to be unreasonably withheld, conditioned or delayed). For each Assumable Executory Contract, the Purchaser must determine, prior to the Executory Contract Designation Deadline, the date on which it seeks to have the assumption and assignment become effective, which date may be the Final Closing or a later date (but not an earlier date). The term “Executory Contract Designation Deadline” shall mean the date that is thirty (30) calendar days following the Final Closing, or if such date is not a Business Day, the next Business Day, or if mutually agreed upon by the Parties, any later date up to and including the Business Day immediately prior to the date of the confirmation hearing for Seller’s plan of liquidation or reorganization.

(b) Rejectable Executory Contracts; Notice. Seller may, from the date hereof until the Executory Contract Designation Deadline, provide written notice (a “Notice of Intent to Reject”) to Purchaser of Seller’s intent to designate any Executory Contract (that has not been designated as an Assumable Executory Contract or a Deferred Executory Contract) as a Rejectable Executory Contract (each a “Proposed Rejectable Executory Contract”). Following receipt of a Notice of Intent to Reject, Purchaser shall as soon as reasonably practicable, but in no event later than ten (10) calendar days following receipt of a Notice of Intent to Reject (the “Option Period”), provide Seller written notice of Purchaser’s designation of one or more Proposed Rejectable Executory Contracts identified in such Notice of Intent to Reject as an Assumable Executory Contract; provided, however, if the Notice of Intent to Reject is received by Purchaser at or after Final Closing and prior to the Executory Contract Designation Deadline, Purchaser may, in lieu of designating such Proposed Rejectable Executory Contract as an Assumable Executory Contract, designate such Proposed Rejectable Executory Contract as a Contract subject to subsequent designation by Purchaser as an Assumable Executory Contract pursuant to Section 5.5(a) (each a “Deferred Executory Contract”). Each Proposed Rejectable Executory Contract that has not been designated by Purchaser as an Assumable Executory Contract or Deferred Executory Contract during the applicable Option Period shall automatically, without further action by Seller, be designated as

an Executory Contract that Seller may, but are not obligated to, reject pursuant Section 365 of the Bankruptcy Code (a “Rejectable Executory Contract”).

(c) Assumption Effective Date. All Assumable Executory Contracts shall be assumed and assigned to Purchaser on the date (the “Assumption Effective Date”) that is the later of (i) the date designated by the Purchaser and (ii) the date following expiration of the objection deadline if no objection, other than to the Cure Amount, has been timely filed or the date of resolution of any objection unrelated to Cure Amount, as provided in the Plan; provided, however, that in the case of all Assumable Executory Contracts identified on Schedule 5.5(a), the Assumption Effective Date shall be the Final Closing Date. On the Assumption Effective Date for any Assumable Executory Contract, such Assumable Executory Contract shall be deemed to be a Purchased Contract hereunder. If it is determined under the procedures set forth in the Plan that Seller may not assume and assign to Purchaser any Assumable Executory Contract, such Executory Contract shall cease to be an Assumable Executory Contract and shall be an Excluded Contract and a Rejectable Executory Contract. Notwithstanding anything else to the contrary herein, any Executory Contract that has not been specifically designated as an Assumable Executory Contract as of the Executory Contract Designation Deadline, including any Deferred Executory Contract, shall automatically be deemed to be a Rejectable Executory Contract and an Excluded Contract hereunder. Seller shall have the right, but not the obligation, to reject, at any time following the date hereof, any Rejectable Executory Contract; provided, however, that Seller shall not reject any Contract that affects both Owned Real Property and Excluded Real Property (whether designated on Schedule 2.1(g) or now or hereafter designated on Schedule 2.2(c), including any such Executory Contract that involves the provision of water, water treatment, electric, fuel, gas, telephone and other utilities to any facilities located at the Excluded Real Property, whether designated on Schedule 2.1(g) or now or hereafter designated on Schedule 2.2(c) (the “Shared Executory Contracts”), without the prior written consent of Purchaser.

(d) Assumable Executory Contracts; Payment. At and after the Final Closing Date and until the Executory Contract Designation Deadline, Purchaser shall be obligated to pay or cause to be paid all amounts due in respect of Seller’s performance (i) under each Deferred Executory Contract for so long as such Contract remains a Deferred Executory Contract and (ii) under each Assumable Executory Contract as long as such Contract remains an Assumable Executory Contract. At and after the Final Closing Date and until such time as any Shared Executory Contract is either (y) rejected by Seller pursuant to the provision set forth in this Section 5.5 or (z) assumed by Seller and subsequently modified with Purchaser’s consent so as to no longer be applicable to the affected Owned Real Property, Purchaser shall reimburse Seller as and when requested by Seller for Purchaser and its Affiliates’ allocable share of all costs and expenses incurred under such Shared Executory Contract.

(e) Compliance. Seller and Purchaser shall comply with the procedures set forth in the Plan with respect to the assumption and assignment or rejection of any Executory Contract pursuant to, and in accordance with, this Section 5.5.

(f) No Adjustment to Purchase Price. No designation of any Executory Contract for assumption and assignment or rejection in accordance with this Section 5.5 shall give rise to any right to any adjustment to the Purchase Price.

(g) Executory Contracts Necessary to Business. Without limiting the foregoing, if, following the Executory Contract Designation Deadline, Seller or Purchaser identify an Executory Contract that has not previously been identified as a Contract for assumption and assignment, and such Contract is important to Purchaser's ability to use or hold the Purchased Assets or operate its businesses in connection therewith, Seller will assume and assign such Contract and assign it to Purchaser without any adjustment to the Purchase Price; provided that Purchaser consents and agrees at such time to (i) assume such Executory Contract and (ii) and discharge all Cure Amounts in respect hereof.

SECTION 5.6. Purchaser Assumed Debt. Purchaser shall use reasonable best efforts to the terms of a restructuring of the Purchaser Assumed Debt so as to be assumed by Purchaser immediately prior to the Final Closing. Purchaser shall use reasonable best efforts to enter into definitive financing agreements with respect to the Purchaser Assumed Debt so that such agreements are in effect as promptly as practicable but in any event no later than the Final Closing.

SECTION 5.7. Further Assurances. Upon the terms and subject to the conditions set forth in this Agreement, each of the Parties shall use their reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all actions necessary, proper or advisable to consummate and make effective as promptly as practicable, the transactions contemplated by this Agreement in accordance with the terms hereof and to bring about the satisfaction of all other conditions to the other Parties' obligations hereunder; provided, however, that nothing in this Agreement shall obligate Seller or Purchaser, or any of their respective Affiliates, to waive or modify any of the terms and conditions of this Agreement or any documents contemplated hereby, except as expressly set forth herein. The Parties shall negotiate the forms, terms and conditions of the Ancillary Agreements, to the extent the forms thereof are not attached to this Agreement, on the basis of the respective term sheets attached to this Agreement, in good faith, with such Ancillary Agreements to set forth terms on an Arms-Length Basis and incorporate usual and customary provisions for similar agreements.

SECTION 5.8. Notifications.

(a) Seller's Representations and Warranties. Seller shall give written notice to Purchaser as soon as practicable upon becoming aware of any event, circumstance, condition, fact, effect or other matter that resulted in, or that would reasonably be likely to result in (i) any representation or warranty set forth in Section 4.1 being or becoming untrue or inaccurate in any material respect as of any date on or after the date hereof (as if then made, except to the extent such representation or warranty is expressly made only as of a specific date, in which case, as of such date), (ii) the failure by Seller to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by Seller under this Agreement or (iii) a condition to the Closing set forth in Section 6.1 or Section 6.2 becoming incapable of being satisfied; provided, however, that no such

notification shall affect or cure a breach of any of Seller's representations or warranties, a failure to perform any of the covenants or agreements of Seller or a failure to have satisfied the conditions to the obligations of Seller under this Agreement. Such notice shall be in form of a certificate signed by an executive officer of Seller setting forth the details of such event and the action which Seller proposes to take with respect thereto.

(b) Purchaser's Representations and Warranties. Purchaser shall give written notice to Seller as soon as practicable upon becoming aware of any event, circumstance, condition, fact, effect or other matter that resulted in, or that would reasonably be likely to result in (i) any representation or warranty set forth in Section 4.2 being or becoming untrue or inaccurate in any material respect with respect to Purchaser as of any date on or after the date hereof (as if then made, except to the extent such representation or warranty is expressly made only as of a specific date, in which case as of such date), (ii) the failure by Purchaser to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by Purchaser under this Agreement or (iii) a condition to the Closing set forth in Section 6.1 or Section 6.3 becoming incapable of being satisfied; provided, however, that no such notification shall affect or cure a breach of any of Purchaser's representations or warranties, a failure to perform any of the covenants or agreements of Purchaser or a failure to have satisfied the conditions to the obligations of Purchaser under this Agreement. Such notice shall be in a form of a certificate signed by an executive officer of Purchaser setting forth the details of such event and the action which Purchaser proposes to take with respect thereto.

SECTION 5.9. Compliance Remediation. Except with respect to the Excluded Assets or Excluded Liabilities, prior to the Closing, Seller shall use reasonable best efforts to cure in all material respects any instances of non-compliance with Laws or Orders, failures to possess or maintain Permits or defaults under Permits.

SECTION 5.10. Tax Matters; Cooperation.

(a) Tax Returns. Prior to the Final Closing Date, Seller shall prepare and timely file (or cause to be prepared and timely filed) all Tax Returns required to be filed prior to such date (taking into account any extension of time to file granted or obtained) that relate to Seller and the Purchased Assets in a manner consistent with past practices (except as otherwise required by Law), and shall provide Purchaser prompt opportunity for review and comment and shall obtain Purchaser's written approval prior to filing any such Tax Returns. After the Final Closing Date, at Purchaser's election, Purchaser shall prepare, and Seller shall timely file, any Tax Return relating to Seller for any Pre-Closing Tax Period or Straddle Period due after the Final Closing Date or other taxable period of any entity that includes the Final Closing Date, subject to the right of the Seller to review any such material Tax Return. Purchaser shall prepare and file all other Tax Returns required to be filed after the Final Closing Date in respect of the Purchased Assets. Seller shall prepare and file all other Tax Returns relating to the Post-Closing Tax Period of Seller, subject to the prior review and approval of Purchaser, which approval may be withheld, conditioned or delayed with good reason. Seller shall not be entitled to any payment or other consideration in addition to the Purchase Price with respect to the acquisition or use of any Tax items or attributes by Purchaser. At Purchaser's request, Seller shall designate Purchaser or any of its Affiliates as a substitute agent for Seller

for Tax purposes. Purchaser shall be entitled to make all determinations, including the right to make or cause to be made any elections with respect to Taxes and Tax Returns of Seller with respect to Pre-Closing Tax Periods and Straddle Periods. Purchaser shall have the sole right to represent the interests, as applicable, of Seller in any Tax proceeding in connection with any Tax Liability or any Tax item for any Pre-Closing Tax Period, Straddle Period or other Tax period affecting any such earlier Tax period.

(b) Taxes. All Taxes required to be paid by Seller for any Pre-Closing Tax Period or any Straddle Period shall be timely paid. To the extent a Party hereto is liable for a Tax pursuant to this Agreement and such Tax is paid or payable by another Party or such other Party's Affiliates, the Party liable for such Tax shall make payment in the amount of such Tax to the other Party no later than three (3) days prior to the due date for payment of such Tax, unless a later time for payment is agreed to in writing by such other Party. To the extent that Seller receives or realizes the benefit of any Tax refund, abatement or credit that is a Purchased Asset, Seller shall transfer an amount equal to such refund, abatement or credit to Purchaser within fourteen (14) days of receipt or realization of the benefit.

(c) Cooperation. Purchaser and Seller shall provide each other with such assistance and non-privileged information relating to the Purchased Assets as may reasonably be requested in connection with any Tax matter, including the matters contemplated by this Section 5.10, the preparation of any Tax Return or the performance of any audit, examination or other proceeding by any Taxing Authority, whether conducted in a judicial or administrative forum. Purchaser and Seller shall retain and provide to each other all non-privileged records and other information reasonably requested by the other and that may be relevant to any such Tax Return, audit, examination or other proceeding.

(d) Examinations; Audits. After the Closing, at Purchaser's election, Purchaser shall exercise exclusive control over the handling, disposition and settlement of any inquiry, examination or proceeding (including an audit) by a Governmental Authority (or that portion of any inquiry, examination or proceeding by a Governmental Authority) with respect to Seller, provided that to the extent any such inquiry, examination or proceeding by a Governmental Authority could materially affect the Taxes due or payable by Seller, Purchaser shall control the handling, disposition and settlement thereof, subject to reasonable consultation rights of Seller. Each Party shall notify the other Party (or Parties) in writing promptly upon learning of any such inquiry, examination or proceeding. The Parties shall cooperate with each other in any such inquiry, examination or proceeding as a Party may reasonably request. Seller shall not extend, without Purchaser's prior written consent, the statute of limitations for any Tax for which Purchaser or any of its Affiliates may be liable.

(e) Transfer Taxes; Tax Returns. Notwithstanding anything contained herein, Purchaser shall prepare and Seller shall timely file all Tax Returns required to be filed in connection with the payment of Transfer Taxes.

(f) Elections; Settlements; Extensions; Refunds. From the date of this Agreement to and including the Final Closing Date, except to the extent relating solely to an Excluded Asset or Excluded Liability, Seller shall not, without the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed, and

shall not be withheld if not resulting in any Tax impact on Purchaser or any Purchased Asset), (i) make, change, or terminate any material election with respect to Taxes (including elections with respect to the use of Tax accounting methods) of Seller, (ii) settle or compromise any Claim or assessment for Taxes (including refunds) that could be reasonably expected to result in any adverse consequence on Purchaser or any Purchased Asset following the Final Closing Date, (iii) agree to an extension of the statute of limitations with respect to the assessment or collection of the Taxes of Seller, or (iv) make or surrender any Claim for a refund of a material amount of the Taxes of Seller or file an amended Tax Return with respect to a material amount of Taxes.

SECTION 5.11. Employees; Benefit Plans; Labor Matters.

(a) Transferred Employees. Effective as of the Final Closing Date, Purchaser, after consultation with Seller, shall make an offer of employment to certain of Seller's employees. Each such employee who accepts employment and commences working for Purchaser shall become a "Transferred Employee". On the Final Closing Date, Seller shall terminate the employment of all of its employees to whom no offer of employment was made or such offer of employment by Purchaser was not accepted. Subject to Section 3.2(b), as soon as practical after the Final Closing Date, but in any event within the time required by any applicable Law, Seller shall pay Severance to each of its employees to whom no offer of employment was made. Seller agrees that such Severance payments are taxable wages subject to all applicable tax withholdings, Seller shall make appropriate withholdings, and Seller shall pay employer's share of FICA. From the Final Closing Date until the date six months after the Final Closing Date, if any Transferred Employee's employment is terminated by action of the Purchaser other than for Cause, Purchaser shall be obligated to pay into a fund controlled by Seller's bankruptcy estate an amount equal to the Severance less the amount of taxes required to be paid thereon by the Purchaser as employer, and then net of any employment of income taxes required to be withheld from the gross wages so payable, with the total of such amount to be distributed by Seller to such terminated Transferred Employees in amounts determined under the Plan or by other Order of the Bankruptcy Court, to be paid to Seller in such amount as authorized by the Bankruptcy Court, payable in cash by wire transfer of immediately available funds as soon as practicable after the date six months after the Final Closing Date or as directed by the Bankruptcy Court.

(b) No Third Party Beneficiaries. Nothing contained herein, express or implied, (i) is intended to confer or shall confer upon any Employee or Transferred Employee any right to employment or continued employment for any period of time by reason of this Agreement, or any right to a particular term or condition of employment, (ii) is intended to confer or shall confer upon any individual or any legal Representative of any individual (including employees, retirees, or dependents or beneficiaries of employees or retirees and including collective bargaining agents or representatives) any right as a third-party beneficiary of this Agreement, or (iii) shall be deemed to confer upon any such individual or legal Representative any rights under or with respect to any plan, program or arrangement described in or contemplated by this Agreement, and each such individual or legal Representative shall be entitled to look only to the express terms of any such plans, program or arrangement for his or her rights thereunder.



(c) Plan Authority. Nothing contained herein, express or implied, shall prohibit Purchaser from, subject to applicable Law, adding, deleting or changing providers of benefits, changing, increasing or decreasing co-payments, deductibles or other requirements for coverage or benefits (e.g., utilization review or pre-certification requirements), and/or making other changes in the administration or in the design, coverage and benefits provided to such Transferred Employees. Without reducing the obligations of Purchaser as set forth in Section 5.11(a), no provision of this Agreement shall be construed as a limitation on the right of Purchaser to suspend, amend, modify or terminate any employee benefit plan. Further, (i) no provision of this Agreement shall be construed as an amendment to any employee benefit plan, and (ii) no provision of this Agreement shall be construed as limiting Purchaser's discretion and authority to interpret the respective employee benefit and compensation plans, agreements arrangements, and programs, in accordance with their terms and applicable Law.

(d) Non-solicitation. Seller shall not, for a period of two (2) years from the Final Closing Date, without Purchaser's written consent, solicit, offer employment to or hire any Transferred Employee.

#### SECTION 5.12. Trademarks.

(a) Seller's Corporate Name. At or before the Final Closing, Seller shall take any and all actions that are reasonably necessary to change the corporate name of Seller to a new name that bears no resemblance to Seller's present corporate name and that does not contain, and is not confusingly similar with, any of the Trademarks.

(b) Intellectual Property; Protection and Maintenance. From and after the date of this Agreement and, until the earlier of the Final Closing or termination of this Agreement, Seller shall use its reasonable best efforts to protect and maintain the Intellectual Property owned by Seller that is material to the conduct of the Business in a manner that is consistent with the value of such Intellectual Property.

(c) Seller's Intellectual Property. At or prior to the Final Closing, Seller shall provide a true, correct and complete list setting forth all worldwide patents, patent applications, trademark registrations and applications and copyright registrations and applications included in the Intellectual Property owned by Seller.

(d) Confidentiality. During the Confidentiality Period, Seller shall treat all trade secrets and all other proprietary, legally privileged or sensitive information related to the Seller, the Purchased Assets and/or the Assumed Liabilities (collectively, the "Confidential Information"), whether furnished before or after the Closing, whether documentary, electronic or oral, labeled or otherwise identified as confidential, and regardless of the form of communication or the manner in which it is or was furnished, as confidential, preserve the confidentiality thereof, not use or disclose to any Person such Confidential Information and instruct their Related Persons who have had access to such information to keep confidential such Confidential Information. The "Confidentiality Period" shall be a period commencing on the date hereof and (a) with respect to a trade secret, continuing for as long as it remains a trade secret and (b) for all other Confidential Information, ending four (4) years from the Final Closing Date. Confidential Information shall be deemed not to include any

information that (i) is now available to or is hereafter disclosed in a manner making it available to the general public, in each case, through no act or omission of Seller or its Related Persons, or (ii) is required by Law to be disclosed, including any applicable requirements of the SEC or any other Governmental Authority responsible for securities Law regulation and compliance or any stock market or stock exchange on which Seller's securities are listed.

SECTION 5.14. Pikeville Office. Purchaser shall maintain a business office in Pikeville, KY for no less than twelve months from the Final Closing Date.

#### ARTICLE 6. CONDITIONS PRECEDENT TO PERFORMANCE BY PARTIES.

SECTION 6.1. Conditions to Obligations of Purchaser and Seller. The respective obligations of Purchaser and Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment or written waiver (to the extent permitted by applicable Law), prior to or at the Closing, of each of the following conditions:

(a) Confirmation Order; Sale Approval Order. The Bankruptcy Court shall have entered the Confirmation Order or Sale Approval Order on terms acceptable to the Parties, and such Order shall be a Final Order and shall not have been vacated, stayed or reversed; provided, however, that the conditions contained in this Section 6.1(a) shall be satisfied notwithstanding the pendency of an appeal if the effectiveness of the Confirmation Order or Sale Approval Order, as applicable, has not been stayed.

(b) No Contravening Order or Law. No Order or Law of a United States Governmental Authority shall be in effect that declares this Agreement invalid or unenforceable or that restrains, enjoins or otherwise prohibits the consummation of the transactions contemplated by this Agreement (including without limitation any regulatory approval).

SECTION 6.2. Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the transactions contemplated by this Agreement are subject to the fulfillment or written waiver, prior to or at the Initial Closing, of each of the following conditions:

(a) Purchaser Completion of Due Diligence. The Purchaser shall have completed its due diligence review of the Seller, the Purchased Assets and the Business of the Seller on or before entry of the Final Closing Date. This condition will be deemed to have been satisfied and the Purchaser will be deemed to have completed its due diligence unless, prior to the entry of the Confirmation Order, the Purchaser provides the Seller with written notice of its dissatisfaction with the due diligence review.

