

**VIVARO CORPORATION**

1250 Broadway, 30<sup>th</sup> Floor  
New York, NY 10001  
212-931-8773

November 8, 2010

**VIA FEDERAL EXPRESS AND ELECTRONIC FILING (sharla.dillon@tn.gov)**

Sharla Dillon, Docket Room Manager  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

filed electronically in docket office on 11/08/10

Re: Docket 10-00197: Application for Approval of Transfer of Control of STi  
Prepaid, LLC to Vivaro Corporation and for Approval of Financing Arrangements  
**DATA REQUEST NO. 1**

In response to the November 2, 2010 letter of the Tennessee Regulatory Authority seeking additional information from STi Prepaid, LLC ("STi") and Vivaro Corporation ("Vivaro") (collectively the "Applicants"), the Applicants provide the following response and documents:

1. Yes, the Applicants filed similar applications and notices in all 48 states that require application for approval of the transfer of control or notice of the transfer of control. Please see the Excel spreadsheet attached as Exhibit A for listing of the filings made and state action taken to date.
2. A copy of the Agreement and Plan of Merger dated September 22, 2010 is attached as Exhibit B and is being filed under seal. Applicants respectfully request confidential treatment of this document and that it not be made available for public disclosure.
3. A copy of the Loan Agreement is attached as Exhibit C and is being filed under seal. Applicants respectfully request confidential treatment of this document and that it not be made available for public disclosure.
4. Please see Exhibit C. The transfer of control and the financing arrangement are transparent to consumers in Tennessee as STi will be the surviving entity. It will continue to provide high quality prepaid calling card telephone service. There will not be a change of name, and no assignment of certificates, assets or customers will occur. STi will have the financial benefit of Vivaro to continue service in Tennessee.
5. Please see signed and notarized Verifications of the Applicants attached.

If any questions arise concerning the Application we can respond most efficiently if sent to me by email at [rkraus@epana.com](mailto:rkraus@epana.com) with a copy to Vivaro Corporation's telecommunications attorney, David Nace, at [dnace@fcclaw.com](mailto:dnace@fcclaw.com). Thank you.

# **EXHIBIT A**

## **List of State Filings**

State	Date Transfer of Control Sent	Filing Date Acknowledgement	Case/Log/Docket No.	Grant/Approval Date	Questions from PUC	Response Due to PUC	Response Submitted to PUC
Alabama	AL	efile 10/20/10		10/22/10			
Alaska	AK	10/21/2010		Notice only			
Arizona	AZ	efile 10/18/2010					
Arkansas	AR	10/19/2010		Notice only			
California	CA	efile 10/29/10 re-efiled 11/3/10	Old Log #36836 Log #36942 New		Re-file Public Version of App		refiled 11/3/10
Colorado	CO	10/18/2010		Notice only			
Connecticut	CT	efile 10/20/10		Notice only			
Delaware	DE	10/21/2010		Notice only			
Florida	FL	efile 10/20/10		Notice only			
Georgia	GA	10/7/2010			Domestic Violence Affidavit	N/A	
Hawaii	HI	10/7/2010	Docket No. 2010-0284				
Idaho	ID	efile 10/29/10		Notice only			
Illinois	IL	11/1/2010		Notice only			
Indiana	IN	efile 10/7/2010		11/11/10			
Iowa	IA	efile 10/29/10		Notice only			
Kansas	KS	10/29/2010		Notice only			
Kentucky	KY	10/29/2010		Notice only			
Louisiana	LA	10/7/2010	Docket No. S-31712	10/30/10			
Maine	ME	efile 10/29/10		Notice only			
Maryland	MD	10/7/2010	Maillog No. 125866		File supplement to show grant by other state PUCs	N/A	
Massachusetts	MA	10/29/2010		Notice only			
Michigan	MI	efile 10/29/2010		Notice only			
Minnesota	MN	10/8/2010	201010-55301		Financial Inquiry (10/18-21/10)		
Mississippi	MS	10/13/2010	10-UA-361		Financial Inquiry (10/26/10)	11/15/10	
Missouri	MO	efile 11/1/10	BMGR-2011-0158	Notice only			
Montana	MT	10/28/2010		Notice only			
Nebraska	NE	10/18/2010					
Nevada	NV	efile 10/28/10	53eca7ff-c9be-4f03	Notice only			

