RUS DESIGNATION: VERMONT 1103-A40

RESTATED MORTGAGE,
SECURITY AGREEMENT
AND
FINANCING STATEMENT

made by and among

VERMONT TELEPHONE COMPANY, INC.
354 River Street
Springfield, Vermont 05156
as Mortgagor and Debtor,

VTEL WIRELESS, INC.,
354 River Street
Springfield, Vermont 05156
as Mortgagor and Debtor,

THE UNITED STATES OF AMERICA,
Rural Utilities Service
Washington, D.C. 20250-1500,
as Mortgagee and secured party,

and

RURAL TELEPHONE FINANCE COOPERATIVE
2201 Cooperative Way
Herndon, Virginia 22071-3025
as Mortgagee and secured party.

THIS INSTRUMENT GRANTS A SECURITY INTEREST IN A TRANSMITTING UTILITY.
THE DEBTOR AS MORTGAGOR IS A TRANSMITTING UTILITY. THIS INSTRUMENT
CONTAINS PROVISIONS THAT COVER REAL AND PERSONAL PROPERTY, AFTER-ACQUIRED
PROPERTY, FIXTURES, PROCEEDS, FUTURE ADVANCES AND FUTURE OBLIGATIONS.
THIS INSTRUMENT WAS DRAFTED BY THE RURAL UTILITIES DIVISION, OFFICE OF
THE GENERAL COUNSEL, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C. 20250-
1400.

ORGANIZATION NUMBERS: Vermont Telephone Company, Inc. - 2356163
VTel Wireless, Inc. - 2558397

No. 1
THIS RESTATED MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT (hereinafter this "Restated Mortgage," ) dated as of September 20, 2010 made by and between VERMONT TELEPHONE COMPANY, INC., a corporation existing under the laws of the State of Delaware, VT WIRELESS, INC., a corporation existing under the laws of the State of Delaware (hereinafter collectively called the “Mortgagors”) as Mortgagors and Debtors and THE UNITED STATES OF AMERICA (hereinafter the “Government,” ) acting through the Administrator of the Rural Utilities Service (“RUS”) as Mortgagee and secured party and the RURAL TELEPHONE FINANCE COOPERATIVE (hereinafter called “Co-Lender,”) a District of Columbia cooperative association (the Government and Co-Lender being hereinafter sometimes collectively called the “Mortgagees.”)

RECITALS

WHEREAS, the Mortgagors, the Government and the Co-Lender are parties to that certain mortgage (the “Prior Mortgage”) identified in Schedule A hereof;

WHEREAS, the Mortgagors deem it necessary to borrow funds to provide broadband and/or telecommunication services and to issue their promissory notes and other debt obligations from time to time in one or more series, and to mortgage and pledge their property herein described or mentioned to secure payment of the same;

WHEREAS, the Mortgagors desire to enter into this Restated Mortgage pursuant to which all secured debt of the Mortgagors hereunder shall be secured on parity;

WHEREAS, this Restated Mortgage restates and consolidates the Prior Mortgage while preserving the priority of the Lien under the Prior Mortgage securing the payment of Mortgagor’s outstanding obligations secured under the Prior Mortgage, which indebtedness is described more particularly by listing the same under “Outstanding RUS Notes” and “Outstanding Co-Lender Notes” in Schedule A hereof;

WHEREAS, the Mortgagors have determined at this time to borrow additional funds or obtain loan guarantees from RUS and/or the Co-Lender which indebtedness is described more particularly by listing the same under “Current RUS Notes” in Schedule A hereof and/or “Current Co-Lender Notes” in Schedule A hereof;

WHEREAS, Vermont Telephone Company, Inc. has obtained financial assistance award number NT10BIX5570085 from the National Telecommunications and Information Administration (NTIA), U.S. Department of Commerce (hereinafter the “BTOP Award”), pursuant to which Vermont Telephone Company, Inc. agreed to comply with the requirements of 15 C.F.R. part 14, providing, inter alia, that Vermont Telephone Company, Inc. will not sell, lease, mortgage, or otherwise convey any right or interest in or to the real or personal property acquired or improved under the BTOP Award (hereinafter the “BTOP Property”), or use the BTOP Property for purposes other than, or different from, those purposes authorized under the BTOP Award, without the prior written approval of the NTIA Grants Officer or until NTIA is repaid the NTIA Federal Interest in the BTOP Property (as defined in section 1.1 hereof under the definition of “Mortgaged Property” and in section 2.3(b) hereof), such alienation and use being prohibited by 15 C.F.R. part 14 and the terms and conditions of the BTOP Award. As provided herein, the parties desire that this Restated Mortgage exclude from its coverage BTOP Property to the extent of and during the pendency of the NTIA Federal Interest in such BTOP Property;

WHEREAS, to the extent that any of the property described or referred to in this Restated Mortgage is governed by the provisions of the Uniform Commercial Code of any State (hereinafter the “UCC,”) the parties hereto desire that this Restated Mortgage be regarded as a “security agreement” under the UCC; and

WHEREAS, all acts necessary to make this Restated Mortgage a valid and binding legal instrument for the security of such notes and obligations, subject to the terms of this Restated Mortgage, have been in all respects duly authorized.
NOW, THEREFORE, this Restated Mortgage

WITNESSETH: That each of the instruments constituting the Prior Mortgages are hereby amended, supplemented, restated, and consolidated to read in their entirety from and after the date of execution of this Restated Mortgage, as follows:

GRANTING CLAUSE

NOW, THEREFORE, THIS RESTATED MORTGAGE WITNESSETH: That to secure the payment of the principal, interest, and premium, if any, on the Outstanding Notes, Current Notes and all Notes secured hereunder according to their tenor and effect, and to secure the performance of all provisions therein, in the Loan Agreements and herein contained and in consideration of the covenants herein contained, the purchase or guarantee of Notes by the guarantors or holders thereof and other good and valuable consideration, the Mortgagors have mortgaged, pledged and granted a continuing security interest in, and by these presents does hereby grant, bargain, sell, alienate, release, convey, assign, transfer, hypothecate, pledge, set over and confirm, pledge, and grant unto the Mortgagees, for the purposes herein expressed, a continuing security interest and lien in all property, assets, rights, privileges, licenses and franchises of the Mortgagors of every kind and description, real, personal or mixed, tangible and intangible, of the kind or nature specifically mentioned herein, or any other kind or nature now owned or hereafter acquired or arising by the Mortgagors (by purchase, consolidation, merger, donation, construction, erection or in any other way) wherever located, including without limitation all or in part the following (hereinafter the "Mortgaged Property:")

I

All right, title, and interest of the Mortgagors in and to the Existing Facilities, buildings, plants, works, improvements, structures, estates, grants, franchises, easements, rights, privileges and properties, whether real, personal, or mixed, tangible or intangible, of every kind or description, now or hereafter owned, leased, constructed, or acquired by the Mortgagors, wherever located, and in and to all extensions, improvements, and additions thereto, including but not limited to all buildings, plants, works, structures, towers, antennas, fixtures, apparatus, materials, supplies, machinery, tools, implements, poles, posts, crossarms, conduits, ducts, lines, wires, cables, whether underground, overhead, or otherwise, switches, including, without limitation, host and remote switches, desks, testboards, frames, racks, motors, generators, batteries, and other items of central office equipment, pay stations, protectors, instruments, connections and appliances, office furniture, equipment, and any and all other property of every kind, nature, and description, used, useful, or acquired for use by the Mortgagors in connection therewith, and including, without limitation, the following property:

(a) The Existing Facilities located in the Counties listed in Schedule B in the States identified in Schedule B.

(b) The real estate described on Schedule B, and by this reference made a part hereof, as if fully set forth at length at this point.

(c) If the real estate described in Schedule B is by reference to deeds, grantor(s), grantee, etc., then the description of each of the properties conveyed by and through such deeds is, by reference, made a part of Schedule B as though fully set forth at length therein.

(d) The real estate described in Schedule B shall also include all plants, works, structures, erections, reservoirs, dams, buildings, fixtures, towers, antennas, and improvements now or hereafter located on such real estate, and all tenements, hereditaments, and appurtenances now or hereafter belonging, or in any way appertaining, thereunto.

II

All right, title, and interest of the Mortgagors in, to, and under any and all grants, privileges, rights of way and easements now owned, held, leased, enjoyed or exercised, or which may hereafter be owned, held, leased,
acquired, enjoyed or exercised, by the Mortgagors for the purposes of, or in connection with, the construction or operation by, or on behalf of, the Mortgagors of their properties, facilities, systems, or businesses, whether underground, overhead, or otherwise, wherever located;

III

All right, title, and interest of the Mortgagors in, to, and under any and all licenses and permits (including without limitation those granted by the FCC), franchises, ordinances, and privileges, whether heretofore or hereafter granted, issued, or executed, to them or to their assigns by the Government, or by any state, county, township, municipality, village, or other political subdivision thereof, or by any agency, board, commission, or department of any of the foregoing, authorizing the construction, acquisition, or operation of the Mortgagor’s properties, facilities, systems, or businesses, insofar as the same may by law be assigned, granted, bargained, sold, conveyed, transferred, mortgaged, or pledged;

IV

All right, title, and interest of the Mortgagors in, to, and under all personal property and fixtures of every kind and nature, including without limitation all goods (such as inventory, equipment and any accessions thereto), instruments (such as promissory notes or chattel paper, electronic or otherwise), documents, accounts (such as deposit accounts or trust accounts pursuant hereto or to a loan agreement), letter-of-credit rights, investment property (such as certificated and uncertificated securities or security entitlements and accounts), software, general intangibles (such as payment intangibles), supporting obligations, contract rights or rights to the payment of money, insurance claims, and proceeds (as such terms are presently and hereafter defined in the UCC; provided, however, that the term “instrument” shall be such term as defined in Article 9 of the UCC rather than Article 3);

V

All right, title, and interest of the Mortgagors in, to, and under any and all agreements, leases or contracts heretofore or hereafter executed by and between the Mortgagors and any person, firm, corporation, or other corporate entity relating to the Mortgaged Property (including contracts for the lease, occupancy, or sale of the Mortgage Property, or any portion thereof);

VI

All right, title, and interest of the Mortgagors in, to, and under any and all books, records and correspondence relating to the Mortgage Property, including, but not limited to, all records, ledgers, leases, computer and automatic machinery, software, programs, databases, disc or tape files, print-outs, batches, runs, and other electronically-prepared information indicating, summarizing, evidencing, or otherwise necessary or helpful in the collection or realization on the Mortgaged Property;

VII

Also, all right, title, and interest of the Mortgagors in, to, and under all other property, real or personal, tangible or intangible, of every kind, nature, and description, and wherever situated, now or hereafter owned or leased by the Mortgagors, it being the intention hereof that all such property now owned or leased but not specifically described herein, or acquired or held by the Mortgagors after the date hereof, shall be as fully embraced within and subjected to the lien hereof as if the same were now owned by the Mortgagors and were specifically described herein to the extent only, however, that the subjection of such property to the lien hereof shall not be contrary to law;

Together with all rents, income, revenues, proceeds, products, profits and benefits at any time derived, received, or had from any and all of the above-described property of the Mortgagors;
Provided, however, that except as provided in section 2.13 of Article II herein, no automobiles, trucks, trailers, tractors or other vehicles (including without limitation aircraft or ships, if any) owned or used by the Mortgagors shall be included in the Mortgaged Property; and

Provided, further, however, that Mortgaged Property shall not include BTOP Property to the extent of and during the pendency of the NTIA Federal Interest in such BTOP Property, as provided for in the definition of "Mortgaged Property" in section 1.1 of Article I herein and as provided in section 2.3 of Article II herein.