(b) Purchaser Capitalization. Purchaser shall have raised on or before the Initial Closing \$6.0 million by public offering or otherwise.

(c) Certain Claims.

(i) Negotiated new or amended Contracts with each of AT&T and Windstream on terms satisfactory to Buyer in its sole discretion where AT&T and Windstream have each otherwise released all Claims against Seller not otherwise being assumed by Purchaser.

(ii) Negotiated terms for the Purchaser Assumed Debt satisfactory to Purchaser in its sole discretion.

(d) Seller's Representations and Warranties. Each of the representations and warranties of Seller contained in Section 4.1 of this Agreement shall be true and correct (disregarding for the purposes of such determination any qualification as to materiality or Material Adverse Effect) as of the Initial Closing Date as if made on the Initial Closing Date (except for representations and warranties that speak as of a specific date or time, which representations and warranties shall be true and correct only as of such date or time), except to the extent that any breaches of such representations and warranties, individually or in the aggregate, have not had, or would not reasonably be expected to have, a Material Adverse Effect.

(e) Compliance with Agreement. Seller shall have performed or complied in all material respects with all agreements and obligations required by this Agreement to be performed or complied with by Seller prior to or at the Initial Closing.

(f) Regulatory Approvals. Purchaser shall have obtained all necessary regulatory approvals.

(g) Seller's Deliverables. Seller shall have delivered, or caused to be delivered, to Purchaser:

(i) a certificate executed as of the Initial Closing Date by a duly authorized representative of Seller, on behalf of Seller and not in such authorized representative's individual capacity, certifying that the conditions set forth in Section 6.2(d) and Section 6.2(e) have been satisfied;

(ii) a Recipient's Agreement, substantially in the form attached hereto as Exhibit A, for each Recipient, each in a form reasonably satisfactory to the Parties and duly executed by the appropriate Recipients;

(iii) an omnibus bill of sale, substantially in the form attached hereto as Exhibit B (the "Bill of Sale"), together with transfer tax declarations and all other instruments of conveyance that are necessary to effect transfer to Purchaser of title to the Purchased Assets, each in a form reasonably satisfactory to the Parties and duly executed by the Seller;

(iv) an omnibus assignment and assumption agreement, substantially in the form attached hereto as Exhibit C (the "Assignment and Assumption Agreement"), together with all other instruments of assignment and assumption that are necessary to transfer the Purchased Contracts and Assumed Liabilities to Purchaser, each in a form reasonably satisfactory to the Parties and duly executed by the Seller;

(v) an omnibus intellectual property assignment agreement, substantially in the form attached hereto as Exhibit D (the “Intellectual Property Assignment Agreement”), duly executed by the Seller;

(vi) all quitclaim deeds or deeds without warranty (or equivalents for those parcels of Owned Real Property located in jurisdictions outside of the United States), in customary form, subject only to Permitted Encumbrances, conveying the Owned Real Property to Purchaser (the “Quitclaim Deeds”), duly executed by the Seller;

(vii) all required Transfer Tax or sales disclosure forms relating to the Transferred Real Property (the “Transfer Tax Forms”), duly executed by the Seller;

(viii) an assignment and assumption of the leases and subleases underlying the Leased Real Property, in substantially the form attached hereto as Exhibit E (the “Assignment and Assumption of Real Property Leases”), duly executed by Seller; provided, however, that if it is required for the assumption and assignment of any lease or sublease underlying a Leased Real Property that a separate assignment and assumption for such lease or sublease be executed, then a separate assignment and assumption of such lease or sublease shall be executed in a form substantially similar to Exhibit E or as otherwise required to assume or assign such Leased Real Property;

(ix) a certificate of an officer of Seller (A) certifying that attached to the certificate are true and complete copies of (1) Seller’s Organizational Documents, each as amended through and in effect on the Initial Closing Date and (2) resolutions of the board of directors of Seller, authorizing the execution, delivery and performance of this Agreement and the Ancillary Agreements to which Seller is a party, the consummation of the transactions contemplated by this Agreement and such Ancillary Agreements, and (B) certifying as to the incumbency of the officer(s) of Seller executing this Agreement and the Ancillary Agreements to which Seller is a party;

(x) a certificate in compliance with Treas. Reg. §1.1445-2(b)(2) that Seller is not a foreign person as defined under Section 897 of the Tax Code;

(xi) a certificate of good standing for Seller from the Commonwealth of Kentucky; and

(xii) all books and records of Seller described in Section 2.1(j).

SECTION 6.3. Conditions to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment or written waiver, prior to or at the Closing, of each of the following conditions:

(a) Purchaser’s Representations and Warranties. Each of the representations and warranties of Purchaser contained in Section 4.2 of this Agreement shall be true and correct (disregarding for the purpose of such determination any qualification as to materiality or Purchaser Material Adverse Effect) as of the Closing Date as if made on such date (except for representations and warranties that speak as of a specific date or time, which representations and warranties shall be true and correct only as of such date or time), except

to the extent that any breaches of such representations and warranties, individually or in the aggregate, have not had, or would not reasonably be expected to have, a Purchaser Material Adverse Effect.

(b) Compliance with Agreement. Purchaser shall have performed or complied in all material respects with all agreements and obligations required by this Agreement to be performed or complied with by it prior to or at the Initial Closing.

(c) Purchaser's Deliverables. Purchaser shall have delivered, or caused to be delivered, to Seller:

(i) The Purchase Price including the LNS Shares stock certificates evidencing the Parent Shares, duly endorsed in blank or accompanied by stock powers duly endorsed in blank, in proper form for transfer, including any required stamps affixed thereto;

(ii) a certificate executed as of the Initial Closing Date by a duly authorized representative of Purchaser, on behalf of Purchaser and not in such authorized representative's individual capacity, certifying that the conditions set forth in Section 6.3(a) and Section 6.3(b) are satisfied;

(iii) the Bill of Sale, together with all other documents described in Section 6.2(d)(ii), each duly executed by Purchaser;

(iv) the Assignment and Assumption Agreement, together with all other documents described in Section 7.2(d)(iii), each duly executed by Purchaser;

(v) the Intellectual Property Assignment Agreement, duly executed by Purchaser;

(vi) the Transfer Tax Forms, duly executed by Purchaser to the extent required;

(vii) the Assignment and Assumption of Real Property Leases, together with all other documents described in Section 7.2(d)(vii), each duly executed by Purchaser;

(viii) a certificate of a duly authorized representative of Purchaser (A) certifying that attached to such certificate are true and complete copies of (1) Purchaser's Organizational Documents, each as amended through and in effect on the Initial Closing Date and (2) resolutions of the board of directors of Purchaser, authorizing the execution, delivery and performance of this Agreement and the Ancillary Agreements to which Purchaser is a party, the consummation of the transactions contemplated by this Agreement and such Ancillary Agreements, and (B) certifying as to the incumbency of the officer(s) of Purchaser executing this Agreement and the Ancillary Agreements to which Purchaser is a party; and

(ix) a certificate of good standing for Purchaser from the Secretary of State of Kentucky.

ARTICLE 7. TERMINATION.

SECTION 7.1. Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned, at any time prior to the Final Closing Date as follows:

- (a) by the mutual written consent of Seller and Purchaser;
- (b) by either Seller or Purchaser, if (i) the Final Closing Date shall not have occurred on or before October 15, 2010, or such later date as the Parties may agree in writing, such date not to be later than November 15, 2010 (as extended, the "End Date"), and (ii) the Party seeking to terminate this Agreement pursuant to this Section 7.1(b) shall not have breached in any material respect its obligations under this Agreement in any manner that shall have proximately caused the failure of the transactions contemplated hereby to close on or before such date;
- (c) by either Seller or Purchaser, if the Bankruptcy Court shall not have entered the Confirmation Order by August 13, 2010;
- (d) by Purchaser, if any Bankruptcy Deadline is not met;
- (e) by either Seller or Purchaser, if any court of competent jurisdiction in the United States or other United States Governmental Authority shall have issued a Final Order permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement or the sale of a material portion of the Purchased Assets;
- (f) by Seller, if Purchaser shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, and such breach or failure to perform has not been cured by the End Date, provided that (i) Seller shall have given Purchaser written notice, delivered at least fifteen (15) days prior to such termination, stating Seller's intention to terminate this Agreement pursuant to this Section 7.1(f) and the basis for such termination and (ii) Seller shall not have the right to terminate this Agreement pursuant to this Section 7.1(f) if Seller is then in material breach of any its representations, warranties, covenants or other agreements set forth herein;
- (g) by Purchaser, if Seller shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would (if it occurred or was continuing as of the Initial Closing Date) give rise to the failure of a condition set forth in Section 6.2(a) or Section 6.2(b) to be fulfilled, (ii) cannot be cured by the End Date, provided that (i) Purchaser shall have given Seller written notice, delivered at least thirty (30) days prior to such termination, stating Purchaser's intention to terminate this Agreement pursuant to this Section 7.1(g) and the basis for such termination and (iii) Purchaser shall not have the right to terminate this Agreement pursuant to this Section 7.1(g) if Purchaser is then in material breach of any its representations, warranties, covenants or other agreements set forth herein; or

(h) by either Seller or Purchaser, if a competing Plan of Reorganization to the of the Seller is presented in the Bankruptcy Case or the Bankruptcy Court shall have entered an Order approving an Alternative Transaction.

SECTION 7.2. Procedure and Effect of Termination.

(a) Agreement Null and Void; Survival. If this Agreement is terminated pursuant to Section 7.1, this Agreement shall become null and void and have no effect, and all obligations of the Parties hereunder shall terminate, except for those obligations of the Parties set forth this Section 7.2 and ARTICLE VIII, which shall remain in full force and effect; provided that nothing herein shall relieve any Party from Liability for any material breach of any of its representations, warranties, covenants or other agreements set forth herein. If this Agreement is terminated as provided herein, all filings, applications and other submissions made pursuant to this Agreement shall, to the extent practicable, be withdrawn from the agency or other Person to which they were made.

(b) Expense Reimbursement. If this Agreement is terminated because of (i) an Alternative Transaction, (ii) by Seller or Purchaser pursuant to Section 7.1(a), Section 7.1(b), Section 7.1(c), or Section 7.1(e), or (iii) by Purchaser pursuant to Section 7.1(d), Section 7.1(g), or Section 7.1(h), Seller shall reimburse Purchaser for its reasonable, out-of-pocket costs and expenses (including reasonable attorneys' fees) incurred by Purchaser in connection with this Agreement and the transactions contemplated hereby; provided, however, such costs and expenses shall not exceed \$200,000 (the "Expense Reimbursement"). The Expense Reimbursement shall be paid as an administrative expense Claim of Seller pursuant to Section 503(b)(1) of the Bankruptcy Code.

(c) Confidentiality. If this Agreement is terminated for any reason, Purchaser shall, and shall cause each of its Affiliates and Related Persons to, treat and hold as confidential all Confidential Information, whether documentary, electronic or oral, labeled or otherwise identified as confidential, and regardless of the form of communication or the manner in which it was furnished. For purposes of this Section 7.2(c), Confidential Information shall be deemed not to include any information that (i) is now available to or is hereafter disclosed in a manner making it available to the general public, in each case, through no act or omission of Purchaser, any of its Affiliates or any of their Related Persons, or (ii) is required by Law to be disclosed.

ARTICLE 8. MISCELLANEOUS.

SECTION 8.1. Successors and Assigns. Except as otherwise provided in this Agreement, no party hereto shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other parties hereto, and any such attempted assignment without such prior written consent shall be void and of no force and effect. This Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the parties hereto.

SECTION 8.2. Governing Law; Jurisdiction. This Agreement shall be construed, performed and enforced in accordance with, and governed by, the Laws of the

Commonwealth of Kentucky (without giving effect to the principles of conflicts of Laws thereof), except to the extent that the Laws of such Commonwealth are superseded by the Bankruptcy Code. For so long as the Seller are subject to the jurisdiction of the Bankruptcy Court, the parties hereto irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with the Agreement, and consent to the exclusive jurisdiction of the Bankruptcy Court. After the Seller is no longer subject to the jurisdiction of the Bankruptcy Court, the parties hereto irrevocably elect as the sole judicial forum for the adjudication of any matters arising under or in connection with this Agreement, and consent to the jurisdiction of, any state or federal court having competent jurisdiction over Fayette County, Kentucky.

SECTION 8.3. Waiver of Jury Trial. EACH PARTY WAIVES THE RIGHT TO A TRIAL BY JURY IN ANY DISPUTE IN CONNECTION WITH OR RELATING TO THIS AGREEMENT OR ANY MATTERS DESCRIBED OR CONTEMPLATED HEREIN, AND AGREES TO TAKE ANY AND ALL ACTION NECESSARY OR APPROPRIATE TO EFFECT SUCH WAIVER.

SECTION 8.4. Enforcement of Agreement. The parties agree that irreparable damage would occur in the event that any provision of this Agreement were not performed in accordance with its specific terms or were otherwise breached. It is accordingly agreed that the parties shall, without the posting of a bond, be entitled, subject to a determination by a court of competent jurisdiction, to an injunction or injunctions to prevent any such failure of performance under, or breaches of, this Agreement, and to enforce specifically the terms and provisions hereof and thereof, this being in addition to all other remedies available at law or in equity, and each party agrees that it will not oppose the granting of such relief on the basis that the requesting party has an adequate remedy at law.

SECTION 8.5. Expenses. Except as otherwise provided herein, each of the parties hereto shall pay its own fees, costs and expenses, including fees and disbursements of counsel, financial advisors, investment bankers, accountants and other agents and representatives, incurred in connection with the negotiations and execution of this Agreement and the transactions contemplated hereby, whether or not the transactions contemplated hereby are consummated. In furtherance of the foregoing, the Purchaser shall be solely responsible for (a) all expenses incurred by it in connection with its due diligence review of Seller, including surveys, title work, title inspections, title searches, environmental testing or inspections, building inspections, Uniform Commercial Code lien and other searches and (b) any cost (including any filing fees) incurred by it in connection with notarization, registration or recording of this Agreement or any related agreement required by applicable Law.

SECTION 8.6. No Successor or Transferee Liability. Except where expressly prohibited under applicable Law or otherwise expressly ordered by the Bankruptcy Court, upon the Final Closing, neither Purchaser nor any of its Affiliates or stockholders shall be deemed to (a) be the successor of Seller; (b) have, de facto, or otherwise, merged with or into Seller; (c) be a mere continuation or substantial continuation of Seller or the enterprise of Seller; or (d) other than as set forth in this Agreement, be liable for any acts or omissions of Seller in the conduct of Seller's business or arising under or related to the Purchased Assets. Without limiting the generality of the foregoing, and except as otherwise provided in this



Agreement, neither Purchaser nor any of its Affiliates or stockholders shall be liable for any Claims against Seller or any of its predecessors or Affiliates, and neither Purchaser nor any of its Affiliates or stockholders shall have any successor, transferee or vicarious Liability of any kind or character whether known or unknown as of the Final Closing, whether now existing or hereafter arising, or whether fixed or contingent, with respect to Seller's business or any obligations of Seller arising prior to the Final Closing, except as provided in this Agreement, including Liabilities on account of any Taxes arising, accruing, or payable under, out of, in connection with, or in any way relating to the operation of Seller's business prior to the Final Closing.

SECTION 8.7. Broker's and Finder's Fees. Each of the parties represents and warrants that it has dealt with no broker or finder in connection with any of the transactions contemplated by this Agreement.

SECTION 8.8. Severability. If any part of this Agreement is declared by any court or other judicial or administrative body to be null, void or unenforceable, said provision shall survive to the extent it is not so declared, and all of the other provisions of this Agreement shall remain in full force and effect only if, after excluding the portion deemed to be unenforceable, the remaining terms shall provide for the consummation of the transactions contemplated hereby in substantially the same manner as originally set forth at the later of the date this Agreement was executed or last amended.

SECTION 8.9. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given: (i) on the date of service, if served personally on the party to whom notice is to be given; (ii) on the day of transmission, if sent via facsimile transmission to the facsimile number given below, and telephonic confirmation of receipt is obtained promptly after completion of transmission; (iii) on the day after delivery to UPS or similar overnight courier or the Express Mail service maintained by the United States Postal Service; or (iv) on the fifth day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed, to the party as follows:

If to Seller:

Jamie L. Harris, Esq.  
DelCotto Law Group PLLC  
200 North Upper Street  
Lexington, Kentucky 40507  
Telephone: (859) 231-5800  
Facsimile: (859) 281-1179

Copy to:

DelCotto Law Group, PLLC  
200 North Upper Street  
Lexington, Kentucky 40507  
Attention: Laura Day DelCotto, Esq.  
Telephone: (859) 231-5800  
Facsimile: (859) 281-1179

If to Purchaser:

Lightyear Network Solutions, Inc.  
1901 Eastpoint Parkway  
Louisville, Kentucky 40223  
Attention: General Counsel  
Telephone: (502) 244-6666  
Facsimile: (502) 515-4138

Copy to:

Frost Brown Todd LLC  
250 West Main Street, Suite 2800  
Lexington, KY 40507  
Attn: Robert V. Sartin, Esq.  
Telephone: (859) 231-0000  
Facsimile: (859) 231-0011

Any party may change its address for the purpose of this Section 8.9 by giving the other party written notice of its new address in the manner set forth above.

SECTION 8.10. Amendments; Waivers. This Agreement may be amended or modified, and any of the terms, covenants, representations, warranties or conditions hereof may be waived, only by a written instrument executed by the parties hereto, or in the case of a waiver, by the party waiving compliance. Any waiver by any party of any condition, or of the breach of any provision, term, covenant, representation or warranty contained in this Agreement, in any one or more instances, shall not be deemed to be or construed as a furthering or continuing waiver of any such condition, or of the breach of any other provision, term, covenant, representation or warranty of this Agreement.

SECTION 8.11. Public Announcements. Promptly after the execution and delivery of this Agreement, the parties shall make a joint press release in form and substance reasonably satisfactory to both of them regarding the transaction contemplated herein. Thereafter, no party shall make any press release or public announcement concerning the transactions contemplated by this Agreement without the prior written approval of the other parties, unless a press release or public announcement is required by Law or Order of the Bankruptcy Court. If any such announcement or other disclosure is required by Law or Order of the Bankruptcy Court, the disclosing party agrees to give the non-disclosing party or parties prior

notice of, and an opportunity to comment on, the proposed disclosure. The parties acknowledge that the Seller shall file this Agreement with the Bankruptcy Court in connection with obtaining the Confirmation Order.

SECTION 8.12. Entire Agreement. This Agreement, the Ancillary Agreements and the Confidentiality Agreement contain the entire understanding between the parties hereto with respect to the transactions contemplated hereby and thereby and supersede and replace all prior and contemporaneous agreements and understandings, oral or written, with regard to such transactions. All schedules to this Agreement and any documents and instruments delivered pursuant to any provision hereof are expressly made a part of this Agreement as fully as though completely set forth herein.

SECTION 8.13. Parties in Interest. Nothing in this Agreement is intended to or shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Seller and the Purchaser and their respective successors and permitted assigns. Nothing in this Agreement is intended to or shall relieve or discharge the obligations or liability of any third Persons to the Seller or the Purchaser. This Agreement is not intended to nor shall give any third Persons any right of subrogation or action over or against the Seller or the Purchaser. Time Periods. Unless otherwise specified in this Agreement, an action required under this Agreement to be taken within a certain number of days or any other time period specified herein shall be taken within the applicable number of calendar days (and not Business Days); provided, however, that if the last day for taking such action falls on a day that is not a Business Day, the period during which such action may be taken shall be automatically extended to the next Business Day.

SECTION 8.15. Headings. The article and section headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

SECTION 8.16. Counterparts; Facsimiles. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same agreement. All signatures of the parties may be transmitted by facsimile or electronic delivery, and each such facsimile signature or electronic delivery signature (including a pdf signature) will, for all purposes, be deemed to be the original signature of the party whose signature it reproduces and be binding upon such party.

[Signatures are on the following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

**SE ACQUISITIONS, LLC**

By Steph [Signature]

Title: President

("Purchaser")

**LIGHTYEAR NETWORK SOLUTIONS, INC.**

By Steph [Signature]

Title: President

("Parent")

**SOUTHEAST TELEPHONE, INC.**

By \_\_\_\_\_

Title: \_\_\_\_\_

("Seller")

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first above written.