State	Date Transfer of Control Sent	Filing Date Acknowledgement	Case/Log/Docket No.	Grant/Approval Date	Questions from PUC	Response Due to PUC	Response Submitted to PUC
New Hampshire	NH			Notice only			
New Jersey*	NJ	N/A	N/A	N/A	N/A	N/A	N/A
New Mexico	NM	10/28/2010		Notice only			
New York	NY	10/7/2010		1/5/11	File updated TCCI electronically or manually	1/6/11	
North Carolina	NC	10/28/2010		Notice only			
North Dakota	ND	efile 10/28/10		Notice only			
Ohio	OH	efile 10/14/2010					
Oklahoma	OK	11/1/2010		Notice only			
Oregon	OR	efile 10/28/10		Notice only			
Pennsylvania	PA	10/18/2010	Docket No. S-2010-2205105 Bp8 Case ID 2205105				
Rhode Island	RI	10/28/2010		Notice only			
South Carolina	SC	10/29/2010		Notice only			
South Dakota	SD	efile 10/28/10		Notice only			
Tennessee	TN	10/14/2010	Docket No. 10-00197		Data Request No. 1	11/9/10	
Texas	TX	10/29/2010		Notice only			
Utah	UT	efile 11/1/10		Notice only			
Vermont	VT	10/18/2010		Notice only			
Virginia*	VA	N/A	N/A	N/A	N/A	N/A	N/A
Washington	WA	10/29/2010		Notice only			
West Virginia	WV	10/14/2010	Case No. 10-1617-T-PC		Financial Inquiry (11/1/10)	N/A	
Wisconsin	WI	efile 11/1/10		Notice only			
Wyoming	WY	10/29/2010		Notice only			
* D.C., NJ and VA do not require filings							

**EXHIBIT B**

***Agreement and Plan of Merger  
Dated September 22, 2010***

**(Confidential)**

**FILED UNDER SEAL**

**TRADE SECRET**  
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**Execution Version**

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**AGREEMENT AND PLAN OF MERGER**

by and among

VIVARO CORPORATION

VIVARO ACQUISITION, LLC

and

STi PREPAID, LLC

Dated as of September 22, 2010

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Handwritten initials 'M.' and a signature.

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**AGREEMENT AND PLAN OF MERGER**, dated as of September 22, 2010 (this "Agreement"), by and among VIVARO CORPORATION, a Delaware corporation ("Parent"), VIVARO ACQUISITION, LLC, a Delaware limited liability company and a wholly-owned subsidiary of Parent ("Merger Sub"), and STi PREPAID, LLC, a Delaware limited liability company ("STi"). Capitalized terms and phrases used in this Agreement shall have the meanings set forth in Section 10.1.

WITNESSETH

**WHEREAS**, the Board of Directors of Parent and the Board of Managers of Merger Sub have each approved this Agreement and the merger of Merger Sub with and into STi, whereby all of the outstanding membership interests of STi (the "STi Member Units") will be converted into the right to receive the Merger Consideration in accordance with this Agreement, upon the terms and subject to the conditions and limitations set forth herein (the "Merger");

**WHEREAS**, the Board of Directors of STi has determined that the Merger is fair to, advisable and in the best interests of STi and its members and has approved this Agreement, the Merger and the other transactions contemplated by this Agreement; and

**WHEREAS**, immediately prior to the Effective Time, Baldwin Enterprises, Inc., a Colorado corporation (the "Lender") shall have made a loan to Parent in the amount of Nineteen Million Three Hundred Ninety Nine Thousand Eight Hundred United States Dollars (\$19,399,800) (the "Loan").

**NOW, THEREFORE**, in consideration of the representations, warranties, covenants, agreements and conditions hereafter set forth, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I

THE MERGER

SECTION 1.1    The Merger.

(a)    The Merger. Upon the terms and subject to the satisfaction or waiver, if permissible, of the conditions hereof, at the Effective Time, Merger Sub shall be merged with and into STi, whereupon the separate limited liability company existence of Merger Sub shall cease, and STi shall survive and continue to exist (STi, as the surviving limited liability company in the Merger, is sometimes referred to herein as the "Surviving Company").