TO HAVE AND TO HOLD all or in part the Mortgaged Property unto the Mortgagees and their respective assigns forever, to secure equally and ratably the payment of the principal and interest on the Notes, according to their tenor and effect, without preference, priority, or distinction as to interest, principal (except as otherwise specifically provided herein), lien, or otherwise, of any note over any other note by reason of the priority in time of the execution, delivery, maturity, assignment, negotiation, or otherwise, thereof, and to secure the due performance of the covenants, agreements and provisions herein and contained in the Prior Telephone Loan Contracts and in the Loan Agreement, and for the uses and purposes and upon the terms, conditions, provisos, and agreements herein expressed and declared.

ARTICLE I

SECTION 1.1 Definitions

In addition to the terms defined elsewhere in this Restated Mortgage, the terms defined in this Article I shall have the meanings specified herein and under the UCC, unless the context clearly requires otherwise. The terms defined herein include the plural as well as the singular and the singular as well as the plural.

"Act" shall mean the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 et seq.).

"Additional Co-Lender Notes" shall mean any notes, including renewal and substitute notes, issued by the Mortgagors to the Co-Lender pursuant to Article II, Section 2.1 of this Mortgage.

"Additional Notes" shall mean the Additional Co-Lender Notes and the Additional RUS Notes.

"Additional RUS Notes" shall mean any notes, including renewal and substitute notes, issued by the Mortgagors to RUS or FFB and guaranteed by RUS, pursuant to Article II, Section 2.1 of this Mortgage.

"Business Day" shall mean any day that RUS, the Department of Treasury and the Co-Lender are all open for business.

"Current Co-Lender Notes" shall mean the notes more particularly described in Schedule A hereof, heretofore or about to be executed and delivered by the Mortgagors to the Co-Lender.

"Current Notes" shall mean the Current Co-Lender Notes and the Current RUS Notes.

"Current RUS Notes" shall mean the notes more particularly described in Schedule A hereof, heretofore or about to be executed and delivered by the Mortgagors to RUS to evidence obligations to RUS on account of loans made or guaranteed by RUS.

"Co-Lender Loan Agreement" shall mean the Co-Lender Loan Agreement more particularly described in Schedule A hereof.

"Co-Lender Notes" shall mean the Outstanding Co-Lender Notes, Current Co-Lender Notes and Additional Co-Lender Notes.
“Existing Facilities” shall mean the telephone system and other facilities presently owned by the Mortgagors identified in the Granting Clause of this Mortgage.

“Interest Expense” shall have the meaning as defined in Attachment 1.

“Loan Agreements” shall mean the Co-Lender Loan Agreement and the RUS Loan Agreement.

“Majority Noteholders” shall have the meaning as defined in Section 3.3.

“Mortgage Debt Limit” shall mean the maximum outstanding principal debt owing on Notes secured under this Mortgage, as set forth in Schedule A hereto.

“Mortgaged Property” shall mean the property, both real and personal, described in the granting clause herein above; provided, however, that such term shall not include BTOP Property (as defined in the sixth Recital to this Restated Mortgage) to the extent of and during the pendency of the NTIA Federal Interest in such BTOP Property. The NTIA Federal Interest is that percentage of the then current fair market value of the BTOP Property attributable to the NTIA participation in Vermont Telephone Company, Inc.’s BTOP project, as provided in 15 C.F.R. part 14 and the terms and conditions of the BTOP Award (as defined in the sixth Recital to this Restated Mortgage). As of the date of this Restated Mortgage and based on the approved budget under the BTOP Award, the NTIA Federal Interest in the BTOP Property is 80 percent. In addition, as set forth in the BTOP Award and as provided in 15 C.F.R. part 14, the estimated useful life of BTOP Property and the corresponding duration of the NTIA Federal Interest in BTOP Property shall terminate in accordance with the “Broadband Technology Opportunities Program Usefulness Life Schedule available at: http://www2.ntia.doc.gov/files/fact_sheet_useful_life_schedule_082510_v1.pdf. Upon the termination of the NTIA Federal Interest in the BTOP Property, the BTOP Property will, without further act, be subject to the lien of this Restated Mortgage as Mortgaged Property.

“Net Income” or “Net Margins” shall have the meaning as defined in Attachment 1.

“Notes” shall mean collectively the Co-Lender Notes and the RUS Notes.

“Outstanding Co-Lender Notes” shall mean the notes evidencing outstanding indebtedness of the Mortgagors to the Co-Lender, described under the heading “Outstanding Co-Lender Notes” in Schedule A hereto.

“Outstanding Notes” shall mean the Outstanding Co-Lender Notes and Outstanding RUS Notes.

“Outstanding RUS Notes” shall mean the notes evidencing outstanding indebtedness of the Mortgagors to the Government, described under the heading “Outstanding RUS Notes” in Schedule A hereto.

“Permitted Encumbrances” shall have the meaning as defined in Section 2.2(a).

“Prior Mortgages” shall mean the instruments identified as such in Schedule A hereto.

“Restated Mortgage” shall mean this Restated Mortgage, Security Agreement and Financing Statement, including any amendments or supplements thereto from time to time.

“RUS Loan Agreement” shall mean the RUS Loan Agreement more particularly described in Schedule A hereto.

“RUS Notes” shall mean the Outstanding RUS Notes, the Current RUS Notes, and the Additional RUS Notes.
SECTION 1.2 Additional Notes

(a) Additional RUS Notes.

(i) Without the prior consent of the Co-Lender, the Mortgagors may issue Additional RUS Notes to the Government to evidence loans made or guaranteed pursuant to the Act when written acknowledgment is obtained from RUS and the Co-Lender indicating that RUS' and the Co-Lender's pro forma financial analysis of the Mortgagors, for the test year used by RUS in establishing the economic feasibility of such loan shows that the Mortgagors shall have a TIER of not less than 1.5; a debt service coverage (as such term is defined in 7 C.F.R. 1744.21, hereinafter "DSC") of not less than 1.25; and an Equity to Assets ratio equal to or greater than 40%, taking into account the interest to be charged on the Additional RUS Notes proposed to be executed and delivered to evidence such loan.

(ii) No Additional RUS Notes shall be secured by this Restated Mortgage without the prior written consent of the Co-Lender, except as provided in the paragraph immediately above; provided, however, no such prior written approval is required for Additional RUS Notes which refinance, renew or substitute for any outstanding RUS Note.

(b) Additional Co-Lender Notes. No Additional Co-Lender Notes shall be secured by this Restated Mortgage without the prior written consent of RUS; provided, however, no such prior approval is required for Additional Co-Lender Notes which refinance, renew or substitute for any outstanding Co-Lender Note.

(c) All Additional Notes. Additional Notes shall contain such provisions and shall be executed and delivered upon such terms and conditions as the board of directors, members, or other relevant governing body of the Mortgagors authorizing the execution and delivery thereof, shall prescribe; provided, however, that the outstanding principal balances owing on the Notes shall not at any one time exceed the limit set forth in Schedule A (hereinafter the "Mortgage Debt Limit") and no Note shall mature more than fifty (50) years after the date hereof. Additional Notes, when and as executed and delivered, shall be secured by this Restated Mortgage, equally and ratably with all other Outstanding Notes, without preference, priority, or distinction of any Note over any other Note by reason of the priority of the time of the execution, delivery, maturity, assignment, or negotiation thereof. As used in this Restated Mortgage, the term "directors" includes trustees.

SECTION 1.3 Supplemental Mortgage

The Mortgagors, when authorized by resolution(s) of theirs board of directors, members, or other relevant governing body, may from time to time execute, acknowledge, deliver, record, and file mortgages supplemental to this Restated Mortgage which thereafter shall form a part hereof, for the purpose of formally confirming this Restated Mortgage as security for the Notes.

ARTICLE II - PARTICULAR COVENANTS OF THE MORTGAGORS

The Mortgagors covenant with the Mortgagees and the holders of Notes secured hereby (hereinafter collectively the "Noteholders") as follows:

SECTION 2.1 Authority to Execute and Deliver Notes, the Loan Agreements and Mortgage; All Action Taken; Enforceable Obligations

The Mortgagors have all requisite corporate and legal power to enter into and perform their obligations under the Outstanding Notes, the Current Notes, the Loan Agreements, and this Restated Mortgage and to execute
and deliver Additional Notes; and all official action on their part for the execution and delivery of the Outstanding Notes, the Current Notes, the Loan Agreements, and this Restated Mortgage has been duly and effectively taken; and the Outstanding Notes, the Current Notes, the Loan Agreements, and this Restated Mortgage are, or when executed and delivered will be, the valid and enforceable obligations of the Mortgagors in accordance with their respective terms.

SECTION 2.2 Warranty of Title

(a) At the time of execution and delivery of this instrument, the Mortgagors have good and marketable title in fee simple to the Mortgaged Property, free and clear of any deed of trust, mortgage, lien, charge, or encumbrance thereon or affecting the title thereto, except for the following Permitted Encumbrances:

(i) as to the Mortgaged Property that is real property, restrictions, exceptions, reservations, conditions, limitations, interests, and other matters which are set forth or referred to in deeds or other conveyance documents, and each of which fits one or more of the clauses of this definition; provided however, that such matters do not in the aggregate materially detract from the value of the Mortgaged Property taken as a whole and do not materially impair the use of such property for the purposes for which it is held by the Mortgagors;

(ii) liens for taxes, assessments, and other governmental charges which are not delinquent;

(iii) liens for taxes, assessments, and other governmental charges already delinquent which are currently being contested in good faith by appropriate proceedings; provided, the Mortgagors shall have set aside on their books adequate reserves with respect thereto;

(iv) mechanics', workmen's, repairmen's, materialmen's, warehousemen's and carriers' liens and other similar liens arising in the ordinary course of business for charges which are not delinquent, or which are being contested in good faith and have not proceeded to judgment; provided, the Mortgagors shall have set aside on their books adequate reserves with respect thereto;

(v) liens in respect of judgments or awards with respect to which the Mortgagors shall in good faith currently be prosecuting an appeal or proceedings for review and with respect to which the Mortgagors shall have secured a stay of execution pending such appeal or proceedings for review; provided, the Mortgagors shall have set aside on their books adequate reserves with respect thereto;