**SE ACQUISITIONS, LLC**

By \_\_\_\_\_

Title: \_\_\_\_\_

("Purchaser")

**LIGHTYEAR NETWORK SOLUTIONS, INC.**

By \_\_\_\_\_

Title: \_\_\_\_\_

("Parent")

**SOUTHEAST TELEPHONE, INC.**

By  \_\_\_\_\_

Title: PRESIDENT \_\_\_\_\_

("Seller")

[ ], 2010

Lightyear Network Solutions, Inc.  
1901 Eastpoint Parkway  
Louisville, Kentucky 40223

RE: Lightyear Network Solutions, Inc. ("LNS")

Ladies & Gentlemen:

Pursuant to the terms of that certain Asset Purchase Agreement dated of even date herewith by and between SE Acquisitions, LLC, LNS, and Southeast Telephone, Inc. (the "Asset Purchase Agreement"), and upon the closing of the Asset Purchase Agreement on the Final Closing Date ("Final Closing Date") and the delivery of this Letter Agreement ("Letter Agreement") to LNS, the undersigned will be a Recipient of certain shares of common stock of LNS (the "LNS Shares"). LNS proposes to carry out a private offering of shares (the "Offering"). The undersigned recognizes that the Offering will be of benefit to the undersigned and will benefit LNS by, among other things, allowing LNS to raise additional capital for its operations and future acquisitions. The undersigned acknowledges that LNS is relying on the representations and agreements of the undersigned contained in this letter agreement in carrying out the Offering.

In consideration of the foregoing, the undersigned hereby agrees that the undersigned will not, (and will cause any spouse or immediate family member of the spouse or the undersigned living in the undersigned's household not to), without the prior written consent of LNS (which consent may be withheld in its sole discretion), directly or indirectly, sell, offer, contract or grant any option to sell (including without limitation any short sale), pledge, transfer, establish an open "put equivalent position" within the meaning of Rule 16a-1(h) under the Securities Exchange Act of 1934, as amended, or otherwise dispose of any LNS Shares, by the undersigned (or such spouse or family member), for a period commencing on the date hereof and continuing through the close of trading on the first annual anniversary of the Final Closing Date (the "Lock-up Period"); provided, that the foregoing restrictions shall not apply to the transfer of any or all of the LNS Shares owned by the undersigned, either during his lifetime or on death, by gift, will or intestate succession to the immediate family of the undersigned or to a trust the beneficiaries of which are exclusively the undersigned and/or a member or members of his immediate family; provided, however, that in any such case, it shall be a condition to such transfer that the transferee executes and delivers to LNS an agreement stating that the transferee is receiving and holding the LNS Shares subject to the provisions of this letter agreement, and there shall be no further transfer of such LNS Shares, except in accordance with this Letter Agreement.

During the Lock-up Period, certificates representing all LNS Shares received by the undersigned shall have endorsed across the face or back thereof the following legend:

"The shares of stock represented by this certificate are subject to a Letter Agreement dated as of \_\_\_\_\_, 2010, between

LNS and the holder of this certificate. No sale or other transfer of the shares of stock represented by this certificate may be effected except pursuant to the terms of said Agreement.”

The undersigned also agrees and consents to the entry of stop transfer instructions with LNS’s transfer agent and registrar against the transfer of LNS Shares except in compliance with the foregoing restrictions.

This agreement is irrevocable and will be binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned.

---

Printed Name of Holder

---

Signature

---

Printed Name of Person Signing

*(and indicate capacity of person signing if signing as custodian, trustee, or on behalf of an entity)*

BILL OF SALE

This Bill of Sale (this "Bill of Sale"), dated as of \_\_\_\_\_, 2010, is between (i) **SOUTHEAST TELEPHONE, INC.**, a Kentucky corporation ("Seller"), and (ii) **SE ACQUISITIONS, LLC**, a Kentucky limited liability company ("Purchaser").

RECITALS

A. This Bill of Sale is being entered into to effect the transactions contemplated by the Asset Purchase Agreement, dated the \_\_ day of \_\_\_\_\_, 2010 (the "Agreement"), by and between Purchaser, Seller and Lightyear Network Solutions, Inc., f/k/a Libra Alliance Corporation, a Nevada corporation.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

2. Assignment. Pursuant to the Agreement, Seller does hereby sell, grant, convey, transfer, assign, and deliver to Purchaser as of the date hereof, in accordance with and subject to the terms of the Agreement, all of Seller's right, title and interest in, to and under the Purchased Assets.

3. Conflict. This Bill of Sale is subject to all the terms and conditions of the Agreement. No provision of this Bill of Sale shall be deemed to enlarge, alter or amend the terms or provisions of the Agreement. Notwithstanding anything to the contrary set forth herein, if there is any conflict between the terms and conditions of this Bill of Sale and the terms and conditions of the Agreement, the terms and conditions of the Agreement shall control.

4. Binding Effect. This Bill of Sale shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

5. Counterparts. This Bill of Sale may be executed in one or more counterparts (including by means of facsimile or e-mail signature pages) and all such counterparts taken together shall constitute one and the same agreement.

6. Governing Law. This Bill of Sale shall be governed by and construed according to the laws of the Commonwealth of Kentucky, without regard to or application of its conflict of laws rules.

7. Entire Agreement. All prior negotiations and agreements by and among the parties hereto with respect to the subject matter hereof are superseded by this Bill of Sale, the Agreement, the Confidentiality Agreement and the other Ancillary Agreements, and there are no representations, warranties, understandings or agreements with respect to the subject matter hereof other than those expressly set forth in this Bill of Sale, the Agreement, the Confidentiality Agreement and the other Ancillary Agreements.



8. Headings. Section headings are not to be considered part of this Bill of Sale, are solely for convenience of reference, and shall not affect the meaning or interpretation of this Bill of Sale or any provision in it.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have caused their authorized representatives to execute this Bill of Sale as of the date first set forth above.

**SELLER:**

**SOUTHEAST TELEPHONE, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**PURCHASER:**

**SE ACQUISITIONS, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (this “Assignment and Assumption Agreement”), dated as of \_\_\_\_\_, 2010, is between (i) **SOUTHEAST TELEPHONE, INC.**, a Kentucky corporation (“Assignor”), and (ii) **SE ACQUISITIONS, LLC**, a Kentucky limited liability company (“Assignee”).

RECITALS

A. This Assignment and Assumption Agreement is being entered into to effect the transactions contemplated by the Asset Purchase Agreement, dated the \_\_ day of \_\_\_\_\_, 2010 (the “Agreement”), by and between Assignee, Assignor and Lightyear Network Solutions, Inc., f/k/a Libra Alliance Corporation, a Nevada corporation.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

2. Assignment. Pursuant to the Agreement, Assignor hereby assigns, sells, transfers and sets over (the “Assignment”) to Assignee all of Assignor’s right, title, benefit, privileges and interest in and to the Purchased Contracts.

3. Assumption. Pursuant to the Agreement, Assignee hereby (i) accepts the Assignment and (ii) assumes all of Assignor’s burdens, obligations and liabilities in connection with each of the Assumed Liabilities, and (iii) agrees to observe and perform all of the duties, obligations, terms, provisions and covenants, and to pay and discharge all of the liabilities of Assignor to be observed, performed, paid or discharged from and after the Closing, in connection with the Assumed Liabilities.

4. Conflict. This Assignment and Assumption Agreement is subject to all the terms and conditions of the Agreement. No provision of this Assignment and Assumption Agreement shall be deemed to enlarge, alter or amend the terms or provisions of the Agreement. Notwithstanding anything to the contrary set forth herein, if there is any conflict between the terms and conditions of this Assignment and Assumption Agreement and the terms and conditions of the Agreement, the terms and conditions of the Agreement shall control.

5. Binding Effect. This Assignment and Assumption Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

6. Counterparts. This Assignment and Assumption Agreement may be executed in one or more counterparts (including by means of facsimile or e-mail signature pages) and all such counterparts taken together shall constitute one and the same agreement.

7. Governing Law. This Assignment and Assumption Agreement shall be governed by and construed according to the laws of the Commonwealth of Kentucky, without regard to or application of its conflict of laws rules.

8. Entire Agreement. All prior negotiations and agreements by and among the parties hereto with respect to the subject matter hereof are superseded by this Assignment and Assumption Agreement, the Agreement, the Confidentiality Agreement and the other Ancillary Agreements, and there are no representations, warranties, understandings or agreements with respect to the subject matter hereof other than those expressly set forth in this Assignment and Assumption Agreement, the Agreement, the Confidentiality Agreement and the other Ancillary Agreements.

9. Headings. Section headings are not to be considered part of this Assignment and Assumption Agreement, are solely for convenience of reference, and shall not affect the meaning or interpretation of this Assignment and Assumption Agreement or any provision in it.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have caused their authorized representatives to execute this Assignment and Assumption Agreement as of the date first set forth above.

**ASSIGNOR:**

**SOUTHEAST TELEPHONE, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNEE:**

**SE ACQUISITIONS, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

This Intellectual Property Assignment Agreement (this “Intellectual Property Assignment Agreement”), dated as of \_\_\_\_\_, 2010, is between (i) **SOUTHEAST TELEPHONE, INC.**, a Kentucky corporation (“Assignor”), and (ii) **SE ACQUISITIONS, LLC**, a Kentucky limited liability company (“Assignee”).

RECITALS

A. This Intellectual Property Assignment Agreement is being entered into to effect the transactions contemplated by the Asset Purchase Agreement, dated the \_\_\_ day of \_\_\_\_\_, 2010 (the “Agreement”), by and between Assignee, Assignor and Lightyear Network Solutions, Inc., f/k/a Libra Alliance Corporation, a Nevada corporation.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

2. Assignment. Pursuant to the Agreement, Assignor hereby assigns, sells, transfers and sets over (the “Assignment”) to Assignee all of Assignor’s right, title, benefit, privileges and interest in and to all of the Purchased Assets that are Intellectual Property, including, without limitation, (i) all Intellectual Property, whether owned, licensed or otherwise held, and whether or not registrable, including, without limitation, the intellectual property listed on Exhibit A attached hereto, and (ii) all rights and benefits associated with the foregoing, including all rights to sue or recover for past, present and future infringement, misappropriation, dilution, unauthorized use or other impairment or violation of any of the foregoing, and all income, royalties, damages and payments now or hereafter due or payable with respect to any of the foregoing.

3. Conflict. This Intellectual Property Assignment Agreement is subject to all the terms and conditions of the Agreement. No provision of this Intellectual Property Assignment Agreement shall be deemed to enlarge, alter or amend the terms or provisions of the Agreement. Notwithstanding anything to the contrary set forth herein, if there is any conflict between the terms and conditions of this Intellectual Property Assignment Agreement and the terms and conditions of the Agreement, the terms and conditions of the Agreement shall control.

4. Binding Effect. This Intellectual Property Assignment Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

5. Counterparts. This Intellectual Property Assignment Agreement may be executed in one or more counterparts (including by means of facsimile or e-mail signature pages) and all such counterparts taken together shall constitute one and the same agreement.

6. Governing Law. This Intellectual Property Assignment Agreement shall be governed by and construed according to the laws of the Commonwealth of Kentucky, without regard to or application of its conflict of laws rules.

7. Entire Agreement. All prior negotiations and agreements by and among the parties hereto with respect to the subject matter hereof are superseded by this Intellectual Property Assignment Agreement, the Agreement, the Confidentiality Agreement and the other Ancillary Agreements, and there are no representations, warranties, understandings or agreements with respect to the subject matter hereof other than those expressly set forth in this Intellectual Property Assignment Agreement, the Agreement, the Confidentiality Agreement and the other Ancillary Agreements.

8. Headings. Section headings are not to be considered part of this Intellectual Property Assignment Agreement, are solely for convenience of reference, and shall not affect the meaning or interpretation of this Intellectual Property Assignment Agreement or any provision in it.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have caused their authorized representatives to execute this Intellectual Property Assignment Agreement as of the date first set forth above.

**ASSIGNOR:**

**SOUTHEAST TELEPHONE, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNEE:**

**SE ACQUISITIONS, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_



**Exhibit A**  
**to**  
**Intellectual Property Assignment Agreement**

**[To be completed]**

ASSIGNMENT AND ASSUMPTION OF REAL PROPERTY LEASES

This Assignment and Assumption of Real Property Leases (this “Assignment and Assumption of Real Property Leases”), dated as of \_\_\_\_\_, 2010, is between (i) **SOUTHEAST TELEPHONE, INC.**, a Kentucky corporation (“Assignor”), and (ii) **SE ACQUISITIONS, LLC**, a Kentucky limited liability company (“Assignee”).

RECITALS

A. This Assignment and Assumption of Real Property Leases is being entered into to effect the transactions contemplated by the Asset Purchase Agreement, dated the \_\_\_ day of \_\_\_\_\_, 2010 (the “Agreement”), by and between Assignee, Assignor and Lightyear Network Solutions, Inc., f/k/a Libra Alliance Corporation, a Nevada corporation.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

2. Assignment. Pursuant to the Agreement, Assignor hereby assigns, sells, transfers and sets over (the “Assignment”) to Assignee all of Assignor’s right, title, benefit, privileges and interest in and to the leases and subleases (collectively, the “Real Property Leases”) underlying the Leased Real Property, including, without limitation, the leases and subleases set forth on Exhibit A attached hereto.

3. Assumption. Pursuant to the Agreement, Assignee hereby (i) accepts the Assignment and (ii) assumes all of Assignor’s burdens, obligations and liabilities in connection with each of the Real Property Leases, and (iii) agrees to observe and perform all of the duties, obligations, terms, provisions and covenants, and to pay and discharge all of the liabilities of Assignor to be observed, performed, paid or discharged from and after the Closing, in connection with the Real Property Leases.

4. Conflict. This Assignment and Assumption of Real Property Leases is subject to all the terms and conditions of the Agreement. No provision of this Assignment and Assumption of Real Property Leases shall be deemed to enlarge, alter or amend the terms or provisions of the Agreement. Notwithstanding anything to the contrary set forth herein, if there is any conflict between the terms and conditions of this Assignment and Assumption of Real Property Leases and the terms and conditions of the Agreement, the terms and conditions of the Agreement shall control.

5. Binding Effect. This Assignment and Assumption of Real Property Leases shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

6. Counterparts. This Assignment and Assumption of Real Property Leases may be executed in one or more counterparts (including by means of facsimile or e-mail signature pages) and all such counterparts taken together shall constitute one and the same agreement.

7. Governing Law. This Assignment and Assumption of Real Property Leases shall be governed by and construed according to the laws of the Commonwealth of Kentucky, without regard to or application of its conflict of laws rules.

8. Entire Agreement. All prior negotiations and agreements by and among the parties hereto with respect to the subject matter hereof are superseded by this Assignment and Assumption of Real Property Leases, the Agreement, the Confidentiality Agreement and the other Ancillary Agreements, and there are no representations, warranties, understandings or agreements with respect to the subject matter hereof other than those expressly set forth in this Assignment and Assumption of Real Property Leases, the Agreement, the Confidentiality Agreement and the other Ancillary Agreements.

9. Headings. Section headings are not to be considered part of this Assignment and Assumption of Real Property Leases, are solely for convenience of reference, and shall not affect the meaning or interpretation of this Assignment and Assumption of Real Property Leases or any provision in it.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF, the parties hereto have caused their authorized representatives to execute this Assignment and Assumption of Real Property Leases as of the date first set forth above.

**ASSIGNOR:**

**SOUTHEAST TELEPHONE, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ASSIGNEE:**

**SE ACQUISITIONS, LLC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit A**  
**to**  
**Assignment and Assumption of Real Property Leases**

**[To be completed]**

## Schedule 2.1(c)

### Transferred Real Property

Description and Location of Property	Nature of Debtor's Interest in Property	Loan Number
Real property that holds SouthEast's main building and parking lot.	Property houses the majority of SouthEast's employees and operations, 106 Scott Ave., Pikeville, KY 41501.	This is a lease with Pike County Fiscal Court.
Graveled parking area primarily used for heavy equipment parking and outside plant inventory located directly behind SouthEast's main building.	This lot was purchased for the possibility of either building or parking lot expansion, 106 Scott Ave., Pikeville, KY 41501. It can be found in Pike County Kentucky, in Deed Book 844, Page 485.	60100400928-00006, Community Trust Bank
Former gas station/garage building and land located directly beside SouthEast's main building .	Since purchasing the property in 2005, SouthEast has rented it on a month to month basis to Ratliff Enterprises; however, Ratliff Enterprises will be vacating the property in October, 2009 and SouthEast will use it for its Outside Plant Department. Its physical address is 117 Scott Ave., Pikeville, KY 41501 and the Deed can be found in Pike County Kentucky in Deed Book 870, page 538.	06-10000698, Family Bank
Parcel of real property adjacent to SouthEast's parking lot.	This parcel of land directly adjacent to other real property owned by SouthEast was purchased for possible building expansion, 123 Second St., Pikeville, KY 41501. The Deed can be found in Pike County Kentucky in Deed Book 896, Page 282.	N/A
Small parcel of real property adjacent to the grassy lot behind SouthEast's main building.	This parcel of land was purchased for possible parking lot expansion (Trivette Drive, Pikeville, KY).	N/A
House and land adjacent to other SouthEast real property.	This house has been zoned and converted into an office building and houses SouthEast's marketing department employees and also operates as a storage facility for SouthEast inventory/supplies., 119 Second St., Pikeville, KY 41501. Deed can be found in Pike County Kentucky in Deed Book 858 Page 596.	60100400928-00007, Community Trust Bank

**Schedule 2.1(d)**

**Personal Property**

See attached schedule.

Type of Property	Description and Location of Property
Cash	Petty Cash, 106 Scott Ave., Pikeville, KY 41501
Cash	Petty Cash, 106 Power Drive, Pikeville, KY 41501
Checking	Community Trust Bank, Pikeville, KY
Checking	Family Bank, RUS Grant, Pikeville, KY 41501
Checking	Family Bank, Direct TV, Pikeville, KY 41501
Checking	US Bank, Pikeville, KY 41501
Checking	Traditional Bank, Mt Sterling, KY 40353
Checking	Community Trust Bank, Danville, KY
Checking	Fifth Third Bank, KY 41031-1549
Checking	Peoples Exchange Bank, Beattyville, KY
Checking	1st State Bank, Middlesboro, KY
Checking	Community Trust Bank, Whitesburg, KY
Checking	Family Bank, Inez, KY
Checking	US Bank, Coal Run, KY
Checking	Family Bank, Paintsville, KY
Checking	BB&T, Harlan, KY
Checking	Peoples Exchange Bank, Stanton, KY
Checking	Citizens Guaranty Bank, Irvine, KY
Checking	Owingsville Banking Co., Owingsville, KY
Checking	Community Trust Bank, Phelps, KY
Checking	Kentucky Home Bank, Bardstown, KY
Checking	National City Bank, Manchester, KY
Checking	Community Trust Bank, Mt. Vernon, KY
Checking	First National Bank of Jackson, Jackson, KY
Checking	Whitaker, Stanton, KY
Checking	BB&T, Springfield, KY
Checking	First Southern Bank, Crab Orchard, KY
Checking	First Federal Bank, Frankfort, KY
Checking	Whitaker Bank, Harrodsburg, KY
Checking	US Bank-Payroll, Pikeville, KY
Checking	BB&T, Evarts KY
Checking	Community Trust Bank, Louisa, KY
Checking	Community Trust Bank, McDowell
Checking	BB&T, Sommerset, KY
Security Deposit	The Gibson Company, 1050 Monarch St. #100, Lexington, KY 40507 for Lexington Office Space,
Security Deposit	Qwest Communications, PO Box 856184, Louisville, KY 40285-6184 Acct. 60496698 & 60502668, Paid 04/09
Security Deposit	Cameron LD, PO Box 167, Sulphur LA 70664
Last Payment on Lease	Wells Fargo, PO Box 7777, San Francisco, CA 94120-7777, Acct. 6011603
Last Payment on Lease (paid off 8/2010)	Home Federal Bank, 1602 Cumberland Ave., Middlesboro, KY 40965-1225, Acct. 700081102
Last Payment on Lease	Commercial Bank of Grayson, PO Box 7, Grayson, KY 41143, Acct. 24400270
Last Payment on Lease	Home Federal Bank, 1602 Cumberland Ave., Middlesboro, KY 40965-1225, Acct. 700102643



Type of Property	Description and Location of Property
Last Payment on Lease	Home Federal Bank, 1602 Cumberland Ave., Middlesboro, KY 40965-1225, Acct. 700112592
Last Payment on Lease	Marlin Leasing, PO Box 13604, Philadelphia, PA 19101-3604, Acct. 244867
Last Payment on Lease	Home Federal Bank, 1602 Cumberland Ave., Middlesboro, KY 40965-1225, Acct. 700122161
Last Payment on Lease	Great America Leasing, PO Box 660831, Dallas, TX 75266-0831, Acct. 007-0419697-000
Last Payment on Lease	Home Federal Bank, 1602 Cumberland Ave., Middlesboro, KY 40965-1225, Acct. 700146434
Last Payment on Lease	AEL Financial, 600 N Buffalo Grove Rd, Buffalo Grove, IL 60089, Acct. 28041058
Last Payment on Lease	Puget Sound, PO Box 1295, Issaquah, WA 98207, Acct. 0010018009-001
Last Payment on Lease	Manifest Funding, PO Box 790448, St. Louis, MO 62731, Acct. 600-0082894-000
Last Payment on Lease	Home Federal Bank, 1602 Cumberland Ave., Middlesboro, KY 40965-1225, Acct. 700185465
Last Payment on Lease	First Federal, PO Box 307, Branderburg, KY 40108, Acct. 701915490
Retainer	Stoll, Keenon, Ogden, PLLC 500 W. Jefferson St. Louisville, KY 40202
Accounts Receivable	Accounts receivable for telecommunications services
SouthEast Complaint at the Kentucky PSC	SouthEast filed a Complaint at the PSC alleging that because AT&T acted unreasonable in delaying the implementation of a commingling procees, SouthEast has suffered damages. SouthEast has requested billing credits for the past invoices in which it should have been able to order services in a commingled arrangement.
Customer List	SouthEast's list of it's customers involves proprietary information that SouthEast does not wish to disclose. However, it may be made available under seal if requested.
Contract with NCO Group	Past due accounts placed with NCO Group for collections.
Contract with Pennyrile Collection	Past due accounts placed with Pennyrile for collections.