(b)    Name. The name of the Surviving Company shall be "STi Prepaid, LLC".

(c)    Certificate of Formation and Limited Liability Company Agreement of Surviving Company. The certificate of formation and the limited liability company agreement of the Surviving Company immediately after the Merger shall be the certificate of formation and limited liability company agreement of Merger Sub as in effect immediately prior to the Merger, in each case until thereafter amended in accordance with applicable Law.

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(d) Managers and Officers of the Surviving Company. The managers of the Surviving Company immediately after the Merger shall be as set forth on Exhibit A, each of whom shall serve until such time as their successors shall be duly elected. The officers of the Surviving Company immediately after the Merger shall be as set forth on Exhibit A, each of whom shall serve until such time as their successors shall be duly elected.

(e) Authorized Member Units. The authorized member units of the Surviving Company upon consummation of the Merger shall be as set forth in the Limited Liability Company Agreement of Merger Sub immediately prior to the Merger.

(f) Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in Section 209 of the Delaware Limited Liability Company Act (the "DLLCA").

**SECTION 1.2** Closing Date and Effective Time. Subject to the satisfaction or waiver, if permissible, of the conditions set forth in Articles VI and VII, other than those conditions that by their nature are to be satisfied at the consummation of the Merger, but subject to the fulfillment or waiver, if permissible, of those conditions, the parties shall cause a certificate of merger relating to the Merger (the "Certificate of Merger") to be filed with the Secretary of State of the State of Delaware pursuant to the DLLCA on (i) a date selected by Parent after such satisfaction or waiver that is no later than one (1) business day after such satisfaction or waiver, or (ii) such other date to which the parties may mutually agree (the "Closing Date"). The Merger provided for herein shall become effective upon such filing of the Certificate of Merger (the "Effective Time").

**SECTION 1.3** Closing.

(a) The closing of the Transactions (the "Closing") shall take place at the offices of Bingham McCutchen LLP, 2020 K Street, N.W., Washington D.C., at 10:00 a.m. Eastern time, or at such other place and time as the parties shall mutually agree, on the Closing Date.

(b) At the Closing, STi shall deliver or cause to be delivered the following to Parent:

(i) a certificate of a director of STi in form and substance reasonably satisfactory to Parent, dated as of the Closing Date, to the effect that the condition specified in Section 6.3 hereof has been fulfilled;

(ii) the STi LLC Agreement, the limited liability company member records and minute books of STi and the STi Companies;

(iii) a certificate of a director of STi in form and substance reasonably satisfactory to Parent, to be dated as of the Closing Date, attaching (A) a copy of the resolutions duly adopted by the Board of Directors of STi, authorizing and approving the execution, delivery and performance of this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby, and any other documents or instruments contemplated hereby, and certifying that such resolutions have not been rescinded, revoked, amended or modified and remain in full force and effect as of the

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Closing, (B) a copy of the resolutions duly adopted by the members of STi, approving and adopting this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby, and certifying that such resolutions have not been rescinded, revoked, amended or modified and remain in full force and effect as of the Closing, (C) a true, correct and complete copy of the certificate of formation of STi and the STi LLC Agreement, and certifying that such documents are in full force and effect as of the Closing, and (D) incumbency, authority and specimen signatures of each of the officers of STi executing this Agreement and any other document or instrument executed on behalf of STi in connection with the Transactions and certifying the authenticity of such signatures; and

(iv) any other certificates, instruments and documents executed and delivered by STi as Parent may reasonably request in order to consummate the Transactions.