(vi) easements and similar rights granted by the Mortgagors over, or in respect of, any Mortgaged Property, provided that in the opinion of the Mortgagor's board, members, other relevant governing body, or official acceptable to RUS, such grant will not impair the usefulness of such property in the conduct of the Mortgagor's business and will not be prejudicial to the interests of the Mortgagees, and similar rights granted by any predecessor in title of the Mortgagors;

(vii) easements, leases, reservations, or other rights of others in any property of the Mortgagors for streets, roads, bridges, pipes, pipe lines, railroads, electric transmission and distribution lines, telegraph and telephone lines, the removal of oil, gas, coal or other minerals and other similar purposes, flood rights, river control and development rights, sewage and drainage rights, restrictions against pollution and zoning laws and minor defects and irregularities in the record of title; provided, that the above do not materially affect the marketability of title to such property and do not in the aggregate materially impair the use of the Mortgaged Property taken as a whole for the purposes for which it is held by the Mortgagors;
(viii) liens upon lands over which easements or rights of way are acquired by the Mortgagors for any of the purposes specified in Clause (vii) of this definition, securing indebtedness neither created, assumed, nor guaranteed by the Mortgagors, nor on account of which they customarily pay interest, which liens do not materially impair the use of such easements or rights of way for the purposes for which they are held by the Mortgagors;

(ix) leases existing at the date of this instrument affecting property owned by the Mortgagors at said date which have been previously disclosed to the Mortgagees in writing, and leases for a term of not more than two years (including any extensions or renewals) affecting property acquired by the Mortgagors after said date;

(x) terminable or short term leases or permits for occupancy which expressly grant to the Mortgagors the right to terminate at any time on not more than six months' notice and which occupancy does not interfere with the operation of the business of the Mortgagors;

(xi) any lien or privilege vested in any lessor, licensor, or permitter for rent or other obligations or acts to be performed, the payment or performance of which other obligations or acts is required under leases, subleases, licenses or permits, so long as the payment of such rent or the performance of such other obligations or acts is not delinquent;

(xii) liens or privileges of any employees of the Mortgagors for salary or wages earned but not yet payable;

(xiii) the burdens of any law, governmental regulation, or permit requiring the Mortgagors to maintain certain facilities or to perform certain acts as a condition of the Mortgagor's occupancy of certain real estate, or prohibiting the interference with any public lands or any river or stream or navigable waters;

(xiv) any irregularities in or deficiencies of title to any rights-of-way for pipe lines, telephone lines, telegraph lines, power lines or appurtenances thereto, or other improvements thereon, and to any real estate used or to be used primarily for right-of-way purposes; provided, that in the opinion of counsel for the Mortgagors; (1) the Mortgagors shall have obtained from the apparent owner of the lands or estates therein covered by any such right-of-way, a sufficient right, by the terms of the instrument granting such right-of-way, to the use thereof for the construction, operation, or maintenance of the lines, appurtenances, or improvements for which the same are used or to be used; or (2) the Mortgagors have power under eminent domain, or similar statutes, to remove such irregularities or deficiencies;

(xv) rights reserved to, or vested in, any municipal, governmental, or other public authority to control or regulate any property of the Mortgagors, or to use such property in any manner, which rights do not materially impair the use of such property, for the purposes it is held by the Mortgagors;

(xvi) any obligations or duties affecting the property of the Mortgagors, to any municipal, governmental, or other public authority with respect to any franchise, grant, license or permit;

(xvii) any right which any municipal, governmental, or other public authority may have by virtue of any franchise, license, contract or statute (1) to purchase, (2) to designate a purchaser of, or (3) to order the sale of, any property of the Mortgagors upon payment of cash or reasonable compensation therefor; or to terminate any franchise, license or other
rights; or to regulate the property and business of the Mortgagors; provided however, that
nothing in this clause is intended to waive any claim or rights that the Government may
otherwise have under federal laws;

(xviii) any lien required by law or government regulation as a condition to the transaction of any
business or the exercise of any privilege or license, or to enable the Mortgagors to
maintain self-insurance or to participate in any fund established to cover any insurance
risks or in connection with workmen's compensation, unemployment insurance, old age
pensions, or other social security, or to share in the privileges or benefits required for
companies participating in such arrangements; provided however, that nothing in this
clause is intended to waive any claim or rights that the Government may otherwise have
under federal laws;

(xix) liens arising out of any defeased mortgage or indenture of the Mortgagors;

(xx) the undivided interest of other owners, and liens on such undivided interests, in property
owned jointly with the Mortgagors, as well as the rights of such owners to such property
pursuant to the ownership contracts; and/or

(xxi) this Restated Mortgage and any Prior Mortgages.

(b) The Mortgagors warrant that they have good right and lawful authority to mortgage the Mortgaged
Property for the purposes herein expressed.

(c) At the time of execution and delivery of this Restated Mortgage, the Mortgagors lawfully own and
are possessed of the personal property described in the Granting Clauses herein, free and clear of
any deed of trust, mortgage, lien, charge, or encumbrance thereon or affecting the title thereto,
except Permitted Encumbrances.

SECTION 2.3 Maintain Superior Lien of Mortgage, After-Acquired Property, Further Assurances, and
Recording

(a) The Mortgagors will, so long as any of the Notes shall be outstanding, maintain and preserve the
lien of this Restated Mortgage superior to all other liens affecting the Mortgaged Property, and
will execute, file and/or record such financing statements, continuation statements, mortgages or
other security instruments as necessary to maintain such superior lien and will forever warrant and
defend the title to said property against any and all claims and demands whatsoever.

(b) All property of every kind acquired by Vermont Telephone Company, Inc. after the date hereof,
shall, immediately upon the acquisition thereof by Vermont Telephone Company, Inc., and
without any further mortgage, conveyance, or assignment, become subject to the lien of this
Restated Mortgage; provided, however, that such a lien shall not apply to BTOP Property (as
defined in the sixth Recital to this Restated Mortgage) to the extent of and during the pendency of
the NTIA Federal Interest in BTOP Property, as provided in the definition of "Mortgaged
Property" in section 1.1 hereof. Upon the termination of the NTIA Federal Interest in the BTOP
Property, the BTOP Property will, without further act, be subject to the lien of this Restated
Mortgage. Nevertheless, Vermont Telephone Company, Inc. will do, execute, acknowledge, and
deliver any and all such further acts, conveyances, mortgages, security agreements, financing
statements, and assurances as either Mortgagee shall require for accomplishing the purposes of
this Restated Mortgage.
(c) The Mortgagors will cause this Restated Mortgage and all supplemental mortgages and other instruments of further assurance, including all financing statements covering security interests in personal property, to be promptly recorded, registered and filed, and will execute and file such financing statements and cause to be issued and filed such continuation statements, all in such manner and place as may be required by law, or requested by either Mortgagor, fully to preserve and protect the rights of the Mortgagors and Noteholders hereunder to the Mortgaged Property.

SECTION 2.4 Negative Pledge

The Borrowers shall not create, incur, or suffer any lien, mortgage, pledge, assignment, or other encumbrance on, or security interest in, the Mortgaged Property, other than the Permitted Encumbrances.

SECTION 2.5 Payment of Taxes

The Mortgagors will promptly pay or discharge any and all obligations for which, or on account of which, any lien, claim, or charge against the Mortgagor's property might exist or could be created, and for any and all lawful taxes, rates, levies, or assessments imposed upon, or accruing upon, any of the Mortgagors' property (whether taxed to the Mortgagors or to any Noteholder), franchises, earnings, or businesses, as and when the same shall become due and payable; and whenever called upon to do so, the Mortgagors will furnish to the Mortgagors or to any Noteholder adequate proof of such payment or discharge.

SECTION 2.6 Payment of Notes and Secured Obligations

The Mortgagors will duly and punctually pay the principal and interest on the Notes, at the time, place, and manner provided therein, according to the true intent and meaning thereof, as well as all other sums becoming due hereunder.

SECTION 2.7 Prepayment of Co-Lender Notes and RUS Notes

The Mortgagors may at any time make prepayments on account of all or part of the principal of the Notes to the extent and in the manner therein provided and as set forth in the applicable Loan Agreement; provided that any such prepayment shall be applied pro rata to the RUS Notes and the Co-Lender Notes, according to the proportions that the aggregate unpaid principal amount of the RUS Notes and the aggregate unpaid principal amount of the Co-Lender Notes, respectively, bear to the aggregate unpaid principal amount of the RUS Notes and the Co-Lender Notes, collectively, on the date of prepayment and shall be applied to such notes and installments thereof as may be designated by the respective noteholders at the time of any such prepayment. For purposes of this section, delivery by the Mortgagors of any note which renews or is in substitution for an outstanding note shall not be considered a prepayment hereunder and delivery of a refinancing note shall not be considered a prepayment provided that the refinancing note will result in (1) an economic benefit defined as a present value savings when comparing the cash flows of the refinancing note with the cash flows of the note being refinanced; (2) will not cause the TIER as of the most recent December 31 RUS Form 479, when recalculated by substituting the actual interest expense of the note to be refinanced with the projected interest expense of the refinancing note, to be less than the greater of the TIER before such recalculation or 1.5; and (3) will not cause the DSC as of the most recent December 31 RUS Form 479, when recalculated by substituting the scheduled principal payments of the note to be refunded with the scheduled principal repayments of the refinancing note, to be less than 1.25. Additionally, the Majority RUS Noteholders and the Majority Co-Lender Noteholders may agree that such noteholder shall not be paid the pro rata prepayment to which such noteholder may be entitled hereunder.

SECTION 2.8 Restrictions on Transfers of Property

Except as provided in Section 2.9 below, the Mortgagors shall not sell, lease or transfer any Mortgaged Property to any other person or entity (including any subsidiary or affiliate of the Mortgagors) without the prior written consent of the Mortgagors.
SECTION 2.9 Disposal of Obsolete or Damaged Mortgaged Property

So long as the Mortgagors are not in default hereunder, the Mortgagors may, without obtaining the consent of the Mortgagors or Noteholders, sell or otherwise dispose of, free from the lien hereof; any of their property which is neither necessary to, nor useful for, the operation of the Mortgagors businesses, or which has become obsolete, worn out, damaged, or otherwise unsuitable for the purposes of the Mortgagors; provided, however, that the Mortgagors shall to the extent necessary: (1) replace the same with other property of the same kind and nature, or substitute thereof, which shall be subject to the lien hereof, free and clear of all prior liens, and apply the proceeds, if any, derived from the sale or disposition of such property, which are not needed for the replacement thereof, to the prepayment of the outstanding indebtedness on the RUS Notes and Co-Lender notes in the proportions which the aggregate principal balances then owing on the RUS Notes and the aggregate principal balances then owing on the Co-Lender Notes, respectively, bear to the aggregate principal balances then owing on the RUS Notes and the Co-Lender Notes, collectively, and shall be applied to such notes and installments thereof as may be designated by the respective Noteholders at the time of any such receipt; (2) immediately upon the receipt of the proceeds of any sale or disposition of said property, apply the entire amount of such proceeds to the prepayment of the indebtedness evidenced by the Notes in proportion and manner as provided for in (1) above; or (3) deposit all or such part of the proceeds derived from the sale or disposition of said property into such bank accounts as the Mortgagors shall specify, and shall use the same only for such additions to, or improvements in, the Mortgaged Property, on such terms and conditions as the Mortgagors shall specify.