**Property Description**

**Leasehold Improvements-Wells Building**

60 Improvements - Wells Building

SL

61 5 Ton AC

SL

Total - Leasehold Improvements-Wells Bldg.

**Vehicles:**

100 1997 Ford Taurus

SL

101 1999 Ford Taurus

102 2000 White Ford Taurus

SL

103 2000 Gold Ford Taurus

SL

107 2001 Chevy Venture

SL

108 2002 Ford Taurus

SL

109 2002 Toyota Tacoma

SL

110 2002 Toyota Tacoma

SL

111 2000 Toyota Tacoma

SL

112 1997 Chevrolet Astro Van

SL

113 1997 Chevrolet Suburban

SL

114 1998 Toyota Tacoma

SL

115 2001 Toyota Sienna

SL

116 1995 Chevy Astro

SL

117 2006 Ford Taurus

SL

118 2002 Ford F150

SL

119 2004 Toyota Tacoma

SL

120 2001 Toyota Tacoma

SL

121 Camper

SL

123 2006 Ford Freestar  
SL  
124 Camper  
SL  
125 Trailer  
SL  
127 Cable Trailer  
SL  
128 Tool Bed  
SL  
129 2001 Int' 4700 Truck  
SL  
130 2007 Ford Taurus  
SL  
131 Transmssion Ford  
SL  
132 9" Auger  
SL  
133 14" Auger  
SL  
134 2006 Ford Taurus  
SL  
135 2006 Ford F150  
SL  
136 2004 Ford F250  
SL  
137 2005 Ford F150  
SL  
138 2005 Ford F150  
SL  
139 2006 Ford F150  
SL  
140 Tool Bed  
SL  
142 4 Drawer Floor Unit  
SL  
143 Camper  
SL  
144 Camper  
SL  
145 Rhino 660  
SL  
146 2003 Rav 4  
SL  
147 2007 Ford F150  
SL  
149 Camper Top '07 F150

SL  
150 2000 Bucket Truck

SL  
**Total - Vehicles**

**Main Office Equipment:**

307 Brother Fax Machine  
SL  
329 (1) 2 Drw. Filing Cabinet  
SL  
331 5-shelf Cabinet  
SL  
332 Cabinets and Waste Baskets  
SL  
335 Filing Cabinets  
SL  
353 (3) Desks  
SL  
354 Fir 4 Drawer File, Fire Impact  
SL  
358 Gateway w/ 256MB (SN 0020421230)  
SL  
366 Gateway 6400 NTS (SN 0021898328)  
SL  
368 (2) Cisco 24 Port Switches  
SL  
369 Dual Speed 24 Port Switch  
SL  
374 (2) Desks  
SL  
375 Desk  
SL  
379 17" LCD Flat Screen Monitor  
SL  
382 Axis 2120 Network Camera  
SL  
383 Network Camera  
SL  
384 Axis 2100 Network Camera  
SL  
385 Axis 2120 Network Camera  
SL  
386 Axis 2120 Network Camera  
SL  
387 Network Cam w/8mm Auto Iris Lens  
SL  
389 (10) Axis 2120 Network Cameras

SL  
402 (2) Network Web Cameras  
SL  
404 12 x 12 Storage Building  
SL  
405 Ethernet Time Clock (Coal Run)  
SL  
406 Gateway E2500 w/ Backup (SN 35663465)  
SL  
407 Gateway 17" Flatscreen  
SL  
408 Gateway E2300 (SN 0035455528)  
SL  
409 Gateway 15" Flatscreen  
SL  
411 Gateway 15" Flatscreen  
SL  
412 Gateway E2300 (SN 0035455530)  
SL  
413 Gateway 15" Flatscreen  
SL  
415 Gateway 17" Flatscreen  
SL  
416 Trailer  
SL  
417 Color Printer (SN 94-0K470)  
SL  
418 Network Camera  
SL  
419 (2) Cable Shark Qualifiers  
SL  
420 (2) Webcam Housings  
SL  
421 6' Mounted Grill  
SL  
422 Workstation 2nd Street  
SL  
424 3 1/2 Ton Heat Pump  
SL  
425 6' Mounted Grill  
SL  
426 (3) Network Cameras w/ Housing  
SL  
427 (9) Dell Poweredges  
SL  
428 (18) Dell 17" Flat Screens  
SL

429 Dell Laptop (SN 61WD5C1)

SL

430 Dell Laptop (SN CB4GDC1)

SL

431 Dell Laptop (SN 384GDC1)

SL

432 Grill

SL

433 Spectrum Analyzer

SL

434 Office Furniture

SL

435 (3) Dell Opti 330

SL

436 (2) Dell D530, T7250

SL

437 Dell LAT D530

SL

438 Dell LAT D830

SL

439 Dell Printer w/ Duplexer

SL

440 Web Camera

SL

441 Dell Powerconnect

SL

**Total - Main Office Equipment**

**Scott Ave. Office Equipment**

503 Gateway w/ 256MB (SN 0020421223)

SL

511 MP-861 Box Light Projector (SN GO801040)

SL

514 Cannon Copier (SN TVK19998)

SL

515 IBM Thinkpad (SN AK-V1026)

SL

521 Gateway Rack Mount Server (SN 0026881898)

SL

522 Gateway Rack Mount Server (SN 0026881899)

SL

523 (5) 4U Beige Mount Chassis

SL

524 (6) Ethernet Cards

SL

527 Gateway 300L (SN 0026763751)

SL

528 Gateway LCD Flatscreen (SN MUL5009A0059928)

SL

530 Furniture

SL

531 Phone/Sound System

SL

532 3yd Rear Loading Dumpster

SL

534 Laser Jet 2200d Printer (SN JPGGJ45821)

SL

535 Frigidaire Refrigerator

SL

539 (36) 28 Button Display HF Telephones

SL

540 (2) iSeries Wireless Telephones

SL

541 Phone System

SL

545 Ethernet Time Clock

SL

546 Gateway 500se (SN 28163846)

SL

547 Gateway 17" Flatscreen (SN GL219A231013572)

SL

549 Gateway 17" Flatscreen (SN GL219A231013585)

SL

551 Gateway 17" Flatscreen (SN GL219A231013573)

SL

552 Gateway 500se (SN 28163844)

SL

554 Gateway 500se (SN 28163843)

SL

555 Gateway 17" Flatscreen (SN GL219A231013568)

SL

556 HP Laserjet 1200 (SN CNC8795181)

SL

557 HP Laserjet 4100N (SN USLNH29793)

SL

558 HP Sheet Envelop Feeder

SL

559 Internal Print Server

SL

560 IBM Thinkpad (SN 78-LDWDF)

SL

561 Cisco T1 DSU/CSU WAN Unit

SL

562 Office Furniture-Managers

SL  
563 (2) Lacasse 36" Round Tables  
SL  
564 (4) Virco 36x36 Tables w/ Bases  
SL  
565 (12) Lacasse 30x60 Tables w/Steel Legs  
SL  
566 Mailroom Table 30x60  
SL  
567 Mailroom Sorter  
SL  
568 (2) Lacasse 96x48 Tables w/ Base  
SL  
569 (2) Bookcase Credz.  
SL  
570 (44) Swivel Tilt Chairs  
SL  
571 (40) Upholstered Stack Chairs  
SL  
572 Oversized Desk Chair w/ Arms  
SL  
573 (33) Wastbaskets  
SL  
574 Polycom Conference Unit (SN 12704025)  
SL  
575 Polycom Conference Unit (SN 12698867)  
SL  
576 Voice Mail Upgrade from 4 to 8 Port  
SL  
578 Brother Fax Machine (SN U56577G1J509752)  
SL  
581 (2) Bunn Coffeemakers  
SL  
582 Key Cabinet  
SL  
585 Coffee Table  
SL  
586 (3) 24x24x23 Tables  
SL  
587 16x48x30 Table  
SL  
588 (2) Chair Arcade Arm Inserts  
SL  
589 (3) Lounge Chairs  
SL  
590 (4) Lounge Chairs  
SL



591 Lounge Chair  
SL  
592 Lounge Ottoman  
SL  
593 I-Line Walls/Cubicles  
SL  
594 (30) Chairmats  
SL  
596 Pedestal  
SL  
597 (10) Desk Worksurf., (4) Cantil., (2) Pedestals  
SL  
598 (2) Chairs  
SL  
599 Receptionist Desk  
SL  
600 Theater Screen w/ Case  
SL  
604 Phone Equipment  
SL  
605 HP 1200 Printer (CNC6203863)  
SL  
606 HP 1200 Printer (CNC6014732)  
SL  
607 HP 1200 Printer (CNC6072563)  
SL  
900 HP 1200 Printer (CNC6082587)  
SL  
608 HP Laserjet 4300 Printer  
SL  
609 Firewall Hardware  
SL  
610 Cubicles-2nd Floor  
SL  
611 On-Hold Plus 5000 Music  
SL  
613 Generator  
SL  
614 Microscanner  
SL  
615 Print Server  
SL  
616 (3) Cubicles-2nd Floor  
SL  
617 Gateway SB 4000A (SN 0030115230)  
SL  
618 Gateway 15" Flatscreen (SN MUL5016E0020112)

SL  
619 Gateway SB 4000A (SN 0030115231)  
SL  
621 Gateway SB 4000A (SN 0030115232)  
SL  
623 Gateway SB 4000A (SN 0030115233)  
SL  
624 Gateway 15" Flatscreen (SN MUL5016E0017216)  
SL  
625 Gateway SB 4000A (SN 0030115234)  
SL  
627 Gateway SB 4000A (SN 0030115235)  
SL  
628 Gateway 15" Flatscreen (SN MUL5016E0017225)  
SL  
629 Heating/Cooling System Equ. Rooms  
SL  
630 Gateway SB 4000A (SN 0030179937)  
SL  
632 Gateway SB 4000A (SN 0030179938)  
SL  
633 Gateway 17" Flatscreen (SN GL619A312022387)  
SL  
636 Gateway 960 Server (SN 30181728)  
SL  
641 IBM Thinkpad (SN FXF9827)  
SL  
643 (8) 2" Wooden Blinds  
SL  
644 Tackboard  
SL  
645 Bookcase  
SL  
646 Swivel Chair  
SL  
647 5 Chairs/2 Stack Chairs  
SL  
648 (2) Storage Cabinets  
SL  
649 2 Tables (top w/ caster & top w/o caster)  
SL  
650 Desk w/ Credenza & Bridge  
SL  
651 Tech Work Station  
SL  
652 (4) Small Desks w/ Worksurf./4 Ped./4 Sup.  
SL

653 1 Small Desk w/ Worksurf./2 Supports  
SL  
654 1 Small Desk w/ Worksurf./ Support/Box  
SL  
655 2 Rein. Channel, Panel, Trim, Conn. Panel  
SL  
656 Storage Cabinet  
SL  
657 Gateway Sb 4100 (SN 32318519)  
SL  
658 Gateway 15" Flatscreen (SN MUL50220023640)  
SL  
659 Gateway Sb 4100 (SN 32318520)  
SL  
660 Gateway 15" Flatscreen (SN MUL50220023637)  
SL  
661 Gateway Sb 4100 (SN 32318521)  
SL  
662 Gateway 15" Flatscreen (SN MUL50220022790)  
SL  
663 Gateway Sb 4100 (SN 32318522)  
SL  
665 Gateway Sb 4100 (SN 32318523)  
SL  
667 Can/Bottle Vending Machine  
SL  
668 Lion Lamp  
SL  
669 Ficus Tree in Urn  
SL  
670 Ficus Tree in Pot  
SL  
672 Bombe Chest  
SL  
673 Gateway 920 Server (SN 0032801591)  
SL  
673 Cyberpower 1500 AVR (Battery Backup)  
SL  
674 Vending Machine  
SL  
677 Gateway 920 SCSI (SN 0032896898)  
SL  
678 LaserJet 1300 (SN CNCB566182)  
SL  
679 LaserJet 2300 (SN CNBFB78210)  
SL  
681 Gateway E4100 (SN 1098390000)

SL  
682 Gateway 15" Flatscreen (MUL15022c0090130)  
SL  
683 Gateway E4100 (SN 1098390001)  
SL  
684 Gateway 15" Flatscreen (MUL15022C0091904)  
SL  
685 Gateway E4100 (SN 1098390002)  
SL  
687 Gateway E4100 (SN 1098390005)  
SL  
690 Gateway 15" Flatscreen (SN MUL5022C0091914)  
SL  
692 Simplex Lock  
SL  
693 Gateway E4100 (SN 1100119093)  
SL  
697 Gateway E4100 (SN 1100119131)  
SL  
698 Gateway 17" Flatscreen (SN MUL7007A0062748)  
SL  
699 Wireless Interenet Camera  
SL  
701 Shades  
SL  
702 Net Gear 16 Port Rack  
SL  
703 Lock-Downstairs Equipment Room  
SL  
704 Sound System  
SL  
705 Empire 5' Bench  
SL  
706 Gateway E2100 (SN 33255148)  
SL  
708 Gateway E2100 (SN 33255149)  
SL  
709 Gateway 15" Flatscreen (SN MUL5022C0128002)  
SL  
710 Gateway E2100 (SN 33255150)  
SL  
712 Gateway E2100 (SN 33255151)  
SL  
713 Gateway 15" Flatscreen (SN MUL5022C0128010)  
SL  
716 Gateway E2100 (SN 33255153)  
SL

718 Gateway E2100 (SN 33255154)  
SL  
719 Gateway 17" Flatscreen (SN TL819A415027005)  
SL  
720 Gateway E2100 (SN 33255155)  
SL  
721 Gateway 15" Flatscreen (SN MUL5022C0128006)  
SL  
722 Gateway E2100 (SN 33255156)  
SL  
723 Gateway 15" Flatscreen (SN MUL5022C0127994)  
SL  
725 Gateway 960 Server (SN 33255374)  
SL  
726 Gateway Laptop (SN 0033241022)  
SL  
727 Gateway Laptop (SN 0033241023)  
SL  
728 Gateway Laptop (SN 0033241025)  
SL  
729 Gateway Laptop (SN 0033241026)  
SL  
730 Gateway Laptop (SN 0033241027)  
SL  
731 Gateway Laptop  
SL  
733 Ethernet Time Clock  
SL  
737 Open Frame Rack for Server  
SL  
738 (12) Cubicles & Cabinets 2nd Floor  
SL  
739 (12) Chairs  
SL  
741 Castelle Faxpress 7500 Mount Fax Server  
SL  
741 Keyless Lock Upstairs Equipment Room  
SL  
742 LD118 Copier w/ Auto Doc. Feeder  
SL  
743 450 Scanner  
SL  
744 4 Ton Cooling Unit  
SL  
745 IBM Thinkpad (SN KM-5797 0408)  
SL  
746 Gateway 17" Flatscreen (SN TL819A429059208)

SL  
747 Gateway Laptop (SN 3C3VR7XDDKYDW)  
SL  
748 Gateway Projector (VPROJ27995-1W)  
SL  
749 Gateway E2100 (SN 34375541)  
SL  
751 Gateway E2100 (SN 34375542)  
SL  
752 Gateway 17" Flatscreen (SN MUL7007G00-19004)  
SL  
753 Gateway E2100 (SN 34375543)  
SL  
755 Gateway E2100 (SN 34375548)  
SL  
758 Gateway 15" Flatscreen (SN 107017705)  
SL  
759 Gateway E2100 (SN 34375546)  
SL  
760 Gateway 15" Flatscreen (SN 407017733)  
SL  
761 HP DesignJet 500 (SN SSG47R82059)  
SL  
762 Brylee Compace Swivel Tilt Chair  
SL  
763 Big/Tall Chair  
SL  
764 Cubicle  
SL  
765 Phone Switch Backup  
SL  
766 Snap 4100 Network Backup  
SL  
767 Netlink IP Phone  
SL  
768 Automatic Doors  
SL  
769 (2) Servers  
SL  
770 Netgear 24 Pt. Smart Gig  
SL  
771 Rack Mount  
SL  
772 Gateway E-6300 w/Backup (SN 0034872745)  
SL  
773 Gateway 17" Flatscreen  
SL

774 Gateway E-6300 w/Backup (SN 0034872746)  
SL  
775 Gateway 17" Flatscreen  
SL  
776 Gateway E2300 w/Backup (SN 00348727535)  
SL  
778 Gateway E2300 w/Backup (SN 00348727536)  
SL  
779 Gateway 17" Flatscreen  
SL  
780 Gateway E2300 w/ Backup (SN 0034872737)  
SL  
781 Gateway 15" Flatscreen  
SL  
782 Gateway E2300 w/ Backup (SN 0034872738)  
SL  
783 Gateway 15" Flatscreen  
SL  
784 Gateway E2300 w/ Backup (SN 0034872739)  
SL  
785 Gateway 15" Flatscreen  
SL  
786 Gateway E2300 w/ Backup (SN 0034872740)  
SL  
787 Gateway 15" Flatscreen  
SL  
788 Gateway E2300 w/ Backup (SN 0034872741)  
SL  
789 Gateway 15" Flatscreen  
SL  
790 Gateway E2300 w/ Backup (SN 0034872742)  
SL  
791 Gateway 15" Flatscreen  
SL  
792 Gateway E2300 w/ Backup (SN 0034872743)  
SL  
793 Gateway 15" Flatscreen  
SL  
794 Gateway E2300 w/ Backup (SN 0034872744)  
SL  
796 15 Cubicles-2nd Floor  
SL  
797 Voice Mail System  
SL  
798 (40) Swivel Tilt Chairs  
SL  
799 (24) Stack Chairs

SL  
800 I Line Steelcase Walls  
SL  
802 Cubicles 2nd Floor  
SL  
903 IBM Thinkpad (SN 1S1842GQUKVA2963))  
SL  
905 IBM Thinkpad (SN SLVA4194)  
SL  
909 Gateway E2300 w/ Backup (SN 0035316057)  
SL  
911 Gateway E2300 w/ Backup (SN 0035316058)  
SL  
913 Gateway E2300 w/ Backup (SN 0035316059)  
SL  
915 Gateway E2300 w/ Backup (SN 0035316060)  
SL  
917 Gateway E2300 w/ Backup (SN 0035316061)  
SL  
919 Gateway E2300 w/ Backup (SN 0035316062)  
SL  
921 Gateway E2300 w/ Backup (SN 0035316063)  
SL  
922 Gateway 15" Flatscreen  
SL  
923 Gateway E2300 w/ Backup (SN 0035316064)  
SL  
924 Gateway 17" Flatscreen  
SL  
926 Gateway 17" Flatscreen  
SL  
927 Gateway E2300 w/ Backup (SN 0035316066)  
SL  
928 Gateway 17" Flatscreen  
SL  
929 Gateway E2300 w/ Backup (SN 0035316067)  
SL  
930 Gateway 17" Flatscreen  
SL  
931 Gateway E2300 w/ Backup (SN 0035316068)  
SL  
932 Gateway 17" Flatscreen  
SL  
933 Gateway DS Profile 5.5 (SN 0035455526)  
SL  
934 IS300 Scanner  
SL