(c) At the Closing, Parent shall deliver:

(i) to each holder of STi Member Units, the Merger Consideration applicable to each such holder in accordance with Section 2.01(b);

(ii) to each of STi and BEI a certificate of an officer of Parent in form and substance reasonably satisfactory to STi and BEI, dated as of the Closing Date, to the effect that the conditions specified in Sections 7.2 and 7.3 hereof have been fulfilled or waived;

(iii) to STi and BEI a certificate of the Secretary or Assistant Secretary of Parent in form and substance satisfactory to STi and BEI, to be dated as of the Closing Date, attaching (A) a copy of the resolutions duly adopted by the Board of Directors of Parent, authorizing and approving the execution, delivery and performance of this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby and any other documents or instruments contemplated hereby, and certifying that such resolutions have not been rescinded, revoked, amended or modified and remain in full force and effect as of the Closing, (B) a true, correct and complete copy of each of the certificate of formation, bylaws or other constituent documents of Parent, as amended to date, and certifying that such documents are in full force and effect as of the Closing, and (C) incumbency, authority and specimen signatures of each of the officers of Parent executing this Agreement and any other document or instrument executed on behalf of Parent in connection with the Transactions and certifying the authenticity of such signatures;

(iv) any other certificates, instruments and documents executed and delivered by Parent as STi and BEI may reasonably request in order to consummate the Transactions.

(d) At Closing, Merger Sub shall deliver to STi:

(i) a certificate of a manager of Merger Sub in form and substance satisfactory to STi, to be dated as of the Closing Date, attaching (A) a copy of the

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resolutions duly adopted by the Board of Managers of Merger Sub, authorizing and approving the execution, delivery and performance of this Agreement and the Transactions and any other documents or instruments contemplated hereby, and certifying that such resolutions have not been rescinded, revoked, amended or modified and remain in full force and effect as of the Closing, (B) a copy of the resolutions duly adopted by the members of Merger Sub, approving and adopting this Agreement and the Transactions, and certifying that such resolutions have not been rescinded, revoked, amended or modified and remain in full force and effect as of the Closing, (C) a true, correct and complete copy of the certificate of formation, limited liability company operating agreement or other constituent documents of Merger Sub, as amended to date, and certifying that such documents are in full force and effect as of the Closing, and (D) incumbency, authority and specimen signatures of each of the officers of Merger Sub executing this Agreement and any other document or instrument executed on behalf of Merger Sub in connection with the Transactions and certifying the authenticity of such signatures; and

(ii) to STi, any other certificates, instruments and documents executed and delivered by Merger Sub as STi may reasonably request in order to consummate the Transactions.

**ARTICLE II**

**MERGER CONSIDERATION**

**SECTION 2.1    Conversion of Shares.**

(a) Subject to the provisions of this Agreement, each STi Member Unit issued and outstanding immediately prior to the Effective Time, shall, by virtue of the Merger, be cancelled and shall as of the Effective Time automatically be converted into and shall thereafter only represent:

(i) with respect to STi Class A Member Units the right to receive One Hundred United States Dollars (\$100) in cash (the "Class A Consideration");

(ii) with respect to STi Class B Member Units the right to receive Nineteen Million Nine Hundred Ninety Nine Thousand Eight Hundred United States Dollars (\$19,999,800) in cash (the "Class B Consideration"); and

(iii) with respect to STi Class C Member Units the right to receive One Hundred United States Dollars (\$100) in cash (the "Class C Consideration") and together with the Class A Consideration and the Class B Consideration, collectively the "Merger Consideration").

(b) The Merger Consideration shall be paid as follows:

(i) the Class A Consideration shall be paid in cash, by wire transfer of immediately available funds to ST Finance's designated account;

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(ii) the Class B Consideration shall be paid in cash, by wire transfer of immediately available funds to BEI's designated account; and

(iii) the Class C Consideration shall be paid in cash, by wire transfer of immediately available funds to Continenza's designated account.

(c) At the Effective Time, the transfer books of STi shall be closed as to holders of STi Member Units immediately prior to the Effective Time and no transfer of STi Member Units by any such holder shall thereafter be made or recognized.

(d) At and after the Effective Time, each membership interest of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and become one validly issued, fully paid and nonassessable membership interest of the Surviving Company and the membership interests so converted, shall constitute the only outstanding membership interests of the Surviving Company.