SECTION 2.10 Maintenance, Preservation and Operation of Mortgaged Property

(a) At all times the Mortgagors will maintain and preserve the Mortgaged Property in good repair, working order, and condition, and will, subject to contingencies beyond their reasonable control, keep their plant and properties in continuous operation, and from time to time make all needed and proper repairs, renewals, replacements, useful and proper alterations, additions, betterments and improvements, and use all reasonable diligence to furnish the subscribers served by them through the Mortgaged Property with adequate telecommunications and broadband telephone service.

(b) If in the sole judgment of either Mortgagor, the Mortgaged Property is not being maintained and repaired in accordance with paragraph (a) of this Section, either Mortgagor may send the Mortgagors a written report of needed improvements, upon receipt of which the Mortgagors will promptly undertake to accomplish such improvements.

SECTION 2.11 Mortgaged Property to be Purchased Free of Encumbrances

Except as specifically authorized in writing in advance by the Mortgagors, the Mortgagors will purchase all materials, equipment, supplies, and replacements to be incorporated in, or used in connection with, the Mortgaged Property outright, and not subject to any conditional sales agreement, chattel mortgage, bailment lease, or other agreement reserving to the seller any right, title, or lien.

SECTION 2.12 Insurance Requirements: Application of Insurance Proceeds

(a) The Mortgagors shall take out and maintain insurance on the property acquired with the Loan in accordance with 7 C.F.R. Part 1788.

(b) Sums recovered under any policy or fidelity bond by the Mortgagors or any Noteholder for a loss of funds advanced under the Notes or for any loss under such policy or bond shall, unless applied as provided in 7 C.F.R. Part 1788, be used to finance construction of utility plant secured or to be secured by this Restated Mortgage, or, unless otherwise directed by the Mortgagors, be applied to the prepayment of the Outstanding Notes, and shall be applied to such Notes and installments thereof as may be designated by the respective Noteholders at the time of receipt. At the request of either Mortgagor, the Mortgagors shall exercise such rights and remedies under such policy or fidelity bond as designated by such Mortgagor, and the Mortgagors hereby irrevocably appoints
each Mortgagee as their agent to exercise such rights and remedies under such policy or bond as each Mortgagee may choose, and the Mortgagors shall pay all costs and reasonable expenses incurred by the Mortgagee(s) in connection with such exercise.

SECTION 2.13 When Mortgage Lien Attaches to Vehicles, Ships, Etc.

In the event the Mortgagors have or suffer a deficit in Net Income or Net Margins, during any fiscal year while any of the Notes are outstanding, the Mortgagors will at any time, upon written demand of either Mortgagee, make, execute, acknowledge and deliver or cause to be made, executed, acknowledged, and delivered all such further and supplemental indentures of mortgages, security agreements, financing statements, instruments, and conveyances, and take or cause to be taken all such further action, as may be requested by the Mortgagee, in order to attach to this Restated Mortgage, as Mortgaged Property, and to subject to all the terms and conditions of this Restated Mortgage, all right, title, and interest of the Mortgagors in and to, all or in part, the automobiles, trucks, tractors, trailers, aircraft, ships, boats and other vehicles then or thereafter owned or acquired by the Mortgagors. From the moments of such written demand by the Mortgagee, such vehicles shall be deemed part of the Mortgaged Property for all purposes hereof.

SECTION 2.14 Application of Proceeds from Eminent Domain

In the event the Mortgaged Property, or any part thereof, shall be taken under the power of eminent domain, all proceeds and avails therefrom, except to the extent that all Noteholders shall consent to other use and application thereof, shall forthwith be applied by the Mortgagors: First, to the ratable payment of any indebtedness by this Restated Mortgage secured other than principal or interest on the Notes; Second, to the ratable payment of interest which shall have accrued on the Notes and be unpaid; Third, to the ratable payment of, or on account of, the unpaid principal of the Notes and to such installments thereof as may be designated by the respective Noteholders at the time of any such payment; and if any, the balance shall be paid to whosoever shall be entitled thereto.

SECTION 2.15 Compliance with Loan Agreements

The Mortgagors will well and truly observe and perform all applicable covenants, agreements, terms, and conditions contained in the Loan Agreements.

SECTION 2.16 Covenants for Limited Liability Companies and Similar Mortgagors

Mortgagors which are limited liability companies or similar organizations agree that:

(a) The death, retirement, resignation, expulsion, termination, bankruptcy, or dissolution of any member or the occurrence of any other event that terminates the continued membership of any member shall not cause the Mortgagors to be dissolved or their affairs to be wound up;

(b) Prior to the date on which any and all Notes are discharged in full, the Mortgagors shall not be dissolved or terminated;

(c) The organizational documents of the Mortgagors shall contain provisions reflecting the obligations of the Mortgagors in paragraphs (a) and (b) immediately above and such provisions shall not be amended without the prior written consent of the Mortgagees.

SECTION 2.17 Government to be Noteholder

At all times when any Note is held by the Government, or in the event the Government shall assign an Additional Note without having insured the payment of such Note, this Restated Mortgage shall secure payment of such Note for the benefit of the Government or such uninsured holder thereof, as the case may be. Whenever any Additional Note may be sold to an insured purchaser, it shall continue to be considered a "Note" as defined herein,
but as to any such insured Note, the Government, and not such insured purchaser, shall be considered and shall have the rights of the Noteholder for purposes of this Restated Mortgage. Notice of the rights of the Government under the preceding sentence shall be set forth in all such insured Notes. As to any Note which evidences a loan made by a third party lender to the Mortgagors and guaranteed by the Government, acting through the Administrator, pursuant to the Act, the Government and not such third party lender shall be considered to be and shall have the rights of the Noteholder for purposes of this Restated Mortgage.

SECTION 2.18 Mortgagors Right to Expended Money to Protect Mortgaged Property

If in any respect the Mortgagors fail to comply with the covenants and conditions herein contained regarding the procuring of insurance, the payment of taxes, assessments, and other charges, the keeping of the Mortgaged Property in repair and free of liens and other claims, or to comply with any other covenant contained in this Restated Mortgage or the Loan Agreement, the Mortgagors shall have the right, without prejudice to any other remedies arising by reason of such default: (1) to advance or expend moneys for the purpose of procuring such insurance, or for the payment of insurance premiums, taxes, assessments or other charges; (2) to save the Mortgaged Property from sale or forfeiture for any unpaid tax, assessment, or otherwise; (3) to redeem the same from any tax or other sale; (4) to purchase any tax title thereon; (5) to remove or purchase any mechanics' liens or other encumbrance thereon; (6) to make repairs thereon; (7) to comply with any other covenant herein contained; (8) to prosecute and defend any suit in relation to the Mortgaged Property; or (9) in any manner, to protect the Mortgaged Property and the title thereto. All sums so advanced for any of the aforesaid purposes with interest thereon at the highest legal rate, but not in excess of twelve percent (12%) per annum, shall be deemed a charge upon the Mortgaged Property in the same manner as the Notes at the time outstanding are secured and shall be forthwith paid to the Mortgagors upon demand. It shall not be obligatory for the Mortgagors in making any such advances or expenditures to inquire into the validity of any such title, tax, assessment, sale, mechanics' lien, or other encumbrance thereof.

ARTICLE III - REMEDIES OF THE MORTGAGEES AND NOTEHOLDERS

SECTION 3.1 Events of Default:

Each of the following shall be an "Event of Default" under this Restated Mortgage:

(a) Non-Payment. The nonpayment of any required and due installment of interest on, or principal of, any Note, whether by acceleration or otherwise, which continues for five (5) consecutive Business Days;

(b) Representations and Warranties. Any representation or warranty made by the Mortgagors herein or in the Loan Agreements or any certificate furnished to RUS or the Co-Lender hereunder or under the Loan Agreements shall prove to have been incorrect in any material respect at the time made and shall at the time in question be untrue or incorrect in any material respect and remain uncured;

(c) Limited Liability Company. Default by the Mortgagors or their members in the observance or performance of Section 2.16 hereof;

(d) Other Covenants. Default by the Mortgagors in the observance or performance of any other covenant or agreement contained herein or in the Loan Agreements, which shall remain unremedied for thirty (30) calendar days, after written notice thereof had been given to the Mortgagors by RUS or the Co-Lender;

(e) Adverse Effects. The Mortgagors shall forfeit or otherwise be deprived of their charters, articles of organizations, franchises, permits, easements, consents, or licenses required to carry on any material portion of their businesses, or the Mortgagors file for, or an event occurs, which can reasonably be expected to result in their dissolution or termination;
(f) **Other Obligations.** Default by the Mortgagors in the payment of any obligation, whether direct or contingent, for borrowed money in excess of ten thousand dollars ($10,000.00) or in the performance or observance of the terms of any instrument pursuant to which such obligation was created or securing such obligation which default shall have resulted in such obligation becoming or being declared due and payable prior to the date on which it would otherwise be due and payable;

(g) **Bankruptcy.** A court having jurisdiction in the premises shall enter a decree or order for relief with respect to the Mortgagors in an involuntary case under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect: (1) appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator, or similar official, or (2) ordering the winding up or liquidation of their affairs; or the Mortgagors shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian or trustee, of a substantial part of their property, or make any general assignment for the benefit of creditors;

(h) **Dissolution or Liquidation.** Other than as provided in the immediately preceding subsection, the dissolution or liquidation of the Mortgagors, or the filing of such by the Mortgagors;

(i) **Impaired Business.** The failure by the Mortgagors to promptly forestall or remove any execution, garnishment or attachment of such consequence as shall impair their ability to continue their businesses or fulfill their obligations and such execution, garnishment or attachment shall not be vacated within thirty (30) days; and

(j) **Payment of Final Judgment.** A final judgment in an amount of ten thousand dollars ($10,000.00) or more shall be entered against the Mortgagors and shall remain unsatisfied or without a stay in respect thereof for a period of thirty (30) days.

**SECTION 3.2 Acceleration of Maturity: Annulment of Acceleration**

(a) If any Event of Default has occurred and is continuing, the Mortgagees and/or any other Noteholder may, by notice in writing to the Mortgagors and delivery of a copy thereof to the other Noteholders, if any, declare all unpaid principal and accrued interest on any or all of their respective Notes to be due and payable immediately; and upon any such declaration, all such unpaid principal and accrued interest shall immediately become due and payable, notwithstanding anything contained herein or in any Note to the contrary.