935 5635 Digital Copier  
SL  
936 5635 Digital Copier  
SL  
938 Gateway M250X/Case (SN 35664866)  
SL  
942 (4) Cubicles-Downstairs  
SL  
943 I-Line Walls  
SL  
944 Gateway E2500D w/Backup (SN 35663463)  
SL  
945 Gateway 15" Flatscreen  
SL  
946 Gateway E2500D w/Backup (SN 35663464)  
SL  
947 Gateway 17" Flatscreen  
SL  
948 Gateway E2300 (SN 0035455527)  
SL  
949 Gateway 15" Flatscreen  
SL  
950 Gateway 15" Flatscreen  
SL  
951 Gateway E2300 (SN 0035455531)  
SL  
952 Gateway 15" Flatscreen  
SL  
953 Gateway E2300 (SN 0035455532)  
SL  
955 Gateway Profile 5.5 (SN 0035455525)  
SL  
956 Gateway S-5000S (SN 0036045770)  
SL  
957 Gateway 9515 (SN 0036045771)  
SL  
959 Gateway 5.5 SB (SN 36387666)  
SL  
960 Gateway M250E (SN 36387827)  
SL  
961 Gateway E-4300 (SN 36387660)  
SL  
962 Gateway 17" Flatscreen  
SL  
963 Gateway E-4300 (SN 36387661)  
SL  
964 Gateway 17" Flatscreen

SL  
965 Gateway E-4300 (SN 36387662)  
SL  
966 Gateway 17" Flatscreen  
SL  
967 Gateway E-4300 (SN 36387663)  
SL  
968 Gateway 17" Flatscreen  
SL  
969 Gateway E-4300 (SN 36387664)  
SL  
970 Gateway 17" Flatscreen  
SL  
971 Gateway E-4300 (SN 36387665)  
SL  
972 Gateway 17" Flatscreen  
SL  
973 Gateway M275E (SN 36388224)  
SL  
974 Fire Suppression System  
SL  
977 Purchase Option-Community Trust  
SL  
978 Purchase Option-Leasing Group  
SL  
980 Gateway E2600S (SN 36652015)  
SL  
981 Gateway 17" Flatscreen  
SL  
982 Gateway E2600S (SN 36652016)  
SL  
983 Gateway 17" Flatscreen  
SL  
984 Gateway E2600S (SN 36652017)  
SL  
985 Gateway 17" Flatscreen  
SL  
986 Gateway E2600S (SN 36652018)  
SL  
987 Gateway 17" Flatscreen  
SL  
988 Gateway E2600S (SN 36652019)  
SL  
989 Gateway 17" Flatscreen  
SL  
990 Gateway E2600S (SN 36652020)  
SL

991 Gateway 17" Flatscreen  
SL  
6000 Poweredge  
SL  
6001 Dell 5200N Workgroup Laser  
SL  
6002 Dell 3100 CN Color Laser  
SL  
6003 Gateway E2500S (SN 36765333)  
SL  
6004 Gateway 17" Flatscreen  
SL  
6005 Gateway E2500S (SN 36765334)  
SL  
6007 Gateway E2500S (SN 36765335)  
SL  
6009 Gateway E2500S (SN 36765336)  
SL  
6011 Gateway E2500S (SN 36765337)  
SL  
6013 Gateway E2500S (SN 36765338)  
SL  
6015 Gateway E2500S (SN 36765339)  
SL  
6017 Gateway E2500S (SN 36765340)  
SL  
6019 Gateway E2500S (SN 36765341)  
SL  
6020 Gateway 17" Flatscreen  
SL  
6021 Gateway E2500S (SN 36765342)  
SL  
6022 Gateway 17" Flatscreen  
SL  
6024 Gateway 17" Flatscreen  
SL  
6025 Gateway 17" Flatscreen  
SL  
6028 Heat Pump  
SL  
6030 Dell Inspirion Laptop (SN HV8JMB1)  
SL  
6031 Dell Inspirion Laptop (SN 2Y8JMB1)  
SL  
6032 Dell Inspirion Laptop (SN HY8JMB1)  
SL  
6033 Dell Inspirion Laptop (SN JW8JMB1)

SL  
6034 Dell Latitude Laptop (SN 69BFMB1)  
SL  
6035 Dell Server (SN GPXDMB1)  
SL  
6036 Cisco 2821 Router  
SL  
6038 Extreme Network Switch  
SL  
6040 Dell Laptop (SN 29BW5C1)  
SL  
6041 Dell Laptop (SN H6BW5C1)  
SL  
6042 Dell Laptop (SN 18BW5C1)  
SL  
6043 Dell Laptop (SN 75BW5C1)  
SL  
6044 Desk w/ Hutch  
SL  
6045 Acer PD726W Proj.(SN 6510041A5910)  
SL  
6046 Acer PD726W Proj.(SN 901012651004195910)  
SL  
6047 Dell Laptop (SN 9SP5FC1)  
SL  
6048 Dell Opti 320 Desktop (SN 1Z3GLC1)  
SL  
6049 Dell Opti 320 Desktop (SN 6Z3GLC1)  
SL  
6050 Dell Opti 320 Desktop (SN 3Z3GLC1)  
SL  
6051 Dell Opti 320 Desktop (SN 9Z3GLC1)  
SL  
6052 Dell Opti 320 Desktop (SN FZ3GLC1)  
SL  
6053 Dell Opti 320 Desktop (SN BY3GLC1)  
SL  
6054 Dell Opti 320 Desktop (SN CZ3GLC1)  
SL  
6055 Dell Opti 320 Desktop (SN 4Z3GLC1)  
SL  
6056 8'x8' Project. Screen w/ Remote  
SL  
6057 Draper Lift for Projection Screen  
SL  
6058 Dell Powervault (SN 412SNC1)  
SL

6059 Dell Laptop (SN B4J4RC1)  
SL  
6060 Dell Oracle Dev. Server (SN CF6GQC1)  
SL  
6061 Dell Oracle Prod. Server (SN BF6GQC1)  
SL  
6062 (2) Dell Storage Servers (SN 1RWLQC1, 3RWLQC1)  
SL  
6063 Backup Server Solution  
SL  
6065 Netbotx Wall Appliance  
SL  
6066 Dell Laptop (SN 41Z74D1)  
SL  
6067 Dell Laptop (SN 71Z74D1)  
SL  
6068 Dell Laptop (SN 91Z74D1)  
SL  
6069 Dell Opti 745 Desktop (SN 5YJN2D1)  
SL  
6070 (2) 19" Monitors  
SL  
6071 Sonic Pro 4060  
SL  
6072 Dell Opti 320 (SN 1268FD1)  
SL  
6073 Dell Opti 320 (SN 6368FD1)  
SL  
6074 Dell Opti 320 (SN 9568FD1)  
SL  
6075 Dell Opti 320 (SN D468FD1)  
SL  
6076 Dell Opti 320 (SN J368FD1)  
SL  
6077 Dell Mini-Tower (SN 6YSM5D1)  
SL  
6078 Dell E5320 Server (SN 3WQH5D1)  
SL  
6079 Computer w/ 17" Monitor  
SL  
6080 Dell Mini Tower  
SL  
6081 (3) Dell Laptops  
SL  
6084 Dell Opti 320 (SN 6JHFDF1)  
SL  
6085 Dell Opti 320 (SN 7JFDF1)

SL  
6086 Dell Laptop (SN 4HL2CF1)  
SL  
6087 Dell Laptop (SN BHL2CF1)  
SL  
6088 Dell Server  
SL  
6089 300 GB Hard Drive  
SL  
6090 Power Connect 6224  
SL  
6091 Quad Core Xeon E5430  
SL  
6092 PowerVault MD3000i  
SL  
6093 V13 Foundation Acceleration Kit  
SL  
6094 LAT D830  
SL  
6095 (2) Opti 330 DT  
SL  
6096 Dell Precision M4300  
SL  
6097 (2) Opti 330  
SL  
6098 (2) Copiers  
SL  
6099 (2) 26" LG 808MXXQ53898  
SL  
9000 Magnetic Door Locks  
SL  
9001 (5) Opti 360s  
SL  
9002 Direct TV Receivers  
SL  
9003 Dell Studio 15 Notebook  
SL  
9004 Dell Inspiron 1545  
SL  
9005 Dell Studio 15 Notebook  
SL  
9006 (5) Opti 360s  
SL  
9007 Dell Zino (16K6PL1)  
SL  
9008 Dell Powervault (SN MD300i-3964M1)  
SL

9009 Dell Chassis (23GS4M1)

SL

**Total - Scott Ave. Office Equipment**

**Lexington Office Equipment:**

801 Fuse Panel

SL

803 Chairs

SL

805 Cabinets

SL

806 Page/Door Box

SL

813 Filing Cabinet

SL

816 Tables & Bookcase

SL

817 Bookcase

SL

819 Folding Tables

SL

824 Storage Cabinet

SL

825 Phone System

SL

829 Canon Copier

SL

830 Gateway E2100 (SN 33255157)

SL

831 Gateway 17" Flatscreen (SN TL819A415026995)

SL

835 HP 2300 Printer (SN CNBGH09915)

SL

836 (3) Conference Chairs

SL

837 (2) End Tables

SL

838 (2) Guest Chairs

SL

839 (2) Bookcases

SL

840 Desk w/ Credenza & Bridge, Hutch

SL

841 Gateway 9315 Server (SN 35361263)

SL

842 Gateway E2300 (SN 0035870719)

SL

843 Gateway 19" Flatscreen  
SL  
844 Gateway E2300 (SN 0035870720)  
SL  
845 Gateway 19" Flatscreen  
SL  
846 Gateway 9415 Rack Server (SN 36519400)  
SL  
847 Dell Desktop (SN GLJJ2C1)  
SL  
848 Dell Laptop (SN 835H2C1)  
SL  
849 Dell 5110 Server (SN 1S9K7C1)  
SL  
850 Dell 5110 Server (SN 2S9K7C1)  
SL  
851 Dell 5130 Server (SN 4VPV7C1)  
SL  
852 Dell 5130 Server (SN 1VPV7C1)  
SL  
853 Sony 52" LCD Flat Screen  
SL  
855 Dell Server (SN 4LRFQC1)  
SL  
856 Dell Touchpad  
SL  
857 Dell PWST5400 Desktop  
SL  
858 Dell Server (SN 2RQ50G1)  
SL  
859 SonicWall  
SL  
860 Dell Poweredge  
SL

**Total - Lexington Office Equipment**

**Customer Care Office Equipment**

1006 Executive Office Chair  
SL  
1007 (9) Standard Office Chairs  
SL  
1010 Gateway V700 w/Monitor (SN 0021603635, LIC04062443)  
SL  
1016 IBM 18.2 GB 7200 RPM  
SL  
1019 IMAC (SN G82450P4MBW)  
SL



1020 17" Gateway Flatscreen Monitor (SN MUL7006F0004851)

SL

1021 HP Laserjet 1200

SL

1022 Spectrum Wall Board

SL

1023 Hutch w/ Doors

SL

1024 Bookcase

SL

1025 Bowfront Desk w/ Credenza/Bridge

SL

1026 (2) Stack Chairs

SL

1027 Swivel Chair

SL

1028 (2) Oversized Secretarial Task Chairs

SL

1029 (10) Office Chairs

SL

1030 Gateway Profile 5.5 w/Back. (SN 0034872715)

SL

1031 Gateway Profile 5.5 w/Back. (SN 0034872716)

SL

1032 Gateway Profile 5.5 w/Back. (SN 0034872717)

SL

1033 Gateway Profile 5.5 w/Back. (SN 0034872718)

SL

1034 Gateway Profile 5.5 w/Back. (SN 0034872719)

SL

1035 Gateway Profile 5.5 w/Back. (SN 0034872720)

SL

1036 Gateway Profile 5.5 w/Back. (SN 0034872721)

SL

1037 Gateway Profile 5.5 w/Back. (SN 0034872722)

SL

1038 Gateway Profile 5.5 w/Back. (SN 0034872723)

SL

1039 Gateway Profile 5.5 w/Back. (SN 0034872724)

SL

1040 Gateway Profile 5.5 w/Back. (SN 0034872725)

SL

1041 Gateway Profile 5.5 w/Back. (SN 0034872726)

SL

1042 Gateway Profile 5.5 w/Back. (SN 0034872727)

SL

1043 Gateway Profile 5.5 w/Back. (SN 0034872728)

SL  
1044 Gateway Profile 5.5 w/Back. (SN 0034872729)  
SL  
1045 Gateway Profile 5.5 w/Back. (SN 0034872730)  
SL  
1046 Gateway Profile 5.5 w/Back. (SN 0034872731)  
SL  
1047 Gateway Profile 5.5 w/Back. (SN 0034872732)  
SL  
1048 Gateway Profile 5.5 w/Back. (SN 0034872733)  
SL  
1049 Gateway Profile 5.5 w/Back. (SN 0034872734)  
SL  
1050 Gateway Profile 5.5 w/Back. (SN 0035316069)  
SL  
1051 Gateway Profile 5.5 w/Back. (SN 0035316070)  
SL  
1052 Gateway Profile 5.5 w/Back. (SN 0035316071)  
SL  
1054 Gateway Profile 5.5 w/Back. (SN 0035316073)  
SL  
1055 Dell LAT D630  
SL  
1056 (5) Opti 755 SN: 90W5YF1, B0W5YF, C0W5YF1, F0W5YF1, D0W5YF1)  
SL  
1057 (2) Opti 755  
SL  
Total-Customer Care

**Billing Office Equipment**

1103 (4) 4 Drw. Filing Cabinets  
SL  
1108 Folding Tables (2)  
SL  
1109 (2) 4 Drw. Filing Cabinets  
SL  
1112 4 Drw. Filing Cabinet  
SL  
1113 (2) 4 Drw. Filing Cabinets  
SL  
1114 (1) 4 Drw. Filing Cabinet  
SL  
1115 (2) 4 Drw. Filing Cabinets  
SL  
1116 (2) 2 Drw. Filing Cabinets  
SL

1120 Gateway Server (SN 0015971808)  
SL  
1121 Desk  
SL  
1122 Desk  
SL  
1125 Gateway w/ 15" Monitor (SN 0018808700)  
SL  
1126 Gateway w/ 15" Monitor (SN 0018808701)  
7 SL  
1131 8 Port KVM Switch, 6' KVM Cable  
SL  
1136 Filing Cabinet  
SL  
1139 Gateway 500L (SN 29607618)  
SL  
1140 15" LCD Flatscreen (SN MUL5021C0048300)  
SL  
1141 Gateway 500L (SN 29607621)  
SL  
1142 15" LCD Flatscreen (SN MUL5021C0048289)  
SL  
1143 Gateway 500L (SN 29607619)  
SL  
1144 15" LCD Flatscreen (SN MUL5021C0048290)  
SL  
1145 Gateway 500L (SN 29607622)  
SL  
1146 15" LCD Flatscreen (SN MUL5021C0048296)  
SL  
1147 Gateway 500L (SN 29607625)  
SL  
1148 15" LCD Flatscreen (SN MUL5021C0048312)  
SL  
1150 15" LCD Flatscreen (SN MUL5021C0048296)  
SL  
1151 Gateway 500L (SN 29607620)  
SL  
1152 15" LCD Flatscreen (SN MUL502C0048313)  
SL  
1153 Gateway 500L (SN 29607624)  
SL  
1154 15" LCD Flatscreen Monitor  
SL  
1156 Filing Cabinet  
SL  
1156 HP Laserjet 1200

SL  
1157 Gateway SB 4000A (SN 0030179939)  
SL  
1160 Hutch w/ Doors  
SL  
1161 Bookcase  
SL  
1162 Left Side Ped. Desk w/Credenza./Bridge  
SL  
1163 Swivel Chair  
SL  
1164 (2) Stack Chairs  
SL  
1165 Storage Cabinet  
SL  
1166 HP Laserjet 2300 (SN CNBGG71903)  
SL  
1168 Gateway E2100 (SN 34375547)  
SL  
1171 Gateway 15" Flatscreen (SN 407017708)  
SL  
1172 Brylee Mgmt. Chair  
SL  
1173 Sony Backup for Verabill  
SL  
1174 12-Cubicles 2nd Floor  
SL  
1175 Paper Folder  
SL  
1177 Model JJ 90 Postage Machine  
SL  
1178 Credit Card Machine  
SL  
1179 Dell Mindbill Dev. Server  
SL  
1180 Dell Mindbill Production Server  
SL  
1182 Martin Yale 959 Folder  
SL  
1183 Formax 450 Letter Opener  
SL  
1184 DDP92 Printer w/ Finisher  
SL  
1185 DDP92 Printer w/ Finisher  
SL  
**Total - Billing**

**Fiber - Pikeville**

7000 Fiber  
SL  
7000 Fiber Racks, Cable Runway  
SL  
7000 Fiber Patch/Splice Panel  
SL  
7000 Fiber Cable  
SL  
7001 DS3 Extender  
SL  
7001 IP Routing  
SL  
7001 24 Position Fiber Shelf  
SL  
7001 LCX Panel  
SL  
7001 Fiber General Equipment (10 TYCO Fosc 450)  
  
7002 Gateway 9515 Server (SN 35713720)  
SL  
7003 Gateway 9515 Server (SN 35713721)  
SL  
7004 Fusion Splicer  
SL  
7006 Land  
n/a  
7007 Fiber Phase II  
SL  
7007 Fiber Phase II  
SL  
7008 Enet Converter Phase II  
SL  
7009 Land Phase II  
n/a  
7001 Fiber General Equipment  
SL  
7010 Lasher  
SL

**Total - Fiber**

**RF General Equipment**

1200 2 Way Radios  
SL  
1201 5x10 Angle Utility  
SL  
1202 I/O Port Weld Tote

SL  
1203 Pipe Clamp Holder  
SL  
1204 Drill Drive Kit  
SL  
1205 Mac 16" Gas Chain  
SL  
1206 12 Volt Wench  
SL  
1207 Bolt Machine  
SL  
1208 Hinged Concrete Base  
SL  
1211 Heliac Cable  
SL  
1212 7/16 Din F connector  
SL  
1213 3/8" x 4" Flatbar & Bolts  
SL  
1214 Nimale - Din/Male Adapter  
SL  
1215 6' Auger for Gnd System  
SL  
1216 ½" Foam Flexwell Cable  
SL  
1217 10' Section 25G Tower  
SL  
1218 8 ½" Superflex Jumpers  
SL  
1219 Pwr Dir Dr  
SL  
1220 Adapter Kits  
SL  
1221 17pkt Cordura Wor/Torch Trigger  
SL  
1222 Cable  
SL  
1223 Attenuator  
SL  
1224 Connector Kits  
SL  
1225 Fiberglass Ladder  
SL  
1226 (10) SA10D Pro 11 Ant.  
SL  
1227 SA10 Pro 11 Ant.  
SL

1228 Harness & Safety  
SL  
1229 Jensen Test Set  
SL  
1230 1000 Watt Generator  
SL  
1231 Husqvarna SSTrim Weed Eater  
SL  
1232 Cable Buggy  
SL  
1233 Hydraulic Compress  
SL  
1235 Paving Breaker/Hammer  
SL  
1235 Generator for Fiber  
SL  
1236 Satellite Signal Locator, Compass  
SL  
1237 5 Cable Pullers  
SL  
1238 (2) Generator  
SL  
1239 Air Compressor  
SL  
1240 (3) Ethernet Switches  
SL  
**Total - RF General Equipment**

**Fiber - Lincoln County**

7200 Fiber  
SL  
7201 Land  
n/a  
7202 Fiber Phase II  
SL  
7202 1600 Foot Fiber  
SL  
7203 Snowshoe 10" BRKT  
SL  
7204 Fiber Stock  
SL  
7205 Labor  
SL  
**Total - Lincoln County**