**SECTION 2.2    The Loan**

The Loan shall be documented by (i) the Loan Agreement and (ii) a secured promissory note issued by Parent and payable to the order of the Lender, in the aggregate principal amount of Nineteen Million Three Hundred Ninety Nine Thousand Eight Hundred United States Dollars (\$19,399,800) substantially in the form set forth on Exhibit C attached hereto (the "Note"). The obligations under the Loan Agreement and the Note shall be guaranteed by each of the Guarantors pursuant to a guaranty agreement substantially in the form set forth on Exhibit D attached hereto (the "Guaranty") and further secured by the other Security Documents. All Loan proceeds shall be used by Parent solely to pay the Merger Consideration.

**ARTICLE III**

**REPRESENTATIONS AND WARRANTIES OF STi**

STi represents and warrants that all of the statements contained in this Article III are true and correct (i) as of the date of this Agreement (or, if made as of a specified date, as of such date); and (ii) as of the Closing Date (or if made as of a specified date, as of such date) as though made then, as follows:

**SECTION 3.1    Limited Liability Company Organization and Authority.**

(a) STi is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation, and has all requisite limited liability company power and authority to own, lease and operate the properties owned, leased and operated by it and to carry on the operations of its business as now being conducted by it.

(b) Attached hereto as Schedule 3.1 is a true, correct and complete copy of the organizational structure of STi and its direct and indirect subsidiaries. Except as set forth on Schedule 3.1, (a) STi does not own or control, directly or indirectly, any securities of or interest in any other Person, and (b) STi is not a participant in any joint venture or partnership.



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(c) STi has the requisite limited liability company power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party and to perform its obligations hereunder or thereunder. The execution and delivery of this Agreement and the other Transaction Documents to which it is a party and the performance of its obligations hereunder and thereunder have been duly and validly authorized by the Board of Directors of STi and, aside from approval by a majority of the holders of STi Member Units, no other limited liability company proceedings on the part of STi are necessary to authorize the execution, delivery and performance of this Agreement and the other Transaction Documents to which it is a party. This Agreement and the other Transaction Documents to which it is a party have been duly executed and delivered by STi, and this Agreement and the other Transaction Documents constitute, valid and binding obligation of STi, enforceable against STi in accordance with their terms, except that such enforcement may be subject to or limited by (i) the effect of bankruptcy, insolvency, reorganization, moratorium and similar Laws relating to or affecting the rights of creditors generally and (ii) the effect of general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

**SECTION 3.2    Capitalization.**

(a) The authorized equity interests of STi consist only of the STi Member Units. The STi Member Units are divided into three classes: (i) Class A Units all of which are held by ST Finance (the "STi Class A Member Units"); (ii) Class B Units all of which are held by BEI (the "STi Class B Member Units"); and (iii) Class C Service Units all of which are held by Continenza (the "STi Class C Member Units").

(b) The outstanding STi Member Units (i) have been duly authorized and validly issued, (ii) are fully paid and nonassessable, and (iii) were issued in compliance with all applicable state and federal Laws (as in effect on the date of issuance). There are no outstanding (A) securities of STi convertible into or exchangeable for STi Member Units or (B) options or other rights to acquire from STi, or any obligation of STi to issue, sell, repurchase, redeem or otherwise acquire, any STi Member Units or securities convertible into or exchangeable for STi Member Units. There are no voting trusts or proxies or similar voting arrangements with respect to the STi Member Units.

**SECTION 3.3    Consents and Approvals; No Violations.** Except as disclosed on Schedule 3.3, the execution, delivery, and performance by STi of this Agreement or any Transaction Document to which it is a party, does not and will not (i) conflict with or result in any breach of any provision of any Charter Documents of STi or the STi Companies; (ii) result in a material violation or breach of, or constitute a material default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions or provisions of any material note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which STi or the STi Companies is a party or by which any of their respective assets or properties may be bound; or (iii) violate any Law, order, writ, injunction, decree, statute, rule, or regulation applicable to STi or the STi Companies.

**SECTION 3.4    Brokers or Finders.** No agent, broker, investment banker, financial advisor or other firm or Person is or shall be entitled, as a result of any action,



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agreement or commitment of STi or any of its Affiliates, to any broker's, finder's, financial advisor's or other similar fee or commission in connection with any of the Transactions.

SECTION 3.5 Disclosure. Except as set forth on Schedule 3.5, there is no Action pending or, to the Knowledge of STi, threatened in writing against STi or the STi Companies, with respect to Taxes, employment matters, telecommunications regulatory matters or other litigation, in each case which could reasonably be expected to have a Material Adverse Effect.