(b) If after the unpaid principal and accrued interest on any of the Notes shall have been so declared to be due and payable, all payments in respect of principal and interest which have become due and payable by the terms of such Note(s) shall be paid to the respective Noteholders, and all other defaults hereunder and under the Notes shall have been made good or secured to the satisfaction of all of the Noteholders, the Noteholder(s) which have declared the principal and interest on Notes held by such Noteholder(s) to be due and payable may, by written notice to the Mortgagors and delivery of a copy thereof to the other Noteholders, annul such declaration or declarations and waive such default(s) and consequences thereof, with such waiver not extending to or affecting any subsequent default or impairing any right consequent thereon.

**SECTION 3.3 Remedies of Majority Noteholders**

If any Events of Default has occurred and is continuing, the holder or holders of not less than a majority of the total amount of principal outstanding on the notes, (hereinafter called the “Majority Noteholders,”) for itself or
themselves, and as the agent or agents of the other Noteholders, personally or by attorney, in its or their discretion, may, insofar as not prohibited by law:

(a) (i) take immediate possession of the Mortgaged Property, (ii) collect and receive all credits, outstanding accounts, bills, receivables, rents, income, revenues, and profits of the Mortgagors, pertaining to or arising from the Mortgaged Property, or any part thereof, and issue binding receipts therefor; and (iii) manage, control, and/or operate the Mortgaged Property as fully as the Mortgagors might do if in possession thereof, including, without limitation, the making of all repairs or replacements deemed necessary or advisable;

(b) Majority Noteholders, or any employee or agent of it, is hereby constituted and appointed as true and lawful attorney-in-fact of the Mortgagors with full power to (i) notify or require the Mortgagors to notify any and all customers that the Mortgaged Property has been assigned to Mortgagees and/or that Mortgagees have a security interest in the Mortgaged Property; (ii) sign and endorse the names of the Mortgagors upon any notes, checks, acceptances, drafts, money orders, or other instruments of payment (including payments made under any policy of insurance) that may come into possession of Majority Noteholders or Mortgagees, or upon any invoice, freight or express bill, bill of lading, storage or warehouse receipt, assignment, verification, or notice in connection with receivables, all in full or part payment of any amount owing to any Noteholder; (iii) send requests for verifications of Mortgaged Property to customers or account debtors; (iv) sell, assign, sue for, collect, or compromise payment of all or any part of the Mortgaged Property in the names of the Mortgagors or in their own names, or make any other disposition of Mortgaged Property, or any part thereof, for cash, credit, or any combination thereof; granting to the Majority Noteholders, as the attorney-in-fact of the Mortgagors, full power of substitution and full power to do any and all things necessary to be done in and about the premises fully and effectually as the Mortgagors might or could do but for this appointment, and hereby ratifying all that said attorney-in-fact shall lawfully do or cause to be done by virtue hereof. The Majority Noteholders, Mortgagees, their employees, or agents shall not be liable for any act, omission, error of judgment, or mistake of fact or law in its capacity as attorney-in-fact. This power of attorney is coupled with an interest and shall be irrevocable during the term of this Restated Mortgage so long as any Notes shall remain outstanding;

(c) proceed to protect and enforce the rights of the Mortgagees and the rights of the Noteholder(s) under this Restated Mortgage by suits or actions in equity or at law in any court of competent jurisdiction, whether for specific performance of any covenant or any agreement contained herein, for aid of execution of any power herein granted, for foreclosure hereunder, for sale of the Mortgaged Property, or any part thereof, for collection of debts hereby secured, or for enforcement of other appropriate legal or equitable remedies as may be deemed most effectual to protect and enforce the rights and remedies herein granted or conferred; and in the event any such action or suit is instituted, the Majority Noteholders shall have the right to have appointed a receiver of the Mortgaged Property and of all rents, income, revenues, and profits pertaining thereto, or arising, derived, received, or had therefrom, from the commencement of such suit or action. Such receiver shall have all the usual powers and duties of receivers, in like and similar cases, to the fullest extent permitted by law; and if application shall be made for the appointment of a receiver, the Mortgagees hereby expressly consent that the court to which such application shall be made may make said appointment;

(d) sell or cause to be sold the Mortgaged Property, all or in part, and all right, title, interest, claim, and demand of the Mortgagors therein or thereto, at public auction in any county in which the property to be sold is located, at such time, place, and manner as may be specified in the notice of sale, containing a brief general description of the property to be sold, giving a copy thereof to the Mortgagors by mail at least fifteen (15) days prior to the date fixed for such sale, and publishing the same once in each week for two successive calendar weeks prior to the date of such sale in a newspaper of general circulation published in said county, or if no such newspaper is published in
such county, in a newspaper of general circulation in such county, the first such publication to be not less than fifteen (15) days nor more than thirty (30) days prior to the date fixed for such sale. Any sale made under this subparagraph may be adjourned from time to time by announcement, at the time and place appointed for such sale or adjourned sale(s); and without further notice or publication the sale may be had at the time and place to which the same shall be adjourned; provided, however, that in the event another or different notice of sale or another or different manner of conducting the same shall be required by law, the notice of sale shall be given or the sale shall be conducted, as the case may be, in accordance with the applicable provisions of law. The expenses incurred by the Mortgagee(s), including but not limited to receiver's fees, attorneys' fees, cost of advertisement, and agents' compensation, in the exercise of any of the remedies provided in this Restated Mortgage shall be secured by this Restated Mortgage; and

(e) enter and/or remain upon the premises of the Mortgagors without any obligation to pay rent to the Mortgagors or others, or any other place(s) where any of the Mortgaged Property is located and kept, and: (i) remove the Mortgaged Property therefrom in order to maintain, collect, sell, and/or liquidate the Mortgaged Property or, (ii) use such premises, together with materials, supplies, books, and records of the Mortgagors, to maintain possession and/or the condition of the Mortgaged Property, and to prepare the Mortgaged Property for sale, liquidation, or collection. Mortgagees may require the Mortgagors to assemble the Mortgaged Property and make it available to Mortgagees at a place to be designated by Mortgagees.

SECTION 3.4 Rights and Remedies of Noteholders

If, within thirty (30) days after the Majority Noteholders shall have had knowledge of the happening of an Event or Events of Default, the Majority Noteholders shall not have proceeded to exercise the rights and enforce each of the remedies herein or by law conferred upon or reserved to the Mortgagees or to said Majority Noteholders, then, and only then, any Noteholders, including the Majority Noteholders, and/or any Mortgagee may proceed to exercise any such right or rights and remedy or remedies not being enforced by the Majority Noteholders. Nothing contained in this Mortgage shall affect or impair the right, which is absolute and unconditional, of any holder of any note which may be secured hereby to enforce the payment of the principal of or interest on such note on the date or dates any such interest or principal shall become due and payable in accordance with the terms of such note.

SECTION 3.5 Right to Purchase Mortgaged Property

At any sale hereunder any Noteholder or Mortgagee shall have the right to bid for and purchase the Mortgaged Property, or such part thereof as shall be offered for sale, and any Noteholder or Mortgagee may in lieu of actual payment of the purchase price, set off against the purchase price the amount owing to said Noteholder or Mortgagee secured hereunder and such set off amount shall be credited as a payment on account of principal and interest on the Note(s) held by such Noteholder.

SECTION 3.6 Right of Set-Off and Recoupment

Any Noteholder or Mortgagee shall have the right, without prior notice to the Mortgagors, to exercise rights of setoff, recoupment, or any counterclaim and apply any and all amounts held or hereafter held by such Noteholder or Mortgagee, owed to the Mortgagors, or for the credit of the Mortgagors, against any and all of the Notes. Noteholders and Mortgagees agree to notify the Mortgagors promptly after any such setoff or recoupment and the application thereof; provided that the failure to give such notice shall not affect the validity of such setoff, recoupment or application. Mortgagors waive all rights of setoff, deduction, recoupment, or counterclaim.

SECTION 3.7 Application of Proceeds from Remedial Actions

Any proceeds or funds arising from the exercise of any rights or the enforcement of any remedies herein provided after the payment, or provision for the payment, of any and all costs and expenses in connection with the
exercise of such rights or the enforcement of such remedies shall be applied: First, to the payment of indebtedness hereby secured other than the principal or interest on the Notes; Second, to the ratable payment of interest which shall have accrued on the Notes and which shall be unpaid; Third, to the ratable payment of, or on account of, the unpaid principal of the Notes, and the balance, if any, shall be paid to whomsoever shall be entitled thereto.

SECTION 3.8 Notice of Default

The Mortgagors covenant that they will give immediate written notice to the Mortgagees and to all Noteholders of the occurrence of an Event of Default, or in the event that any right or remedy described in Sections 3.2, 3.3, 3.4, 3.5 or 3.6 of this Article III is exercised or enforced, or of any action taken to exercise or enforce any such right or remedy.

SECTION 3.9 Remedies Cumulative, No Election

Every right or remedy herein conferred upon or reserved to the Mortgagee(s) or to the Noteholder(s) shall be cumulative and shall be in addition to every other right and remedy given hereunder, or now or hereafter existing at law, in equity, or by statute. The pursuit of any right or remedy shall not be construed as an election.

SECTION 3.10 Waiver of Appraisal Rights, Marshaling of Assets Not Required

The Mortgagors, for themselves and for all who may claim through or under it, covenant that they will not at any time insist upon or plead, or in any manner whatsoever, claim or take the benefit or advantage of, any appraisal, valuation, stay, extension, or redemption laws, now or hereafter in force in any locality where any of the Mortgaged Property may be situated, in order to prevent, delay or hinder the enforcement or foreclosure of this Restated Mortgage, or the absolute sale of the Mortgaged Property, or any part thereof, or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser(s) thereat, and the Mortgagors, for themselves and for all who may claim through or under it, hereby waives the benefit of all such laws, unless such waiver shall be forbidden by law. Under no circumstance shall there be any marshalling of assets upon any foreclosure or other enforcement of this Restated Mortgage.

SECTION 3.11 Rights as Secured Party

Mortgagees shall have, in addition to any other rights and remedies contained in this Restated Mortgage, and in any other agreements, guarantees, notes, mortgages, instruments, and documents heretofore, now, or at any time hereafter executed by the Mortgagors and delivered to Mortgagee(s), all of the rights and remedies of a secured party under the UCC in force in the state of the Mortgagor’s organization and all jurisdictions where the Mortgaged property is located, all of which rights and remedies shall be cumulative, and nonexclusive.

Section 3.12 Federal Communications Commission Matters.

Notwithstanding any other provision of this Restated Mortgage, the following provisions shall be applicable in the event that the Mortgaged Property includes (to the extent such property can be included under the applicable law) licenses, permits, or similar rights granted by the Federal Communications Commission (hereinafter referred to as the “FCC”) to the Mortgagors (such licenses, permits or similar rights hereinafter referred to as “FCC Licenses”):

(a) Any loss, revocation, foreclosure on, sale, transfer, or other disposition of FCC Licenses by the Mortgagee(s) shall be pursuant to Section 310(d) of the Communications Act of 1934, as amended, and applicable rules and regulations thereunder, and, if and to the extent required thereby, subject to the prior approval or notice to and non-opposition of the FCC.