**Fiber Danville**

7300 Fiber

SL

**Total - Danville**

**Fiber Poor Farm**

7400 Poor Farm Remote Terminal

SL

7400 Poor Farm Remote Terminal-Cabinet

SL

7401 Equipment

SL

7401 48 Volt Power System

SL

7401 Occam 6252 48 Port Blade

SL

5001 300 Pair 110 Terminal

SL

7402 Swing Gate/Lightening Protectors

SL

7501 SFP Fiber Connection

SL

**Total - Poor Farm Fiber**

**Fiber Venters Lane**

7100 Fiber

SL

**Total - Fiber Venters Lane**

**Fiber Island Creek**

7500 Island Creek Remote Terminal

SL

7501 Equipment

SL

7501 Occam 6252 48 Port Blade

SL

3901 Battery System

SL

2805 2 FANS

SL

3301 200 Pair Cable

SL

**Total - Fiber Island Creek**

**Fiber Phelps**

7600 Fiber

SL

**Total - Fiber Phelps**



**Fiber Duty's Knob**

7700 Fiber

SL

**Total - Fiber Duty's Knob**

**Fiber North Mayo**

7800 Fiber

SL

7800 Fiber Labor

SL

7801 Service Mast, SFP, Wages

SL

7802 Walters Group

SL

7803 Coal Run

SL

7804 KMART

SL

7805 Lowes

SL

7806 Labor

SL

7807 Labor

SL

**Total - Fiber North Mayo**

**Fiber College Street**

7900 Fiber

SL

**Total - Fiber College Street**

**Fiber South Mayo**

8000 Fiber

SL

**Total - Fiber South Mayo**

**Fiber Appalachian Wireless**

8100 Fiber

SL

**Total - Fiber Appalachian Wireless**

**Fiber Coalfields**

8300 Fiber

SL

**Total - Fiber Coalfields**

**Fiber Building**

1360 Fiber Hut Building  
SL  
1360 Fiber Hut Building  
SL  
1361 Generator  
SL  
1361 Generator  
SL  
1362 (6) Telecom Battery Strings  
SL  
1363 Occam 6252 48 Port Blade  
SL  
1364 T3 Fiber Optic Modem  
SL  
1365 Power Supply Spare  
SL  
1366 Occam Blade  
SL

**Total - Fiber Building**

**Towers:**

1300 Duty's Knob Tower  
SL  
1301 Duty's Knob Equipment  
SL  
1302 Duty's Knob Land/Improvements  
SL  
1303 Duty's Knob Land/Improvements  
SL  
1304 Duty's Knob Wireless Internet Equipment  
SL  
1305 Web Camera  
SL  
1306 500 mW Amp 2.4 Ghz  
SL  
1307 2.4GHz Pole Mt.  
SL  
1308 TSU ACE T1 FT1 DSU  
SL  
1309 Fence  
SL

**Total - Duty's Knob**

1310 Betsy Layne Tower  
SL  
1311 Betsy Layne Equipment

SL  
1312 Betsy Layne Land  
SL  
1313 Coax Cable  
SL  
**Total - Betsy Layne**

1320 Fox Croft Tower  
SL  
1321 Fox Croft Equipment  
SL  
1322 Fox Croft Land/Improvements  
SL  
1323 2.4-2.5GHZ 90 Sector  
SL  
**Total - Fox Croft**

1330 Big Shoals-Wireless Internet Equipment  
SL  
1331 Outdoor Amplifier  
SL  
1332 2.4-2.5 CHZ Antenna  
SL  
1333 2.4-2.5CHZ 90 Antenna's Breezecom  
SL  
1334 100' Tower  
SL  
1335 10' Tower Section  
SL  
1336 10' Mid Section  
SL  
1337 10' Section 25G Tower  
SL  
1338 Rotating Light  
SL  
1339 Fence  
SL  
1340 DC Power Injector Amplifier  
SL  
**Total - Big Shoals**

Total - Towers

**Lexington General Services Equipment:**  
1400 SET Internal Costs

SL  
1401 Rack/Cable  
SL  
1402 Grd System  
SL  
1409 19" 64 Circuit  
SL  
1410 Shelf  
SL  
1411 Cover  
SL  
1415 64 ckt rear 19"  
SL  
1419 Jack Panel  
SL  
1440 Purchase Option-Dimension  
SL  
1441 Purchase Option-TLP  
SL  
1445 (2) Multiplexer Redundant DC Powers  
SL  
1446 (2) RJ Patch Panels  
SL  
1447 NetVanta 1224ST  
SL  
1448 NetVanta 1224ST  
SL  
1449 RJ Patch Panel  
SL  
1450 Multiplexer Redundant  
SL  
1451 Fuse Panel  
SL  
1452 NetVanta 1224ST  
SL  
1453 Smartcell Battery Backup  
SL  
1454 (2) Panel DSX-1 Rear XConn  
SL  
1455 Switch  
SL  
1456 Switch  
SL  
1457 (2) MX2800 w/o Modem-Switch  
SL  
1458 Voice Mail System  
SL

1459	Time BITS System
	SL
1460	Switch
	SL
1461	Routing/IP Switching System
	SL
1462	Switch
	SL
1464	Call Agent/EMS Server
	SL
1467	Voice Mail Subscriber System
	SL
1467	Voice Mail Subscriber System
	SL
1468	SP4000 Card
	SL
1469	SMMI Basic L3 Switch Mgmt.
	SL
1470	Generator
	SL
1472	Trailer for Generator
	SL
1473	Switch Cards
	SL
1473	Switch Cards
	SL
1474	Generator-Installation
	SL
1475	Generator-Installation
	SL
1476	Generator-Installation
	SL
1477	Generator - Installation
	SL
1478	Generator Installation
	SL
1479	Installation for Transfer Switch for Generator
	SL
2901	Equipment
	SL
1480	Redback Card
	SL
1481	Purchase Option-Leasing Group
	SL
1482	2 Generators
	SL
	<b>Total - Lexington General Serv Equipment</b>

**Lexington Power Supply:**

1500 Eldec Control Unit  
SL  
1502 19" 64 Circuit Rear X connection  
SL  
1508 Fan Tray Kit for TC 70A  
SL  
1509 Power Supply Module  
SL  
1510 Fan Tray Kit for TC 70A  
SL  
1511 Rectifier Flotrol  
SL  
1512 Power Conversion Matrix  
SL  
1513 (4) Telecom Battery String  
SL

**Total - Lexington Power Supply**

**Lexington Internet:**

1653 2 48 Port P-Panels  
SL  
1654 4 Shelves  
SL  
1659 23" & 19" Frame, Channel Rack  
SL  
1660 Seagate 50 GB SCSI  
SL  
1661 24 Port Ethernet  
SL  
1672 ADC Patch Panel  
SL  
1673 ADC 64 POS Rear Cross Connect  
SL  
1674 TSU-LT, T1, CSU/DSU  
SL  
1685 Internet Rack/Cable  
SL  
1693 Cisco Catalyst 3524 XL  
SL  
1702 19" Rack Mount  
SL  
1713 64 ckt Rear 19" Cross Connect  
SL  
1720 Miniview Ultra 8 Port Switch  
SL

1725 Total Control 1000 Multispan  
SL  
1726 (2) Total Control 96-Port Modem Set  
SL  
1729 Soluserver TC1000-Based RAS Hiper  
SL  
1730 Cisco 2924 100Mb Ed Switch  
SL  
1743 Gateway 975 Server (SN 0032845539)  
SL  
1744 Gateway 975 Server (SN 0032845540)  
SL  
1746 Gateway 975 Server (SN 0032845539)  
SL  
1747 Gateway 975 Server (SN 0032845540)  
SL  
1749 (2) Total Access 3000 Quad  
SL  
1750 3000 Enhanced SCU  
SL  
1751 3000 DS3 Cellswitch Module  
SL  
1752 19" Chassis  
SL  
1755 Gateway 975 Server (SN 0033242103)  
SL  
1756 Gateway 975 Server (SN 0033242104)  
SL  
1758 Total Access 3000 Quad Card  
SL  
1759 Battery Unit  
SL  
1760 Chassis/T1 Module/PRI  
SL  
1763 10/100 Ethernet w/ 2 WAN Card  
SL  
1764 NetVanta 4305 Octal T1 Module  
SL  
1765 (2) Ethernet Extender Unit  
SL  
1766 Dell Email Server  
SL  
1767 Site Class Network Mgmt.  
SL  
1768 DS 1000 Network Capture  
SL  
1769 100 Meg Pipe

SL

**Total - Lexington Internet**

**Fiber DSL**

Network Terminal

SL

**Total - Fiber DSL**

**Conversion Costs**

8000 Conversion Costs

SL

8001 Conversion Costs

SL

8002 Conversion Costs

SL

8003 Conversion Costs

SL

8004 Conversion Costs

SL

8005 Conversion Costs-Commingling

SL

8006 Conversion Costs

SL

8007 Conversion Costs

SL

8008 Conversion Costs

SL

8008 Conversion Costs

SL

8009 Conversion Costs

SL

8010 Conversion Costs

SL

8011 Conversion Costs

SL

8012 Conversion Costs

SL

8013 Conversion Costs

SL

8014 Conversion Costs

SL

8015 Conversion Costs

SL

8016 Conversion Costs

SL

8017 Conversion Costs

SL



**Total - Conversion Costs**

**Cedar Creek Remote Terminal**

1800 Cedar Creek Remote Terminal  
SL  
1801 Land Improvements  
  
1802 Circuit Install  
SL  
1803 Occam 6252 48 POTS Assm.  
SL  
1804 48 V Valere Power  
SL  
1806 Labor  
SL  
1807 Battery,Fans, Swing Gate, Cable  
SL  
3902 SFP Fiber Connection  
SL  
1808 Lightening Protector  
SL

**Total - Cedar Creek Remote Terminal**

**Raccoon Creek Remote Terminal**

1900 Raccoon Creek Remote Terminal  
SL  
1901 Equipment  
SL  
1902 Land Improvements  
  
1906 48 Port/POTS Combo  
SL  
1907 Chassis 6K w/Copper  
SL  
1908 (1) T1 Conv.  
SL  
1909 Occam 6252 48 Port Blade  
SL  
1910 Labor  
SL  
1911 Cabinet Upgrade  
SL  
1912 Pole Work-Engineering  
  
1913 Cabinet Upgrade  
SL  
1914 Battery System

SL  
1362 48 VDC Valere Power System

SL  
3901 SFP Fiber Connection

SL  
**Total - Racoon Creek Remote Terminal**

**Wells Addition Remote Terminal**

2000 Wells Addition Remote Terminal  
SL

2001 Equipment  
SL

2002 Land Improvements  
n/a

2003 Wells Addition CLLI Code Request  
SL

2004 ADSL POTS Assembly  
SL

2005 (2) Rackmount Kits  
SL

2006 48 Volt Power System  
SL

2007 300 Pair 110 Terminal  
SL

2301,2401 200 Pair Buried Cable  
SL

**Total - Wells Addition Remote Terminal**

**Frozen Creek Remote Terminal**

2100 Frozen Creek Remote Terminal  
SL

2101 Equipment  
SL

2102 Battery System  
SL

2103 48 VDC Valere Power System  
SL

2104 BLC 6252 48 POTS Assm.  
SL

**Total - Frozen Creek Remote Terminal**

**Middlesboro Remote Terminal**

2200 Middlesboro Remote Terminal  
SL

2201 Equipment  
SL

5601 300 Pair 110

SL

**Total - Middlesboro Remote Terminal**

**Clay City #1 Remote Terminal**

2300 Clay City #1 Remote Terminal

SL

2301 Equipment

SL

2302 48 VDC Valere Power System

SL

4001 200 Pair Buried Cable

SL

2303 Occam 6252 48 Port Blade

SL

1908 Ethernet RICI4T1

SL

6301 Ethernet RICI4T1

SL

**Total - Clay City #1 Remote Terminal**

**Clay City #2 Remote Terminal**

2400 Clay City #2 Remote Terminal

SL

2401 Equipment

SL

2402 Land

n/a

2403 48 VDC Valere Power System

SL

3401 300 Pair 110 Terminal

SL

2404 6252 48 port Occam

SL

4601 Ethernet RICI4T1

SL

2406 Ethernet RICI4T1

SL

**Total - Clay City #2 Remote Terminal**

**Kimper Remote Terminal**

2500 Kimper Remote Terminal

SL

2501 Equipment

SL

2502 Land

n/a

5501 300 Pair 110 Terminal

SL

**Total - Kimper Remote Terminal**

**Allen Remote Terminal**

2600 Allen Remote Terminal

SL

2601 Equipment

SL

2602 300 Pair 110 Terminal

SL

**Ratliff Remote Terminal**

2700 Ratliff Remote Terminal

SL

2701 Equipment

SL

2702 Pole Mounts

SL

2703 Occam 6252 48 Port Blade

SL

2705 Labor

SL

2706 Labor

SL

2707 Labor

SL

Make Ready (pole replacement 55 class 2)

SL

**Cynthiana Gasser Lane Remote Terminal**

2800 Cynthiana Remote Terminal

SL

2801 Equipment

SL

2802 Land

n/a

2803 Occam 6252 48 Port Blade

SL

2802 48 VDC Valere Power

SL

2803 Occam 6252 48 Port Blade

SL

2804 Battery System

SL

2805 Fans, 19" Rack

SL  
1805 (2) 4T1 Converters  
SL

**Total-Cynthiana Gasser Lane Remote Terminal**

**Cynthiana Main Remote Terminal**

2900 Cynthiana Remote Terminal  
SL  
2901 Equipment  
SL  
2901 Rackmount Shelf  
SL  
2901 Occam 6252 48 Port Blade  
SL  
2902 Occam 6252 48 Port Blade  
SL  
2806 (3) BLC 6252 48 POTS Assm.  
SL  
2807 (5) BLC 6252 48 POTS Assm.  
SL  
3500 300 Pair Block  
SL

**Cynthiana Main Remote Terminal**

**Cynthiana Wigglesworth Remote Terminal**

3000 Cynthiana Remote Terminal  
SL  
3001 Equipment  
SL  
3002 BLC 6252 48 POTS Assm.  
SL  
3003 300 Pair 110 Terminal  
SL  
3101 Gordon Kapes Power Supply  
SL  
3004 19" Swing Gate  
SL

**Total-Cynthiana Wigglesworth Remote Terminal**

**Phelps Stopover Remote Terminal**

3100 Phelps Stopover Remote Terminal  
SL  
3101 Equipment  
SL  
3102 Battery System  
SL  
3103 48 VDC Valere Power System

SL  
3104 Occam 6252 48 Port Blade

SL  
3105 Ethernet Adapter RICI4T1

SL  
**Total-Phelps Stopover Remote Terminal**

**Phelps Smith Fork Remote Terminal**

3200 Phelps Smith Fork Remote Terminal  
SL

3201 Equipment  
SL

3202 Battery System  
SL

3203 48 VDC Valere Power System  
SL

3204 Occam 6252 48 Port Blade  
SL

5901 Ethernet RICI4T1  
SL

**Total-Phelps Smith Fork Remote Terminal**

**Phelps Widows Branch Remote Terminal**

3300 Phelps Widows Branch Remote Terminal  
SL

3301 Equipment  
SL

3302 Ethernet Adapter RICI4T1  
SL

3303 49 VDC Valere Power Supply  
SL

3304 Occam 6252 48 Port Blade  
SL

2704 Battery System  
SL

**Total-Phelps Widows Branch Remote Terminal**

**Phelps Town Remote Terminal**

3400 Phelps Town Remote Terminal  
SL

3401 Equipment  
SL

3402 Land

n/a

3403 (2) ADSL POTS Assembly  
SL

3404 48 Volt Power System

SL  
3405 Install Battery Box  
SL  
3406 Virtual Expanded Interconnection  
SL  
5602 2 Fan Kits  
SL  
4902 Ethernet Adapter RICI4T1  
SL

**Total-Phelps Town Remote Terminal**

**Central Office Remote Terminal**

3500 Equipment  
SL  
3501 ADSL Plus/ Lifeline POTS  
SL  
3502 Extender Module  
SL  
3503 (2) ADSL POTS Assembly  
SL  
3504 (1) ADSL POTS Assembly  
SL  
3505 (1) ADSL POTS Assembly  
SL  
3506 (3) ADSL POTS Assembly  
SL  
3507 (2) ADSL POTS Assembly  
SL  
3507 Occam 6252 48 Port Blade  
SL  
7001 Fiber General Equipment  
SL  
Converter/Rack Mounts  
SL

**Total - Central Office Remote Terminal**

**Lookout Remote Terminal**

3600 Lookout Remote Term.  
SL  
3601 Equipment  
SL  
3601 Occam 6252 48 Port Blade  
SL  
3602 Land  
n/a  
0 Battery System  
SL

3603 Cabinet

SL

3604 Ethernet Adapter RICI4T1

SL

3605 Lightening Protect., 19" Rack, 200 Pair Cable

SL

**Total-Lookout Remote Terminal**

**Harlan Smith Remote Terminal**

3800 Harlan Smith Remote Terminal

SL

3801 Equipment

SL

3802 24 Port ADSL

SL

3803 Land

n/a

4603 200 Pair Aircore Cable

SL

3804 Lightening Protector

SL

3805 19" Swing Gate

SL

**Total - Harlan Smith Remote Terminal**

**River Drive Remote Terminal**

3900 River Drive Remote Terminal

SL

3901 Equipment

SL

3901 Occam 6252 48 Port Blade

SL

5501 2 Fans

SL

3201 Gordan Kapes Power Supply

SL

2401 300 Pair Terminal Block

SL

2901 Equipment

SL

3001 200 Pair Cable

SL

3903 Fence

SL

**Total - River Drive Remote Terminal**

**Harlan Cawood Remote Terminal**



4000 Harlan Cawood Remote Terminal  
SL  
4001 Equipment-Bell Spec  
SL  
4001 Equipment-Lightening Protector, Swing Gate  
SL  
4001 Equipment-300 Pair  
SL  
4001 Equipment Lightening Protector  
SL  
4001 Equipment Power Supply  
SL  
4003 Virtual Expanded Interconnection  
SL  
4001 200 Pair Buried Cable  
SL  
4004 Ethernet Adapter RICI4T1  
SL  
4005 BLC 6252 48 POTS Assm.  
SL  
4006 Fence  
SL

**Total - Harlan Cawood Remote Terminal**

**Harlan Cranks Remote Terminal**

4200 Harlan Cranks Remote Terminal  
SL  
4201 Equipment-Power Supply  
SL  
4201 Equipment-Lightening Protector, Swing Gate  
SL  
4201 Equipment-300 Pair  
SL  
4201 Equipment-Lightening Protector  
SL  
4202 24 Port ADSL  
SL  
2101 DSLAM  
SL  
4204 Fence  
SL

**Total - Harlan Cranks Remote Terminal**

**Harlan Martin's Fork Remote Terminal**

4300 Harlan Martin's Fork Remote Term.  
SL  
4301 Equipment Pedestal Closure

SL  
4301 Equipment Power Supply  
SL  
4301 Equipment-Lightening Protector, 300 Pair  
SL  
4301 Equipment-Lightening Protector  
SL  
4203 200 Pair Buried Cable

SL  
**Total - Harlan Martin's Fork Remote Term.**

**Harlan Dayhoit Remote Terminal**

4500 Harlan Dayhoit Remote Terminal  
SL  
4501 Equipment Lightening Protector, Swing Gate  
SL  
4501 Equipment Power Supply  
SL  
4501 Equipment 300 Pair  
SL  
4501 Equipment-Lightening Protector  
SL  
4502 24 Port ADSL  
SL  
2101 DSLAM  
SL  
4503 200 Pair Buried Cable  
SL

**Total - Harlan Dayhoit Remote Terminal**

**Robinson Creek Remote Terminal**

4600 Harlan Dayhoit Remote Terminal  
SL  
4601 Equipment  
SL  
4601 Ethernet RICI4T1  
SL  
4601 Occam 6252 48 Port Blade  
SL  
4602 Battery System  
SL  
4603 Lightening Protector  
SL  
4604 Ethernet RICI4T1  
SL

**Total - Robinson Creek Remote Terminal**

**Monterey Remote Terminal**

4702 Monterey Remote Terminal  
SL  
4701 Equipment  
SL  
4700 24 Port ADSL  
SL  
2401 Gordan Kapes Power Supply  
SL  
4002 24 Port ADSL  
SL  
4703 Lightening Protector  
SL  
4704 200 Pair Aircore Cable  
SL

**Total - Monterey Remote Terminal**

**Harlan Loyall Remote Terminal**

4800 Harlan Loyall Remote Terminal  
SL  
4801 Equipment-Lightening Protector, Swing Gate  
SL  
4801 Equipment-Lightening Protector  
SL  
4801 Equipment-Lightening Protector  
SL  
4802 (2) DSLAMS  
SL  
4803 Land  
n/a  
2301 Gordan Kapes Power Supply  
SL  
4804 200 Pair Aircore Cable  
SL

**Total - Harlan Loyall Remote Terminal**

**Cowpen Remote Terminal**

4900 Cowpen Remote Terminal  
SL  
4901 Equipment  
SL  
4901 Ethernet RICI4T1  
SL  
4901 Occam 6252 48 Port Blade  
SL  
4903 Battery System  
SL