(b) If an Event of Default shall have occurred and be continuing, the Mortgagors shall take any action which the Mortgagees may request in order to transfer and assign to the Mortgagees, or to such one or more third parties as the Mortgagees may designate, or to a combination of the foregoing, each FCC License held by the Mortgagors. The Mortgagees are empowered, to the extent
permitted by applicable law, to request the appointment of a receiver from any court of competent jurisdiction. Such receiver may be instructed by the Mortgagors to seek from the FCC an involuntary transfer of control of each such FCC License for the purpose of seeking a bona fide purchaser to whom control will ultimately be transferred. The Mortgagors hereby agree to authorize such an involuntary transfer of control upon the request of the receiver so appointed and, if the Mortgagors shall refuse to authorize the transfer, its approval may be required by the court. Upon the occurrence and during the continuance of an Event of Default, the Mortgagors shall further use their best efforts to assist in obtaining approval of the FCC and any state regulatory bodies, if required, for any action contemplated by this Restated Mortgage, including, without limitation, the preparation, execution and filing with the FCC and any state regulatory bodies of the assignor’s or transferor’s portion of any application or applications for consent to the assignment of any FCC license or transfer of control necessary or appropriate under the rules and regulations of the FCC or any state regulatory body for approval or non-opposition of the transfer or assignment of any portion of the Mortgaged Property, including, without limitation any FCC License.

(c) The Mortgagors acknowledge that the assignment, transfer, loss, or revocation of any FCC License is integral to the Mortgagors’ realization of the value of the Mortgaged Property, that there is no adequate remedy at law for failure by the Mortgagors to comply with the provisions of this Section and that such failure would not be adequately compensable in damages, and therefore agrees, without limiting the rights of the Mortgagors to seek and obtain specific performance of other obligations of the Mortgagors contained in this Restated Mortgage, that the agreements contained in this Section may be specifically enforced.

(d) In accordance with the requirements of 47 C.F.R. Section 22.937, or any successor provision thereto, the Mortgagors shall notify the Mortgagors and the FCC in writing at least ten (10) days prior to the date on which the Mortgagors intend to exercise their rights under this Restated Mortgage or any other document or instrument relating to the Notes, by foreclosing on, or otherwise disposing of any Mortgaged Property in connection with which such notice is required pursuant to 47 C.F.R. Section 22.937 or any successor provision thereto.

ARTICLE IV - POSSESSION UNTIL DEFAULT-DEFEASANCE CLAUSE

SECTION 4.1 Possession until Default

Until one or more of the Events of Default has happened, the Mortgagors shall be permitted to retain actual possession of the Mortgaged Property, and to manage, operate and use the same and any part thereof, with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the rents, revenues, issues, earnings, income, products, and profits thereof or therefrom, subject to the provisions of this Restated Mortgage.

SECTION 4.2 Defeasance

If the Mortgagors shall pay or cause to be paid the whole amount of the principal and interest on the Notes at the time and manner therein provided, according to the true intent and meaning thereof, and shall also pay or cause to be paid all other sums payable hereunder by the Mortgagors and shall well and truly keep and perform according to the true intent and meaning of this Restated Mortgage, all covenants herein required to be kept and performed by them, then and in that case, all property, rights, and interests hereby conveyed, assigned, or pledged shall revert to the Mortgagors, and the estate, right, title and interest of the Mortgagors and the Noteholders shall thereupon cease, determine, and become void and the Mortgagors and the Noteholders, in such case, on written demand of the Mortgagors, but at the Mortgagors’ cost and expense, shall enter satisfaction of this Restated Mortgage upon the record. In any event, each Noteholder, upon payment in full to him by the Mortgagors of all principal and interest on any Note held by him, and the payment and discharge by the Mortgagors of all charges due
such Noteholder hereunder, shall execute and deliver to the Mortgagors such instrument of satisfaction, discharge, or release as shall be required by law in the circumstances.

ARTICLE V - MISCELLANEOUS

SECTION 5.1 Mortgage to Bind and Benefit Successors and Assigns

All of the covenants, stipulations, promises, undertakings, and agreements herein contained by, or on behalf of, the Mortgagors shall bind their successors and assigns, whether so specified or not, and all titles, rights, and remedies hereby granted to, or conferred upon, the Mortgagors shall pass to and inure to the benefit of the successors and assigns of the Mortgagors and shall be deemed to be granted or conferred for the ratable benefit and security of all who shall from time to time be the holders of Notes executed and delivered as herein provided.

SECTION 5.2 Headings

The descriptive headings of the various articles of this Restated Mortgage were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of any provision hereof.

SECTION 5.3 Notices

All demands, notices, reports, approvals, designations, or directions required or permitted to be given hereunder shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the “Address for Notices” specified in Schedule A; or, as to any party, at such other address as shall be designated by such party in a notice to each other party. All such communications shall be deemed to have been duly given when transmitted by telecopier or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as provided for herein. The Addresses for Notice of the respective parties are set forth in Schedule “A.”

SECTION 5.4 Mortgage Deemed Security Agreement

To the extent that any of the property described or referred to in this Restated Mortgage is governed by the provisions of the UCC, this Restated Mortgage is hereby deemed a “security agreement” under the UCC. The mailing addresses of the Mortgagors, as debtors, and of the Mortgagees as secured parties, are as set forth in Schedule “A.”

SECTION 5.5 Mortgagees Right to File Financing Statements

Mortgagees shall have the right to file such financing statements and continuation statements on behalf of itself, as secured party, and Mortgagors, as Debtors, as Mortgagees deem necessary to perfect a first lien on the Mortgaged Property and to maintain and preserve such perfected first lien as long as any Note remains outstanding. Mortgagors shall reimburse the Mortgagees for any expenses incurred in the exercise of this right.

SECTION 5.6 Severability Cause

If any provision of this Restated Mortgage shall for any reason be found or held invalid or unenforceable by any governmental agency or court of competent jurisdiction, such invalidity or unenforceability shall not affect the validity, legality, and enforceability of the remainder of such provision, nor any other provision thereof and this Restated Mortgage shall survive and be construed as if such invalid or unenforceable provision had not been contained therein. Any invalidity or unenforceability as to any Mortgagee hereunder shall not affect or impair the rights hereunder of any other Mortgagee.
SECTION 5.7 Indemnification by Mortgagors of Mortgagees

The Mortgagors agree to indemnify the Mortgagees against any liability or damages which they may incur or sustain in the exercise and performance of their rightful powers and duties hereunder. For such reimbursement and indemnity, the Mortgagees shall be secured under this Restated Mortgage in the same manner as the Notes and all such reimbursements for expense or damage shall be paid to the Mortgagees incurring or suffering the same with interest at the rate specified in Section 2.18 hereof. The Mortgagors’ obligation to indemnify the Mortgagees under this section shall survive the satisfaction of the Notes, the reconveyance or foreclosure of this Restated Mortgage, the acceptance of a deed in lieu of foreclosure, or any transfer or abandonment of the Mortgaged Property.

SECTION 5.8 Counterparts

This Restated Mortgage may be simultaneously executed and delivered in two or more counterparts, each of which so executed and delivered shall be deemed an original, and shall constitute but one and the same instrument.
IN WITNESS WHEREOF, VERMONT TELEPHONE COMPANY, INC. and VTEL WIRELESS, INC., as Mortgagors, has caused this Restated Mortgage to be signed in their names and their seals, if any, to be hereunto affixed and attested by their duly authorized officers, the UNITED STATES OF AMERICA, as Mortgagee and secured party, has caused this Restated Mortgage to be duly executed on its behalf, and Co-Lender, as Mortgagee and secured party, has caused this Restated Mortgage to be duly executed on its behalf all as of the day and year first above written.

VERMONT TELEPHONE COMPANY, INC.

by

Name: JUSTIN ROBINSON
Title: President

(Seal)

Attested to by:
Secretary (ASSISTANT)

NORMAN KOCH

Executed by the Mortgagor
in the presence of:

Name: FRANCES STOCKER

Name: DAMN TUCKER
VTEL WIRELESS, INC.

by

Name: J. Hjstin Robinson
Title: President

Executed by the Mortgagor
in the presence of:

Name: Frances Stack
Name: Dawn Tucker

UNITED STATES OF AMERICA

by

Name: Jonathan Adelstein
Title: Administrator, USDA

RURAL TELEPHONE FINANCE COOPERATIVE

by

Name: Stephen W. Mann
Title: Assistant Secretary-Treasurer

Executed by the Mortgagee
in the presence of:

Name: Lauren Harris
Name: Barry Carroll
DISTRICT OF COLUMBIA

This instrument was acknowledged before me on May 5, 2011, by
JONATHAN ADELSTEIN, Administrator of the Rural Utilities Service of the United States of America.

[Signature]
Notary Public

(Notarial Seal)

My commission expires: APR 30 2015.
STATE OF VERMONT

COUNTY OF

I certify that on this 31st day of MAY, 2011, the foregoing instrument was acknowledged before me, Patricia Sliker, a Notary Public in and for the above-named County and State, and that Justin Robinson, to me personally known and the person whose name is signed to the foregoing instrument, did personally appear before me, who being duly sworn and deposed according to law, did make proof to my satisfaction and say that he/she was, at the time of execution thereof, the President [Position] of VERMONT TELEPHONE COMPANY, INC., a Delaware corporation, that he/she knows the corporate seal of said entity, if one exists, and that the foregoing instrument, whose contents are known to him/her, was signed, sealed, and delivered on behalf of said entity by authority and/or Resolution of its board of directors, and furthermore acknowledged the instrument to be his/her free and voluntary act and deed, as well as that of the entity, for the purposes and uses therein set forth.

IN WITNESS WHEREOF, sworn and subscribed before me, I have hereunto set my hand and official seal.

(Patricia Sliker)
Notary Public

My commission expires: 2/10/2015.
STATE OF VERMONT

COUNTY OF

I certify that on this 31 day of May, 2011, the foregoing instrument was acknowledged before me, [Name], a Notary Public in and for the above-named County and State, and that [Name], to me personally known and the person whose name is signed to the foregoing instrument, did personally appear before me, who being duly sworn and deposed according to law, did make proof to my satisfaction and say that he/she was, at the time of execution thereof, the President [Position] of [Entity], a Delaware corporation, that he/she knows the corporate seal of said entity, if one exists, and that the foregoing instrument, whose contents are known to him/her, was signed, sealed, and delivered on behalf of said entity by authority and/or Resolution of its board of directors, and furthermore acknowledged the instrument to be his/her free and voluntary act and deed, as well as that of the entity, for the purposes and uses therein set forth.

IN WITNESS WHEREOF, sworn and subscribed before me, I have hereunto set my hand and official seal.

(Notary Seal)  

My commission expires: 2/10/15
COMMONWEALTH OF VIRGINIA

COUNTY OF FAIRFAX

BE IT REMEMBERED, that on this 13 day of November, 2011, before me, the undersigned, a notary public in and for the Commonwealth of Virginia, aforesaid, came [Signature] signing as an Assistant Secretary Treasurer of the RURAL TELEPHONE FINANCE COOPERATIVE, a District of Columbia cooperative association, who is personally known to me to be the person who executed the within instrument of writing on behalf of such corporation and such person duly acknowledged the execution of the same as the act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year above written.

Vanessa Davenport Gwathmey
Notary Public

(Notarial Seal)
SCHEDULE A

1. A. The Outstanding RUS Notes referred to in the Recitals are:

<table>
<thead>
<tr>
<th>Note Designation</th>
<th>Note Date</th>
<th>Stated Principal Amount</th>
<th>Maturity Date</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. The Outstanding Co-Lender Notes referred to in the Recitals are:

<table>
<thead>
<tr>
<th>Note Designation</th>
<th>Note Date</th>
<th>Stated Principal Amount</th>
<th>Maturity Date</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>VT600-5104</td>
<td>2/1/2011</td>
<td>$8,000,000</td>
<td>2/1/2013</td>
<td>Variable</td>
</tr>
</tbody>
</table>

2. The Prior Mortgages referred to in the Recitals are:

Mortgage and Security Agreement Made By and Between Vermont Telephone Company, Inc. and Rural Telephone Finance Cooperative Dated as of July 22, 1994

3. A. The Co-Lender Loan Agreement referred to in Section 1.1 is: Rural Telephone Finance Cooperative Secured Revolving Line Of Credit Agreement dated as of February 1, 2011

B. The RUS Loan Agreement referred to in Section 1.1 is the Loan Agreement, dated the same day as this Restated Mortgage between the Mortgagors and the Mortgagees. Broadband Initiatives Program Loan/Grant Security Agreement dated September 20, 2010 Between Vermont Telephone Company, Inc., VTel Wireless, Inc. and The United States of America.

4. A. The Current RUS Note(s), made by the Mortgagors to the Government, dated the same day as this Restated Mortgage and referred to in the Recitals are:

- RUS Designation: VERMONT 1103-A40
- Stated Principal Amount: $35,166,081
- Interest Rate: Variable
- Maturity Date: September 20, 2025

B. The Current Co-Lender Note(s), made by Vermont Telephone Company, Inc. to Co-Lender, dated the same day as this Restated Mortgage and referred to in the Recitals are: NONE.

5. The “Mortgage Debt Limit” referred to in Section 1.2(c) is: $100,000,000
6. The following addresses are for purposes of providing notice pursuant to Section 5.4:

Mortgagees: Rural Utilities Service
United States Department of Agriculture
1400 Independence Avenue, S.W.
Washington, D.C. 20250-1500
Attention: Administrator
Fax: (202) 720-1725

With a copy to: Rural Utilities Service
United States Department of Agriculture
1400 Independence Avenue, S.W.
Stop 1599, Room No. 2868
Washington, D.C. 20250-1599
Attention: Kenneth Kuchno
Fax: (202) 690-4389

Mortgagee: Rural Telephone Finance Cooperative
2201 Cooperative Way
Herndon, VA 22071-3025
Attention: Frank Vaughn
(703) 709-6746

Mortgagors: Vermont Telephone Company, Inc
354 River St.
Springfield, VT 05156
Attention: Fran Stocker
Fax: 802-885-4003

VTel Wireless, Inc.
354 River St.
Springfield, VT 05156
Attention: Fran Stocker
Fax: 802-885-4003

With a copy to: Womble Carlyle Sandridge & Rice
8065 Leesburg Pike, 4th Floor
Vienna, VA 22182-2730
Attention: Keith J. Mendelson, Esq
Fax: (703) 918-2261
SCHEDULE B

1. The "Existing Facilities" referred to in Granting Clause I are located in the counties of Windsor, Windham, Washington, Chittenden, Rutland, Bennington, Grand Isle, Addison, and Lamoille in the State of Vermont.

2. The real estate mortgaged and pledged hereunder includes the following:
Town of Andover, VT

Easements

Being all lands and premises, improvements thereon, and appurtenances thereto, together with every right, title, claim and interest to, in and against property of whatever nature, kind or class now owned by the Grantor and located in the Town of Andover, County of Windsor and State of Vermont whether such ownership, right, title, claim or interest is evidenced by a validly recorded instrument or otherwise.

Without limiting the scope of the grant, and intending to be in aid of the interpretation thereof the Grantor affirms this deed is intended to convey all lands, buildings, leasehold rights, licenses, owned by Grantor and rights to occupy property, buildings, lands and improvements, easements, together with all fixtures, structures and improvements, additions and accessions to any property owned, occupied or controlled by Grantor.

The Premises are conveyed subject to claims, conditions, easements, rights of way and covenants for the benefit of others, which have not been barred by the provisions of the Vermont Marketable Title Act (27 V.S.A. §601-606) as of the date of this deed, and by inclusion of the language Grantor does not intend to and hereby specifically disclaims any intent to renew, restore, or reinstate any matter which at law or in equity has ceased to encumber the Premises, or any part thereof, for whatever reason.

Reference is hereby made to the above-mentioned instruments, the records thereof and the references therein contained in further aid of this description.

So much of the property conveyed by this instrument as is not specifically described in one or more of the attachments hereto, (1) may be occupied under a lease, and this instrument is specifically made subject to the terms of such lease; or (2) constitutes an easement for a telephone line, owned by the Grantor/Mortgagor/Borrower individually or in common with one or more other utility companies; and in the case of both leasehold rights and easements, both are/or may be subject to encumbrances, claims, conditions, easements, rights of way and covenants for the benefit of others, which have not been barred by the provisions of the Vermont Marketable Title Act (27 V.S.A. §601-606 ) as of the date of this deed. By inclusion of this language the Grantor/Mortgagor/Borrower does not intend to and hereby specifically disclaims any intent to renew, restore, or reinstate any matter which at law or in equity has ceased to encumber the Premises, or any part thereof, for whatever reason.
Town of Athens, VT

Athens Remote
Brookline Rd

Being all and the same lands and premises conveyed to Continental Telephone Company of Vermont, Inc. by warranty deed of Lewis W. Baldwins and Frances H. Baldwins dated October 4, 1985 and recorded October 23, 1985 in Book 14, Page 52 of the Athens Land Records. The premises are described as follows:


Reference is hereby made to a survey entitled "Continental Telephone System, Athens, Vermont", Job No. 85-581, dated July, 1985 and prepared by C.T. Male Association, Inc. of Keene, NH, which survey is to be recorded in the Athens Town Land Records. The premises are described therefrom as follows:

Commencing at an iron pipe marking the southeast corner of the within conveyed premises, said iron pipe lying 11.45 feet at a bearing of S 61° 14' E from an iron pipe located near the westerly edge of the Town Road No.2 ("Lower Road," so-called) right of way; thence proceeding N 65° 29' W a distance of 71.44 feet to an iron pipe; thence proceeding N 32° 54' E a distance of 48.85 feet to an iron pipe; thence proceeding S 65° 29' E a distance of 77.14 feet to an iron pipe; thence proceeding S 39° 23' W a distance of 50.00 feet to the iron pipe marking the point and place of beginning, and containing 0.08 acres, more or less.

Also included in this conveyance, with quitclaim covenants only, are all lands lying between the centerline of the right of way known as Town Road No.2 ("Lower Road," so-called) and the last course above described.

In order to comply with the State of Vermont Environmental Protection Rules on the subdivision of lands and disposal of waste including sewage, the grantee shall not construct or erect a structure or building on the parcel of land conveyed herein, the useful occupancy of which will require the installation of plumbing and sewage treatment facilities or convey this land without first complying with said State regulations. The grantee by acceptance of this deed acknowledges that this lot may not qualify for approval of development under the appropriate environmental protection or health regulations and that the State may deny any application to develop the lot.
Town of Athens, VT
Permitted Encumbrances

Athens Remote (con’t)
Brookline Road

I. State Board of Health Subdivision Regulations: The premises are subject to deferral of permit issued by the State of Vermont Agency of Environmental Conservation on September 24, 1985 and recorded September 25, 1985 in Book 14, Page 24 and also recorded October 23, 1985 in Book 14, Page 51 of the Athens Land Records.

II. Utility Easements:
   b. Possibly Subject to power line easement to Continental Telephone Company of Vermont, Inc. dated June 1, 1981 and recorded June 2, 1981 in Book 12, Page 362 of the Athens Land Records.

III. Town Highways: The premises are Subject to the right of the public and others to travel over the public highway as the public highway rights of way touch the property.

IV. Other:
   a. The acknowledgement on the deed from Baldvins to Continental Telephone Co. of Vermont, Inc. was not completed, with the county and the date having been omitted.

Subsequent real and personal property taxes not yet due and payable.

So much of the property conveyed by this instrument as is not specifically described in one or more of the attachments hereof,

(1) may be occupied under a lease, and this instrument is specifically made Subject to the terms of such lease; or (2) constitutes an easement for a telephone line, owned by the Grantor/Mortgagor/Borrower individually or in common with one or more other utility companies; and in the case of both leasehold rights and easements, both are/or may be Subject to encumbrances, claims, conditions, easements, rights of way and covenants for the benefit of others, which have not been barred by the provisions of the Vermont Marketable Title Act (27 V.S.A. §601-606) as of the date of this deed. By inclusion of this language the Grantor/Mortgagor/Borrower does not intend to and hereby specifically disclaims any intent to renew, restore, or reinstate any matter which at law or in equity has ceased to encumber the premises or any part thereof, for whatever reason.
Town of Bridgewater, VT

Bridgewater CO
US Route 4

Being all and the same lands and premises conveyed to Continental Telephone Company of Vermont, Inc. by deed of Margaret B. Rogers Wright, dated January 2, 1975 and recorded in the Bridgewater Land Records in Book 37, Page 363 and herein described as follows:

"Beginning at a point located North 37 degrees 28 minutes 15 seconds east approximately 30 feet from a Vermont Highway Department bound set in the northeasterly boundary of the right of way of US Route 4 at approximate Station 392+95; thence proceeding North 40 degrees 38 minutes 20 seconds West approximately 97.08 feet to a point; thence turning an angle to the right and proceeding North 37 degrees 28 minutes 15 seconds East approximately 26.30 feet to an iron pin set; thence turning an angle to the right and proceeding South 47 degrees 17 minutes 8 seconds East approximately 95.39 feet to an iron pin set; thence turning an angle to the right and proceeding South 37 degrees 28 minutes 15 seconds West approximately 37.58 feet to the point and place of beginning.

The above described parcel contains 2,998 square feet, more or less."

Reference is hereby made to a land plat entitled "Continental Telephone Co. of Vermont, Inc. U.S. Rte. 4 & St. Aid Hwy. 1 Bridgewater Comers Vt.", dated December 1874 and prepared by Surveyors, Inc. of Barre, Vermont, a copy of which is to be recorded in the land records of the Town of Bridgewater, Vermont.
Town of Bridgewater, VT

Bridgewater CO (con't)
12 Bridgewater Center Rd.