4904 Fans, 200 Pair Buried Cable

SL

**Total - Cowpen Remote Terminal**

**Berry Remote Terminal**

5000 Berry Remote Terminal

SL

5000 Berry Remote Terminal-Cabinet

SL

5001 Equipment

SL

5001 Ethernet RICI4T1

SL

5001 Occam 6252 48 Port Blade

SL

5002 Battery System

SL

5003 BLC 6252 48 POTS Assm.

SL

5004 Fans, 200 Pair Buried Cable

SL

2005 (2) Rackmount Kits

SL

5005 Ethernet RICI4T1

SL

**Total - Berry Remote Terminal**

**Main Street Remote Terminal**

5100 Main Street Remote Terminal

SL

5101 Occam 6252 48 Port Blade

SL

5102 SFP Fiber Connection

SL

**Total - Main Street Remote Terminal**

**S. Monterey Remote Terminal**

5202 S. Monterey Remote Terminal

SL

5201 Equipment

SL

5200 24 Port ADSL

SL

3001 Gordan Kapes Power Supply

SL

4901 300 Pair 110 Terminal

SL

2001 DSLAM

SL

5203 200 Pair Aircore Cable

SL

5204 (2) 100 Pair Lightening Protectors

SL

**Total - S. Monterey Remote Terminal**

**Hessler Remote Terminal**

5302 Hessler Remote Terminal

SL

5300 24 Port ADSL

SL

2101 Gordan Kapes Power Supply

SL

3001 DSLAM

SL

5302 200 Pair Aircore Cable

SL

5303 19" Rack

SL

5304 100 Pair Lightening Protectors

SL

**Total - Hessler Remote Terminal**

**S. Hessler Remote Terminal**

5701 S. Hessler Remote Terminal

SL

2701 DSLAM

SL

5701 200 Pair Aircore Cable

SL

5702 300 Pair 110 Terminal

SL

5703 Lightening Protector

SL

5704 19" Swing Gate

SL

**Total - S. Hessler Remote Terminal**

**Berry Hwy 1054 Remote Terminal**

5400 Berry Hwy 1054 Remote Terminal

SL

5400 Berry Hwy 1054 Remote Terminal-Cabinet

SL

5401 Equipment

SL

5401 2 Ethernet RICI4T1  
SL  
5401 Occam 6252 48 Port Blade  
SL  
0 Battery System  
SL  
5403 Fans, 19" Rack, 200 Pair Aircore Cable  
SL  
5404 Lightening Protector  
SL  
**Total - Berry Hwy 1054 Remote Terminal**

**Berry Kilat Remote Terminal**

5500 Berry Kilat Remote Terminal  
SL  
5500 Berry Kilat Remote Terminal-Cabinet  
SL  
5501 Equipment  
SL  
5501 Ethernet RICI4T1  
SL  
5501 Occam 6252 48 Port Blade  
SL  
0 Battery System  
SL  
5502 Fans, 200 Pair Aircore Cable  
SL  
**Total - Berry Kilat Remote Terminal**

**Berry Boyd Remote Terminal**

5600 Berry Boyd Remote Terminal  
SL  
5600 Berry Boyd Remote Terminal-Cabinet  
SL  
5601 Equipment  
SL  
5601 Ethernet RICI4T1  
SL  
5601 Occam 6252 48 Port Blade  
SL  
3001 DSLAM  
SL  
5602 Fans, 200 Pair Aircore Cable  
SL  
5603 Battery System  
SL  
**Total - Berry Boyd Remote Terminal**

**Tricum Pike Remote Terminal**

5700 Tricum Pike Remote Terminal  
SL  
5701 Equipment  
SL  
5701 Ethernet RICI4T1  
SL  
5701 Occam 6252 48 Port Blade  
SL  
3001 200 Pair Buried Cable  
SL  
5702 Ethernet RICI4T1  
SL

**Total - Tricum Pike**

**Thompson Rd. Remote Terminal**

5800 Thompson Rd. Remote Terminal  
SL  
5801 Equipment  
SL  
5801 48 VDC Valere Power System  
SL  
5801 Occam 6252 48 Port Blade  
SL  
2808 Cabinet  
SL  
5802 Lightening Protector  
SL  
5803 19" Swing Gate  
SL

**Total - Thompson Rd. Remote Terminal**

**Majestic Remote Terminal**

5900 Majestic Remote Terminal  
SL  
5901 Equipment  
SL  
5901 Ethernet RICI4T1  
SL  
5901 Occam 6252 48 Port Blade  
SL  
0 Battery System  
SL

**Total - Majestic Remote Terminal**

**Hurricane Remote Terminal**

6000 Hurricane Remote Terminal

SL

6001 Equipment

SL

6001 Ethernet RICI4T1

SL

6001 Occam 6252 48 Port Blade

SL

3301 Gordan Kapes Power Supply

SL

6002 Battery System

SL

**Total - Hurricane Remote Terminal**

**Knox Creek Remote Terminal**

6100 Knox Creek Remote Terminal

SL

6101 Equipment

SL

6101 Ethernet RICI4T1

SL

6101 Occam 6252 48 Port Blade

SL

**Total - Knox Creek Remote Terminal**

**Rockhouse Remote Terminal**

6200 Rockhouse Remote Terminal

SL

6201 Equipment

SL

6201 Ethernet RICI4T1

SL

6201 Occam 6252 48 Port Blade

SL

4301 300 Pair 110 Terminal

SL

6202 Lightning Protector

SL

**Total - Rockhouse Remote Terminal**

**River Rd. Remote Terminal**

6300 River Rd. Remote Terminal

SL

6301 Equipment

SL

6301 48 VDC Valere Power System

SL



6301 Ethernet RICI4T1

SL

6301 Occam 6252 48 Port Blade

SL

6302 Lightening Protector

SL

**Total - River Rd. Remote Terminal**

**Whitesburg Colocation Remote Terminal**

6400 Whitesburg Colocation

SL

6401 (7) Occam 6252 48 Port Blade

SL

6402 Ethernet

SL

6403 Inst DSX Positions

SL

6404 AT&T Pro Cabs - PP 502

SL

6405 Converter/Rack Mounts

SL

6406 AT&T Pro Cabs

SL

6407 Installation (Kentucky Data)

SL

6408 Labor

SL

6402 Ethernet

SL

**Total - Whitesburg Colocation Remote Terminal**

**Colson Remote Terminal**

6500 Cabinet

SL

6501 (2) Occam 6252 48 Port Blade

SL

6502 AT&T Pro Cabs App Fee

SL

6503 Install Pole

SL

6504 4 T1 Conf, 48V DC

SL

6505 Battery System

SL

6506 Inst RT Site

SL

6507 Valere Power Supply

SL  
6508 AT&T Pro Cabs - PP 502  
SL  
6509 Labor  
SL  
6510 Lightening Protector  
SL  
6511 Pedestal  
SL

**Total - Colson Remote Terminal**

**Tillie Remote Terminal**

6600 Cabinet  
SL  
6601 AT&T Pro Cabs App Fee  
SL  
6602 (2) Occam 6252 48 Port Blade  
SL  
6603 Install Pole  
SL  
6604 4 T1 Conv, 48V DC  
SL  
6605 Battery System  
SL  
6606 Valere Power Supply  
SL  
6607 Electrical Inspection  
SL  
6608 Parts for RT Site  
SL  
6609 Labor  
SL  
6610 Lightening Protector  
SL  
6611 Pedestal  
SL

**Total - Tillie Remote Terminal**

**Blackey Remote Terminal**

6700 Cabinet  
SL  
6701 (2) Occam 6252 48 Port Blade  
SL  
6702 Install Pole  
SL  
6703 Reclass AT&T App Fee  
SL

6704 4 T1 Conv 48V DC

SL

6705 Battery System

SL

6706 Install RT Site

SL

6707 Valere Power Supply

SL

6708 Labor

SL

6709 Lightening Protector

SL

6710 Pedestal

SL

**Total - Blackey Remote Terminal**

**Hallie Remote Terminal**

6800 Cabinet

SL

6801 (2) Occam 6252 48 Port Blade

SL

6802 AT&T Pro Cabs App Fee

SL

6803 Inst RT Site

SL

6804 4 T1 Conv 48V DC

SL

6805 Battery System

SL

6806 Valere Power Supply

SL

6807 AT&T Application Fee

SL

6808 Miscellaneous Parts

SL

6809 Labor

SL

6810 Lightening Protector

SL

6811 Pedestal

SL

**Total - Hallie Remote Terminal**

**Fiber - Breathitt County**

10000 Breathitt County Buildout

SL

1232 Fiber

SL  
10001 Standalone Media Converter  
SL  
10002 Power & Tel  
SL  
10003 Straight Line Cable  
SL  
10004 Capitalization of Oct. 09 Wages  
SL  
10005 Phase III  
SL  
10006 2 Media Converters  
SL

**Schedule 2.1(e)**

**Inventory**

Marketing Materials  
Paging Equipment  
Internet Equipment  
DirecTV Equipment  
Telephone Systems Equipment  
Outside Plant Materials  
Network Equipment

## Schedule 2.1(f)

### Intellectual Property

Type of Property	Description and Location of Property
Service Mark	"We've Got Connections" registered in KY
Service Mark	"SouthEast" registered in KY
Service Mark	"SouthEast Telephone" registered in KY
Service Mark	"Get Connected" registered in KY
Intellectual Property - Not registered	Software program for inputting E911 Information - Pikeville, KY
Intellectual Property - Not registered	Software program for mobile application of contact lists - Pikeville, KY
Intellectual Property - Not registered	Software for submitting residential service agreements - Pikeville, KY
Intellectual Property - Not registered	Software portal of agent tools - Pikeville, KY
Intellectual Property - Not registered	Software application for billing statistics - Pikeville, KY
Intellectual Property - Not registered	Software for tracking changes in long distance - Pikeville, KY
Intellectual Property - Not registered	Software tool for obtaining local and long distance call usage for a given line - Pikeville, KY
Intellectual Property - Not registered	Software tool for agents - Pikeville, KY
Intellectual Property - Not registered	Software tool to run credit checks - Pikeville, KY
Intellectual Property - Not registered	Software that manages online payments - Pikeville, KY
Intellectual Property - Not registered	Software interface for managing customer PINS - Pikeville, KY
Intellectual Property - Not registered	Software tool to create temporary Internet accounts - Pikeville, KY
Intellectual Property - Not registered	Software tool for processing disconnects - Pikeville, KY
Intellectual Property - Not registered	Internal software tool for "who's who in the company" - Pikeville, KY
Intellectual Property - Not registered	Software developed as a knowledge portal - Pikeville, KY
Intellectual Property - Not registered	Software tool for tracking orders
Intellectual Property - Not registered	Software developed for making corrections to the order log - Pikeville, KY
Intellectual Property - Not registered	Software portal for viewing service agreements and order log entries - Pikeville, KY
Intellectual Property - Not registered	Software tool for providing charge details for billing numbers - Pikeville, KY
Intellectual Property - Not registered	Software tool that extracts paystation data - Pikeville, KY
Intellectual Property - Not registered	Software tool for price estimates for residential phone service - Pikeville, KY
Intellectual Property - Not registered	Single sign on software tool - Pikeville, KY
Intellectual Property - Not registered	Repair software for agents - Pikeville, KY
Intellectual Property - Not registered	Software that transmits questions from agents to SouthEast departments - Pikeville, KY
Intellectual Property - Not registered	Software that locates agents nearest a given zip code - Pikeville, KY
Intellectual Property - Not registered	Software tools for customer care to track activity Pikeville, KY
Intellectual Property - Not registered	Web portal for documents, employee forms, scheduling - Pikeville, KY
Intellectual Property - Not registered	Software tool for tracking travel cards - Pikeville, KY
Intellectual Property - Not registered	Software tool for enabling/disabling bill services - Pikeville, KY
Intellectual Property - Not registered	Software tool for tracking customer service voice mail - Pikeville, KY
Intellectual Property - Not registered	Software tool that manages customer relations - Pikeville, KY
Intellectual Property - Not registered	Software system for managing lifeline services - Pikeville, KY
Intellectual Property - Not registered	Software system for automating suspensions and terminations - Pikeville, KY

**Schedule 2.1(f)**

**Intellectual Property**

**(Continued)**

<b>Type of Property</b>	<b>Description and Location of Property</b>
Intellectual Property - Not registered	Software tool that filters call records - Pikeville, Ky
Intellectual Property - Not registered	Software tool that ensures other programs are synchronized - Pikeville, KY
Intellectual Property - Not registered	Software tool used for placing new records from one program to another
Intellectual Property - Not registered	Software reporting tool for voice mails - Pikeville, KY
Intellectual Property - Not registered	Software reporting tool for order log - Pikeville, KY
Intellectual Property - Not registered	Software tool for synchronizing address books - Pikeville, KY
Intellectual Property - Not registered	Software system to manage Carrier Access Billing - Pikeville, KY
Intellectual Property - Not registered	Software system used for provisioning facilities based services - Lexington, KY

**Schedule 2.1(g)**

**Purchased Contracts**

AT&T License Agreement for Rights of Way, Conduits & Pole Attachments  
AEP (Kentucky Power Company) Pole Attachment License Agreement  
Appalachian Wireless Reseller Agreement  
AT&T Interconnection Agreement and AT&T Mass Market Agreement  
AT&T Switched Access Service Agreement  
Comdata Network, Inc.  
Equifax Agreement for Services  
JBS Communications Agreement for Services  
Kentucky Data Link Master Services Agreement  
Labcorp End User Agreement  
Network Communications (NCIC) Unbundled Operator Service Agreement  
NCO Contract for Services  
NEC Unified Associate Agreement  
Norlight Contract  
NRTC Retail Agreement  
Orr Protection Contract  
Pennyrile Contract  
Perfect 10 Contract  
Propel Complete Contract  
Qwest Contract  
Targus Commercial Information Services Agreement  
TW Telecom Communications Services Agreement  
Windstream Interconnection Agreement and Windstream Commercial Agreement  
Wispnet Contract for Services



Contract Name	Cure Amounts	
AT&T License Agreement for Rights of Way, Conduits & Pole Attachments	0.00	
AEP (Kentucky Power Company) Pole Attachment License Agreement	0.00	
Appalachian Wireless Reseller Agreement	31.14	
AT&T Interconnection Agreement and AT&T Mass Market Agreement	913,000.00	Per Agreement
AT&T Switched Access Service Agreement	0.00	
Comdata Network, Inc.	0.00	
Equifax Agreement for Services	835.73	
JBS Communications Agreement for Services	15,900.25	
Kentucky Data Link Master Services Agreement	4,687.50	
Labcorp End User Agreement	520.00	
Network Communications (NCIC) Unbundled Operator Service Agreement	466.67	
NCO Contract for Services	21.53	
NEC Unified Associate Agreement	27,299.84	
Norlight Contract	6,230.03	
NRTC Retail Agreement	3,922.86	
Orr Protection Contract	795.00	
Pennyrile Contract	0.00	
Perfect 10 Contract	0.00	
Propel Complete Contract	700.00	
Qwest Contract	0.00	
Targus Commercial Information Services Agreement	933.33	
TW Telecom Communications Services Agreement	15,697.08	
Windstream Interconnection Agreement and Windstream Commercial Agreement	110,000.00	per agreement
Wispnet Contract for Services	10,805.58	
Total	1,111,846.54	

**Schedule 2.1(h)**

**Permits**

- Helen Auxier Easement – Permanent easement in Pikeville, KY.
- Dulcimer Land Company – 12 foot right of way and surface easement for utility box in Harlan County, KY.
- Walter May Easement – One time easement for initial installation for fiber optic cable in Pikeville, KY.
- Curtis Scott Easement – Permanent utility easement and right of way for remote terminal located on property.
- Charles Wheeler Easement – Easement and right of way in Pikeville, KY.
- Permit to do business in the State of West Virginia.
- Permit to do business in the State of Kentucky.
- Permit to do business in the City of Pikeville.
- Permit to do business in the City of Frankfort.
- Permit to do business in the City of Jackson.
- Various highway permits across service area to place infrastructure on state right of way.

**Schedule 2.1(j)**

**Attorney Client Privileged Documents**

Work product of Stratton, Hogg & Maddox, P.S.C.

**Schedule 2.2(a)**

**Excluded Assets (Real Property)**

None

**Schedule 2.2(b)**

**Excluded Assets (Personal Property)**

- Insurance Policy with Northwestern Mutual Wealth Management Company, Policy # 18-025-143. Term 80 plan insuring the life of Darrell Maynard, with SouthEast Telephone, Inc. as the beneficiary.
- Money Market Account with Community Trust Bank, which Money Market Account shall consist only of the Administrative Claim Payment and no other funds.
- \$10,000 Escrow Account with Community Trust Bank.

**Schedule 2.2(c)**

**Excluded Assets (Contracts)**

Accurate Background End User Agreement

ANPI Communications Services Agreement

AT&T Mobility Contract

AT&T Advertising Contract

Bluebird Wholesale Master Services Agreement

Shred All Contract

Smart Telecom Contract

Insurance Policy with Northwestern Mutual Wealth Management Company, Policy # 18-025-143. Term 80 plan insuring the life of Darrell Maynard, with SouthEast Telephone, Inc. as the beneficiary.

**Residential, Commercial and/or DirectTV contracts with:**

- Eastern Telephone, Inc., 106 Power Drive Pikeville, KY 41501
- Harlan 2-Way 2415 W. Highway 72 Harlan, KY
- Louisa Electronics 102 Blairs Way, Suite 500 Louisa, KY 41201
- Movies To Go 168 Village Center Road Harlan, KY
- Wholesale Electronics, 161 Citizens Lane, Hazard, KY 41701
- Wallingford Communication, 128 Bill Hill Ave. Richmond, KY 40475
- World Wide Gap 2002 Cumberland Ave. Middlesboro, KY 40965
- Twin Star Communications, 102 South Salem Bardstown, KY 40004
- Thelma M. Thompson, 200 S. Cross Main Street # I Springfield, KY 40069
- Stanton Electronics, 327 E. College Ave, Stanton, KY 40380
- Silver Screen Video, 409 Richmond Road Manchester, KY 40962
- Shuman's Video, 1354 Indian Mound Drive Mt. Sterling 40353
- SFE Hardware, 38634 State Highway Phelps, KY 41553
- Paintsville Electronics, Inc. 459 N. Mayo Trail Paintsville, KY 41240
- Owingsville Communications, 29 South Court Street Owingsville, KY 40360
- Mt. Vernon Automotive, Inc. 260 East Main Street Mt Vernon, KY 40456
- Liberty Telephone Inc., 700 Ridgeview Drive Suite B Frankfort, KY 40601
- Jackson Radio Shack, 726 Hwy 15N Jackson KY 41339
- Grayson Radio Shack, 136 Carol Malone Blvd. Grayson, KY 41143
- Dyehouse Trophies PO Box 447 Crab Orchard, KY 40419
- Congleton Bros., Inc. 1134 Broadway, Beattyville, KY 41311
- The Computer House, 1531 Hustonville Road, Danville, KY 40422
- Aurora Information Systems, LLC 105 Joe B. Hall Court, Cynthiana, KY 41031
- Crawford Communications 290 McKee Road, Somerset, KY 42503
- Lightyear Telecommunications Service Agreement

**Schedule 2.2(i)**

**Excluded Insurance Policies**

Insurance Policy with Northwestern Mutual Wealth Management Company, Policy # 18-025-143. Term 80 plan insuring the life of Darrell Maynard, with SouthEast Telephone, Inc. as the beneficiary.