Being all and the same lands and premises conveyed to Continental Telephone Company of Vermont, Inc. by deed of Harold W. Fredette and wife, dated December 31, 1974 and recorded in the Bridgewater Land Records in-Book 37, Page 361 and herein described as follows:

"Beginning at an iron pin set in the ground at the corner formed by the intersection of 51. Aid Hwy. 1 which leads to Bridgewater Center from said US Route #4; thence from said iron post North 37° 28' 15" East 50 feet to the southerly edge of the old US Route #4 right of way line; thence South 40° 38' 20" East 97.08 feet; thence South 37° 28' 15" west 30 feet to the edge of the present US Route #4; thence North 52° 31' 45" West 95 feet to an iron pin set in the ground, which is the point and place of beginning."

Reference may be had to said deed above mentioned, to the record of deeds therein referred to and to a survey prepared by Surveyors, Inc. of Barre, Vermont, designated as Project Number 107974 and dated December, 1974 for further particulars of description.
Town Of Bridgewater, VT

Permitted Encumbrances

Bridgewater CO
US Route 4

Subsequent real and personal property taxes not yet due and payable.

So much of the property conveyed by this instrument as is not specifically described in one or more of the attachments hereto,

(1) may be occupied under a lease, and this instrument is specifically made subject to the terms of such lease; or (2) constitutes an easement for a telephone line, owned by the Grantor/Mortgagor/Borrower individually or in common with one or more other utility companies; and in the case of both leasehold rights and easements, both are/or may be subject to encumbrances, claims, conditions, easements, rights of way and covenants for the benefit of others, which have not been barred by the provisions of the Vermont Marketable Title Act (27 V.S.A. §601-606) as of the date of this deed. By inclusion of this language the Grantor/Mortgagor/Borrower does not intend to and hereby specifically disclaims any intent to renew, restore, or reinstate any matter which at law or in equity has ceased to encumber the Premises, or any part thereof, for whatever reason.
Town of Chester, VT
Chester CO
Coach Rd.

Being all and the same lands and premises conveyed to General Telephone Company of Vermont, Inc. by warranty deed of Ernest A. Duprey dated and recorded July 19, 1956 in Book 38, Page 124 of the Chester Land Records. The premises are therein described as follows:

"Beginning at a point marked by an iron pipe driven in the ground at the supposed intersection of the northerly line of the highway leading to the high school with the westerly line of the Town Road in the line of the stone wall and running thence North 6° DO' East along said stone wall and the westerly line of said Town Road seventy (70) feet to a point marked by an iron pipe driven in the ground South 21° 35' West one hundred twenty (120) feet from the southwest corner of the garage situated on the easterly side of said Town Road; thence running North 70° 3D' West one hundred (100) feet to a point marked by an iron pipe driven in the ground; thence running South 6° DO' West seventy (70) feet to a point marked by an iron pipe driven in the ground in the supposed northerly line of said highway leading to the high school and running thence South 70° 3D' East along the northerly line of said last mentioned highway one hundred (100) feet to the point and place of beginning.

There is included in this conveyance to the Grantee, its successors and assigns, all right, title and interest of the Grantor in and to the lands lying between the easterly and southerly lines of the hereinbefore described and conveyed parcel of land and the center lines of the aforementioned highways.

Reference is made and had to a survey entitled "Plat of land to be purchased from Ernest A. Duprey, Chester Vermont, 7-7-56" prepared by R. V. Westin, C.E., which is attached hereto and made a part hereof and the herein conveyed lands and premises are a portion of those lands conveyed to Ernest A. and Estelle C. Duprey, husband and wife, by deed of Osmer C. Fitts, Administrator of the Estate of Albert M. Billings, dated December 23, 1950, and recorded in the Chester Land Records in Book 36 at page 180, the interest of the said Estelle C. Duprey having been decreed to Ernest A. Duprey by Windsor County Court on October 1, 1954 as recorded in Book 37 at pages 319-320, to which deed and decree and the records thereof, and the deeds and records therein referred to reference may be had in aid of the foregoing description."

This conveyance is made subject to a pole line easement granted the Central Vermont Public Service Corporation on July 3, 1952 as recorded in said Land Records in Book 36 at page 532.
Town of Chester, VT

Permitted Encumbrances

Chester CO
Coach Road

I. Utility Easements:
   b. Subject to power line easement to Central Vermont Public Service Corporation and Continental Telephone Co. of Vermont, Inc. dated November 9, 1972 and recorded January 11, 1973 in Book 48, Page 277 of the Chester Land Records.

II. Town Highways: The premises are subject to the right of the public and others to travel over the public highway as the public highway rights of way touch the property.

Subsequent real and personal property taxes not yet due and payable.

So much of the property conveyed by this instrument as is not specifically described in one or more of the attachments hereto,

(1) may be occupied under a lease, and this instrument is specifically made subject to the terms of such lease; or (2) constitutes an easement for a telephone line, owned by the Grantor/Mortgagor/Borrower individually or in common with one or more other utility companies; and in the case of both leasehold rights and easements, both are/or may be subject to encumbrances, claims, conditions, easements, rights of way and covenants for the benefit of others, which have not been barred by the provisions of the Vermont Marketable Title Act (27 V.S.A. §601-606) as of the date of this deed. By inclusion of this language the Grantor/Mortgagor/Borrower does not intend to and hereby specifically disclaims any intent to renew, restore, or reinstate any matter which at law or in equity has ceased to encumber the Premises, or any part thereof, for whatever reason.
Town of Chester, VT

Chester CO (continued)

Being all and the same lands and premises conveyed to Vermont Telephone" Company by warranty deed of Vermont Bank and Trust Company dated and recorded December 22, 1969 in Book 44, Page 311 of the Chester Land Records. The premises are therein described as follows:

"Being part of all and the same land and premises conveyed to the within grantor by Decree of Foreclosure in the matter of Vermont Bank and Trust Company vs. Ernest A. Duprey which said decree is dated April 11, 1967 and recorded in Book 43, Page 93 of the Chester Land Records.

Said premises may be further described as follows:

Beginning at a point on the westerly side of First Avenue, so called, which said point marks the northeasterly corner of premises presently owned by the within grantee; thence North 70° 30' West 100 feet; thence South 6° West 70 feet to a point on the highway leading to Chester High School; thence North 70° 30' West 42.8 feet; thence North 23° 30' West 195.5 feet to a stone wall in the easterly side of Highland Road, so-called, which said point marks the southwest corner of land of James Allen; thence North 53° East 59.2 feet; thence North 27° 30' East 44.1 feet; thence North 5° East 18 feet; thence North 26° West 49.9 feet; thence South 84° 45' East 192.9 feet to a corner on the westerly side of First Avenue, so-called; thence South 5° 30' West 200.1 feet; thence South 2° West 78 feet to the point of beginning."
Town of Chester, VT

Permitted Encumbrances

Chester CO (continued)

I. Utility Easements:
   b. Subject to power line easement to Central Vermont Public Service Corporation and Continental Telephone Co. of Vermont, Inc. dated November 9, 1972 and recorded January 11, 1973 in Book 48, Page 277 of the Chester Land Records.

II. Town Highways: The premises are subject to the right of the public and others to travel over the public highway as the public highway rights of way touch the property.

III. Other:
   a. This parcel comes out of Parcel 1 decreed to Vermont Bank and Trust Company by decree of foreclosure dated April 11, 1967 and recorded May 7, 1968 in Book 43, Page 93; however, there is a deed from Vermont Bank and Trust Company to Bratco, Inc. dated May 22, 1969 and recorded May 23, 1969 in Book 43, Page 470 which references "meaning and intending hereby to convey Parcel 1 decreed to Vermont Bank and Trust Company. A survey of the property will most probably show particularly that which was conveyed to Bratco, Inc. and does not include that which was conveyed to Vermont Telephone Company.

Subsequent real and personal property taxes not yet due and payable.

So much of the property conveyed by this instrument as is not specifically described in one or more of the attachments hereto,

(1) may be occupied under a lease, and this instrument is specifically made subject to the terms of such lease; or (2) constitutes an easement for a telephone line, owned by the Grantor/Mortgagor/Borrower individually or in common with one or more other utility companies; and in the case of both leasehold rights and easements, both are/or may be subject to encumbrances, claims, conditions, easements, rights of way and covenants for the benefit of others, which have not been barred by the provisions of the Vermont Marketable Title Act (27 V.S.A. 5601-606) as of the date of this deed. By inclusion of this language the Grantor/Mortgagor/Borrower does not intend to and hereby specifically disclaims any intent to renew, restore, or reinstate any matter which at law or in equity has ceased to encumber the Premises, or any part thereof, for whatever reason.
Town of Chester, VT

Gassetts Remote
60 Route 10

Being all and the same lands and premises conveyed to Continental Telephone Company of Vermont, Inc. by warranty deed of David F. Hoisington and Marion E. Hoisington dated May 5, 1987 and recorded May 26, 1987 in Book 66, Page 447 of the Chester Land Records. The premises are therein described as follows:

"Being a portion of the land and premises conveyed to David F. Hoisington and Marion E. Hoisington by quitclaim deed of Daniel E. Kesman dated March 3 (should be March 9), 1963 and recorded in Book 40 at Page 367 of the Chester Town Land Records, and being more particularly described as follows:

Beginning at an iron pipe set in the southerly bounds of Vermont Route 10; thence north 66° 44' 05" east along the southerly bounds of Vermont Route 10 96.92' to an iron pipe; thence north 66° 44' 05" east along the southerly bounds of Vermont Route 10 22.5', more or less, to a point marking the intersection of the southerly bounds of Vermont Route 10 and the easterly line of the so-called Gassetts Tributary; thence southeasterly along the easterly line of the Gassetts Tributary 110', more or less, to a point; thence south 62° 00' 00" west 13', more or less, to an iron pipe; thence south 62° 00' 00" west 75.00' to an iron pipe; thence north 28° 00' 00" west 114.00' to the iron pipe marking the point and place of beginning, and containing .26 acres.

Included herewith, subject to quitclaim covenants only, is all of the Grantors' right, title and interest in and to the land and premises located between the center line of Vermont Route 10 and the above-described parcel, as bounded on the east and west by northerly continuations of the easterly and westerly boundaries of the above-described parcel.

Reference is hereby made to a survey entitled "Subdivision of Land by David F. & Marion E. Hoisington, Property to be conveyed to Contel of Vermont, dated January 20, 1987 and prepared by Richard S. Whitham, Vermont registered land surveyor No. 116, Southern Vermont Surveys Drawing No. 1829-87.

In order to comply with State of Vermont Environmental Protection Rules on the Subdivision of Lands and disposal of waste including sewage, the grantees shall not construct or erect a structure or building on the parcel of land conveyed herein, the useful occupancy of which will require the installation of plumbing and sewage treatment facilities or convey this land without first complying with said State regulations. The grantees by acceptance of this deed acknowledge that this lot may not qualify for approval for development under the appropriate environmental protection or health regulations and that the State may deny an application to develop the lot."