**Schedule 2.2(k)**

**Other Excluded Assets**

Accrued Agent Commissions due on sales made before close date but revenue collected by  
Buyer after close date



**Schedule 2.3(a)(xi)**

**Other Assumed Liabilities**

Customer Deposits  
Customer Refunds  
Customer Contracts

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**Schedule 2.3(b)(i)**

**Excluded Liabilities**

Accrued Agent Residuals

**Schedule 2.3(b)(ix)**

**Excluded Workers' Compensation Claims**

Timothy Brewer – Claim # 200870712

**Schedule 3.2(c)**

**Distribution of Closing LNS Shares**

**~4.14 Shares of LYNS Stock in Exchange for Each Share of SouthEast Telephone Stock**

	# of Shares for Original Investments	Amount of LY Stock Exchange
<b>3 Page Total-&gt;</b>	<b>73,235</b>	<b>200,000</b>
MSU Foundation	500	2,073
Pikeville College, W. Baird Scholarship	1,200	4,976
Pikeville College Zack Justice & Lucretia Charles Justice Scholarship Fund	2,500	10,366
Pikeville College	800	3,317
Bill Maynard	5,000	20,732
Charles S. Mueller	91	377
Cleo Chaney & Leigh Ann Branham	500	2,073
Tina Hurley	1,500	6,220
Cassady Family Trust	1,000	4,146
P B Family Partnership	1,000	4,146
TDS Family Partnership	1,000	4,146
Carrie Cinnamond	2,000	8,293
James E. II and Carol C. McGhee	500	2,073
James E. McGhee II	1,000	4,146
George F. Johnson Jr.	1,000	4,146
John W. McPherson	1,000	4,146
Bramac	227	941
Robert Branham	136	564
G. Scott Smith	91	377
Cindy Smith	91	377
Wanda Varney	91	377
Charles J. Baird	1,000	4,146
Eddie L. & Barbara Hurley	4,500	18,659
Gregory Johnson	2,000	8,293
Rick E. Yates	136	564
Dr. Terry W. Wright	500	2,073
Rebecca Baird	143	593
Katheryn Baird	143	593
Sarah Rowe	143	593
Virginia Baird Williamson	143	593
Elizabeth B. Salyers	143	593
William Baird	143	593

**~4.14 Shares of LYNS Stock in Exchange for Each Share of SouthEast Telephone Stock**

	# of Shares for Original Investments	Amount of LY Stock Exchange
David Baird	142	589
Douglas M. Justice Family Gift Trust	1,090	4,520
Mack Justice	10	41
SF Dawahare Estate	1,250	5,183
Harry & Helen Altman Irrevocable Trust	1,250	5,183
Charles G. Nichols, MD	1,400	5,805
Sharon Stewart	141	584
Ben Hek	96	398
Merill Lynch Retirement Plan Services Custodian IRA for Harry E. Altman IRA 558-80192	250	1,037
Merrill Lynch Retirement Plan Services Custodian IRA for Helen L. Altman IRA 558-80193	250	1,037
Merrill Lynch Retirement Plan Services Custodian IRA for Erlindo Valera, MD IRA 558-81673	1,000	4,146
Edward Jones Custodian, FBO Stephen E. Underwood IRA 814-90557-1-0	250	1,037
PJ Investments	150	622
G&G Investments	250	1,037
Branham & Carter Investments	150	622
Steve Bing	250	1,037
Ethel Hansen	150	622
Howard J. Hansen Trust	150	622
Eric Hansen	150	622
Karen S. Dade Trust	1,650	6,842
Alice Dade	150	622
Caroline Dade	150	622
George R. Valentini, MD, Susan Marshall -Valentini	50	207
Mackay A. Blackburn	180	746
Terry Fitzer	150	622
Enriqueta or Randy Fielder	250	1,037
Mary Lee Norfleet	50	207
George C. Wells Jr.	50	207
Tommy Hall	250	1,037
Frank Justice II	500	2,073
Sarah Kaitlyn Justice	250	1,037
Jessica Lynn Justice	250	1,037
Franklin Drew Justice	250	1,037

## Schedule 3.2(c)

**~4.14 Shares of LYNS Stock in Exchange for Each Share of SouthEast Telephone Stock**

	# of Shares for Original Investments	Amount of LY Stock Exchange
Gary & Dianne Blackburn	1,100	4,561
Cherokee Equipment, Inc.	500	2,073
Randy G. Clark	700	2,903
Gary C. Johnson	150	622
Walker & Donna Thomas	50	207
W.H. Nichol, Jr.	50	207
Kela B. Schram	68	280
Robin Blackburn Rajki	68	280
Mary B. Blackburn	68	280
William F. Blackburn, III	68	280
SET Holding, LLC	1,000	4,146
Gina Lynn Nice	375	1,555
Elizabeth Hollis Smith	188	777
Katherine Joy Smith	188	777
Stuart K. Moore	560	2,322
Sandy Johnson	250	1,037
Brad Hall	75	311
CAVU Holding, Inc.	25,000	0

**Schedule 4.1(f)**

**Contracts; Notices of Violations, Defaults**

No known post-petition violations or defaults of contracts



**Schedule 4.1(n)**

**Employee Benefit Plans and Policies**

<b>Benefit Name</b>	<b>Provider</b>	<b>Description</b>
Health Insurance	Humana	Health
Dental Insurance	Humana	Dental-Self Insured
Life Insurance	CIGNA Life Insurance	Life
Accident Insurance	AFLAC	Supplemental Insurance
Cancer Insurance	AFLAC	Supplemental Insurance
Vision Insurance	Guardian Insurance Co.	Supplemental Insurance
Life Insurance	Guardian Insurance Co.	Supplemental Insurance
	North American Benefits	Supplemental Insurance
Short Term Disability	Guardian Insurance	Supplemental Insurance
	North American Benefits	Supplemental Insurance
Long Term Disability	Guardian Insurance	Supplemental Insurance
	North American Benefits	Supplemental Insurance

**Schedule 5.2(a)(xi)**

**New Contracts for Capital Expenditures**

Finley Engineering – Phase IV Breathitt County

Straight Line Cable – Phase IV Breathitt County

**Schedule 5.5(a)**

**Assumed Executory Contracts**

See attached schedule.

[illegible]

Name and Mailing Address	Description of Contract
Dell Financial Services 4307 Collection Ctr Dr, Chicago, IL 60693	Lessee, Lease for Personal Property
Dell Financial Services 4307 Collection Ctr Dr, Chicago, IL 60693	Lessee, Lease for Personal Property
Dell Financial Services 4307 Collection Ctr Dr, Chicago, IL 60693	Lessee, Lease for Personal Property
Dell Financial Services 4307 Collection Ctr Dr, Chicago, IL 60693	Lessee, Lease for Personal Property
Dell Financial Services 4307 Collection Ctr Dr, Chicago, IL 60693	Lessee, Lease for Personal Property
Dell Financial Services 4307 Collection Ctr Dr, Chicago, IL 60693	Lessee, Lease for Personal Property
Dell Financial Services 4307 Collection Ctr Dr, Chicago, IL 60693	Lessee, Lease for Personal Property
Dell Financial Services 4307 Collection Ctr Dr, Chicago, IL 60693	Lessee, Lease for Personal Property
De Lage Landen Financial PO Box 41601, Philadelphia, PA 19101-1601	Lessee, Lease for Personal Property
First Federal Savings Bank, PO Box 307, Branderburg, KY 40108	Lessee, Lease for Personal Property
Commercial Bank of Grayson, PO Box 7, Grayson, KY 41143	Lessee, Lease for Personal Property
Great Amercian Leasing Corp. PO Box 660831, Dallas, TX 75266-0831	Lessee, Lease for Personal Property
Home Federal Bank, 1602 Cumberland Ave, Middlesboro, KY 40965-1225	Lessee, Lease for Personal Property
Home Federal Bank, 1602 Cumberland Ave, Middlesboro, KY 40965-1225	Lessee, Lease for Personal Property
Home Federal Bank, 1602 Cumberland Ave, Middlesboro, KY 40965-1225	Lessee, Lease for Personal Property
Home Federal Bank, 1602 Cumberland Ave, Middlesboro, KY 40965-1225	Lessee, Lease for Personal Property
Home Federal Bank, 1602 Cumberland Ave, Middlesboro, KY 40965-1225	Lessee, Lease for Personal Property
Pike County Fiscal, c/o Kentucky State Treasurer 1024 Capital Ctr Dr. Ste 340, Frankfort, KY	Lessee, Lease for Nonresidential Real Property
Manifest Funding Services, PO Box 790448, St. Louis, MO 62731	Lessee, Lease for Software, Personal Property
Marlin Leasing Group, PO Box 13604, Philadelphia, PA 19101-3604	Lessee, Lease for Personal Property
Puget Sound Leasing, PO Box 1295, Issaquah, WA 98207	Lessee, Lease for Personal Property
Ricoh Americas Corp., PO Box 4245, Carol Stream, IL 60197-4245	Lessee, Lease for Personal Property

[illegible]

Name and Mailing Address	Description of Contract
Jack Steve Humphrey, 2957 Summerfield Drive, Lexington, KY 40511	Lessee, Lease for Nonresidential Real Property
John David Humphrey, 1407 Taylor Street, Flatwoods, KY 41139	Lessee, Lease for Nonresidential Real Property
Daniel C. Humphrey, 3151 State Route 503, Wurtland, KY 41144	Lessee, Lease for Nonresidential Real Property
Ali Jo Rohr, 710 W. Alexander Court, Ashland, KY 41102	Lessee, Lease for Nonresidential Real Property
Kim B. Russell, 11154 Creel Circle, Gulfport, MS 39503	Lessee, Lease for Nonresidential Real Property
Linda Zaranhaven, 1061 Birch Drive, Perrysburg, OH 43551-2329	Lessee, Lease for Nonresidential Real Property
Marion A. Taylor, PO Box 427, Martin, KY 41649	Lessee, Lease for Nonresidential Real Property
Dona C. Tucker, PO Box 215, Smith, NV 89430	Lessee, Lease for Nonresidential Real Property

*POC No.	LEASE AGREEMENT DATE
20	12/29/05
21	03/16/06
22	06/09/06
23	08/29/06
24	11/13/06
25	01/22/07
26	08/14/07
27	07/10/08
28	07/17/08

**SOUTHEAST TELEPHONE, INC.**  
**LIQUIDATION ANALYSIS**  
**EXHIBIT 2**

Asset		Petition Value	Liquidation Value
Real property	(a)	\$400,500.00	\$221,500.00
Cash and checking accounts	(b)	\$1,910,069.37	\$355,478.42
Security deposits with public utilities	(c)	\$571,972.00	\$20,000.00
Life insurance policy - Northwestern	(d)	\$2,000,000.00	\$0.00
Accounts receivable	(e)	\$4,861,301.00	\$1,950,616.00
Refund from Consolidated Ventura	(f)	\$142.00	\$0.00
Claim against AT&T	(g)	\$750,000.00	\$0.00
Intellectual property	(h)	\$453,752.70	\$0.00
Licenses and other general intangibles	(i)	\$668,220.20	\$0.00
Customer lists	(j)	unknown	unknown
Automobiles/vehicles/accessories	(k)	\$276,990.00	\$199,413.00
Office equipment	(l)	\$588,004.82	\$56,190.26
Machinery and equipment	(m)	\$2,296,208.87	\$1,174,978.98
Inventory	(n)	\$245,837.10	\$130,474.00
Past-due accounts in collection	(o)	\$550,657.00	\$0.00
Total liquidation		\$15,573,655.06	\$4,108,650.66
Secured claims			\$3,676,000.00
Administrative/Priority claims <sup>1</sup>			\$560,000.00
Total secured & administrative/priority claims			\$4,236,000.00
Unsecured claims (estimated) <sup>2</sup>			\$990,000.00
Amount available for distribution to administrative/priority claims <sup>3</sup>			\$432,650.66
Amount available for distribution to unsecured creditors pursuant to liquidation			0.00

<sup>1</sup> This estimate includes unpaid tax claims, 503(b)(9) claims, professional claims, customer deposits, and other related telecom administrative claims.

<sup>2</sup> This figure excludes the deficiency claims of AT&T and Windstream. The deficiency balances of AT&T and Windstream are estimated at \$24 million and \$110,000, respectively.

<sup>3</sup> The expected shortfall would be \$127,349.34. This figure also does not factor in Chapter 7 administrative fees.



**Assumptions in connection with Liquidation Analysis**

- (a) Real property:
- (b) Cash and checking accounts: est. balance as of 08/27/10
- (c) Security deposits with public utilities: The security deposits with utilities have been applied to prepetition debts or previously refunded. Assumed prepayments on lease would get applied to amounts owed or assumed by new company. The retainer from Stoll, Keenon, and Ogden should be refunded.
- (d) Life insurance policy - Northwestern Mutual: There is no cash surrender value.
- (e) Accounts receivable: assumed \$.50 per \$1.00 of est. 08/31/10 balance using 05/31/10 as refer.
- (f) Refund from Consolidated Ventura: vendor no longer in business
- (g) Claim against AT&T: any credits would get applied to prepetition amounts due to AT&T.
- (h) Intellectual property: the intellectual property was built specific to SouthEast needs
- (i) Licenses and other general intangibles: goodwill for purchase of Internet dial-up customers
- (j) Customer lists: unknown
- (k) Automobiles/vehicles/accessories: Kelly Blue Book value
- (l) Office equipment: ebay, if no available market discounted by 80%
- (m) Machinery and equipment used in business: discounted by 50%
- (n) Inventory: assumed 50% of the balance as of 05/31/10
- (o) Past-due accounts in collection: Average collected has been 3% after fees. Any funds collected have been deposited into operational account.

**Exhibit 3**

**Schedule of Unsecured Claims<sup>1</sup>**

<b>Name of Creditor</b>	<b>Scheduled Amount:</b>	<b>POC #</b>	<b>POC Amount:</b>
3-B Toner, INC.	\$1,185.00		
Acorn Telephone c/o Access Billing Services of NC	\$11,338.00		
Advantage Telecom	\$3,899.61		
American Electric	\$5,692.90		
ANPI	\$171,081.12	64	\$207,734.45
Ashland Office Supply, Inc.	\$1,045.00		
Breathitt County Tire	\$478.40		
Budget/Bluebird	\$91,738.14		
CDW Direct, LLC.	\$1,747.91	53	\$1,747.91
Cintas Corporation #311	\$2,437.00		
City of Pikeville, trade debt	\$848.00		
City of Pikeville, utility services	\$848.00		
Community Trust Bank	\$4,429.72	7	\$4,435.99
Davidson Repair Radiator Service	\$1,270.00		
Dell Marketing, LP., c/o Dell USA, LP.	\$1,969.48	68	\$3,158.20
D.L. Maynard Construction	\$438.00	30	\$1,118.05
East Kentucky Chemical, INC.	\$1,771.00		
Eastern KY Exposition Center	\$8,077.00		
Fleet Services	\$1,214.71		
GCAT LLC Target	\$337.71		
Glenn Ehley	\$3,750.00		
Graybar Electric	\$2,137.00	60	\$2,338.15
Greenebaum Doll & McDonald	\$2,704.00		
Hammerhead Signs and Promotions	\$742.00		
Hampton Inn, 100 Montgomery Way, Danville	\$684.63		
Hampton Inn, 831 Hambley Rd., Pikeville	\$681.00		
Hogan and Hartson, LLP.	\$136,803.00	56	\$136,805.67
Jackson True Value	\$852.09		
Kelley Drye and Warren, LLP.	\$14,646.00		
Kentucky Crystal Water	\$2,728.68		
Kentucky Dept. of Revenue		65	\$36,986.35
Kentucky Utilities	\$575.41		
Keystone Wire and Cable Co.	\$580.67		
KGP Logistics	\$2,145.11	13	\$2,646.32
Lanaces Incorporated	\$6,612.00		
Lane Communications Group	\$1,750.00		
Larry Ratliff	\$2,540.00		
Legg Strategies	\$7,800.00	50	\$7,800.00
Leslie County Telephone Co.	\$2,141.87		
Lightyear Network Solutions, LLC	\$347,576.79	16	\$354,559.78
Mayhorn's, INC.	\$394.87		
Mind CTI, INC.	\$2,000.00		
Mountain Association for Community Econ. Dev.	\$2,083.00	11	\$2,083.47
OfficeMax, INC.	\$583.00	8	\$583.00

**Exhibit 3**

**Schedule of Unsecured Claims<sup>1</sup>**

<b>Name of Creditor</b>	<b>Scheduled Amount:</b>	<b>POC #</b>	<b>POC Amount:</b>
Power and Tel	\$3,543.07	55	\$3,580.55
Quill Corporation	\$657.96	36	\$900.87
Rick Kieser	\$17,500.00		
Ricoh Business Solutions c/o IKON Off Solutions		63	\$356.29
Rogers Self-Serve Pikeville	\$18,245.00	59	\$15,782.63
Sam Mosley - Excalibur Graphics and Printing	\$5,307.00		
Shred - All Documents	\$3,323.00		
Smart Telecom Concepts, LLC.	\$19,000.00	12	\$14,500.00
Straight Line Cable	\$66,000.00		
Twin Star	\$361.00		
Walters Chevrolet - Buick	\$392.00		
<b>TOTALS:</b>	<b>\$988,686.85</b>	<b>TOTALS:</b>	<b>\$797,117.68</b>

<sup>1</sup> Unsecured Claims will also include the deficiency claims of AT&T and Windstream, which are estimated at \$24 million and \$110,000, respectively.

## Exhibit 4

## List of Equity Security Holders

Name	Class	Number	Interest
Alice Dade	Class B	150	common stock
Ben Hek	Class B	96	common stock
Bill Maynard	Class B	5,000	common stock
Brad Hall	Class B	150	common stock
Bramac	Class B	227	common stock
Branham & Carter Investments	Class B	75	common stock
Caroline Dade	Class B	150	common stock
Carrie Cinnamond	Class B	2,000	common stock
Cassady Family Trust	Class B	1,000	common stock
Charles G. Nichols, MD	Class B	1,400	common stock
Charles J. Baird	Class B	1,000	common stock
Charles S. Mueller	Class B	91	common stock
Cherokee Equipment, Inc.	Class B	500	common stock
Cindy Smith	Class B	91	common stock
David Baird	Class B	142	common stock
Douglas M. Justice Family Gift Trust	Class B	1,090	common stock
Dr. Terry W. Wright	Class B	500	common stock
Eddie L. & Barbara Hurley	Class B	4,500	common stock
Edward Jones Custodian, FBO Stephen E. U	Class B	250	common stock
Elizabeth B. Salyers	Class B	143	common stock
Elizabeth Hollis Smith	Class B	188	common stock
Enriqueta or Randy Fielder	Class B	250	common stock
Eric Hansen	Class B	150	common stock
Ethel Hansen	Class B	150	common stock
Frank Justice II	Class B	500	common stock
Franklin Drew Justice	Class B	250	common stock
G&G Investments	Class B	250	common stock
G. Scott Smith	Class B	91	common stock
Gary & Dianne Blackburn	Class B	1,100	common stock
Gary C. Johnson	Class B	150	common stock
George C. Wells Jr.	Class B	50	common stock
George F. Johnson Jr.	Class B	1,000	common stock
George R. Valentini, MD, Susan Marshall	Class B	50	common stock
Gina Lynn Nice	Class B	375	common stock
Gregory Johnson	Class B	2,000	common stock
Harry & Helen Altman Irrevocable Trust	Class B	1,250	common stock
Howard J. Hansen Trust	Class B	150	common stock
James E. II and Carol C. McGhee	Class B	500	common stock
James E. McGhee II	Class B	1,000	common stock
Jessica Lynn Justice	Class B	250	common stock
John W. McPherson	Class B	1,000	common stock
Karen S. Dade Trust	Class B	1,650	common stock

## Exhibit 4

## List of Equity Security Holders

Name	Class	Number	Interest
Katherine Joy Smith	Class B	188	common stock
Katheryn Baird	Class B	143	common stock
Kela B. Schram	Class B	68	common stock
Leigh Ann Branham	Class B	500	common stock
Mack Justice	Class B	10	common stock
Mackay A. Blackburn	Class B	180	common stock
Mary B. Blackburn	Class B	68	common stock
Mary Lee Norfleet	Class B	50	common stock
Merill Lynch Retirement Plan Services Cu	Class B	250	common stock
Merrill Lynch Retirement Plan Services C	Class B	250	common stock
Merrill Lynch Retirement Plan Services C	Class B	1,000	common stock
MSU Foundation	Class B	500	common stock
P B Family Partnership	Class B	1,000	common stock
Pikeville College	Class B	800	common stock
Pikeville College Zack Justice & Lucreti	Class B	2,500	common stock
Pikeville College, W. Baird Scholarship	Class B	1,200	common stock
PJ Investments	Class B	150	common stock
Randy G. Clark	Class B	700	common stock
Rebecca Baird	Class B	143	common stock
Rick E. Yates	Class B	136	common stock
Robert Branham	Class B	136	common stock
Robin Blackburn Rajki	Class B	68	common stock
Sandy Johnson	Class B	250	common stock
Sarah Kaitlyn Justice	Class B	250	common stock
Sarah Rowe	Class B	143	common stock
SET Holding, LLC	Class B	1,000	common stock
SF Dawahare Estate	Class B	1,250	common stock
Sharon Stewart	Class B	141	common stock
Steve Bing	Class B	250	common stock
Stuart K. Moore	Class B	560	common stock
TDS Family Partnership	Class B	1,000	common stock
Terry Fitzer	Class B	150	common stock
Tina Hurley	Class B	1,500	common stock
Tommy Hall	Class B	250	common stock
Virginia Baird Williamson	Class B	143	common stock
W.H. Nichol, Jr.	Class B	50	common stock
Walker & Donna Thomas	Class B	50	common stock
Wanda Varney	Class B	91	common stock
William Baird	Class B	143	common stock
William F. Blackburn, III	Class B	68	common stock