SECTION 3.6 Disclaimer of other Representations and Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS ARTICLE III, STi MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AT LAW OR IN EQUITY, IN RESPECT OF (I) THE STi MEMBER UNITS, (II) THE BUSINESS; OR (III) ANY OF STi OR THE STi COMPANIES OR THEIR RESPECTIVE ASSETS, LIABILITIES, OPERATIONS, SALES OR PROFITABILITY, INCLUDING WITH RESPECT TO (A) MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE AND (B) ACCURACY AND COMPLETENESS OF ANY INFORMATION PROVIDED TO PARENT AND ITS REPRESENTATIVES, AND ANY SUCH OTHER REPRESENTATIONS OR WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.

**ARTICLE IV**

**REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB**

In order to induce STi to enter into this Agreement and the Lender to enter into the Loan Agreement and the other Transaction Documents, Parent and Merger Sub hereby represent and warrant (jointly and severally) to STi, the Lender and the STi Members that all of the statements contained in this Article IV are true and correct (i) as of the date of this Agreement (or, if made as of a specified date, as of such date) and (ii) as of the Closing Date (or, if made as of a specified date, as of such date) as though made then, as follows:

SECTION 4.1 Corporate Organization and Authority.

(a) Each of Parent and Merger Sub is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, as applicable.

(b) Parent is a wholly-owned subsidiary of Progress International.

(c) Attached hereto as Schedule 4.1 is a true, correct and complete copy of the organizational structure of Parent and its direct and indirect subsidiaries. Except as set forth on Schedule 4.1, (a) Parent does not own or control, directly or indirectly, any securities of or interest in any other Person, and (b) Parent is not a participant in any joint venture or partnership.

(d) Parent has the requisite power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the other Transaction Documents and the performance of its obligations hereunder and thereunder

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have been duly and validly authorized by the Board of Directors of Parent and no other corporate proceedings on the part of Parent are necessary to authorize the execution, delivery and performance of this Agreement or the other Transaction Documents. This Agreement and the other Transaction Documents have been duly executed and delivered by Parent, and this Agreement and the other Transaction Documents constitute valid and binding obligations of Parent, enforceable against Parent in accordance with their terms, except that such enforcement may be subject to or limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws relating to or affecting the rights of creditors generally and (ii) the effect of general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(e) Merger Sub has the requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder and thereunder. The execution and delivery of this Agreement and the performance of its obligations hereunder and thereunder have been duly and validly authorized by the Board of Managers of Merger Sub and no other limited liability company proceedings on the part of Merger Sub are necessary to authorize the execution, delivery and performance of this Agreement. This Agreement has been duly executed and delivered by Merger Sub, and this Agreement constitutes valid and binding obligations of Merger Sub, enforceable against Merger Sub in accordance with its terms, except that such enforcement may be subject to or limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium and similar Laws relating to or affecting the rights of creditors generally and (ii) the effect of general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

**SECTION 4.2** Consents and Approvals; No Violations. The execution, delivery, and performance by Parent of this Agreement and the Transaction Documents will not (a) conflict with or result in any breach of any provision of the Charter Documents of Parent; (b) result in a material violation or breach of, or constitute a material default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which Parent is a party or by which any of its assets or properties may be bound; or (c) violate any Law, order, writ, injunction, decree, statute, rule, or regulation applicable to Parent. Except as disclosed on Schedule 4.2, other than the registrations, filings, covenants and approvals that have been made, requested or obtained, the execution of this Agreement and Transaction Documents (as applicable) and the performance and consummation of the Transactions by Parent will not require any registration, filing, consent or approval under any Law, or any consent or approval of any other party to Parent's Charter Documents, any material documents to which Parent may be subject, or any other material, contract, agreement, instrument, commitment or restriction binding upon Parent or its property.

(b) The execution, delivery, and performance by Merger Sub of this Agreement will not (a) conflict with or result in any breach of any provision of the Charter Documents of Merger Sub; (b) result in a material violation or breach of, or constitute a material default (or give rise to any right of termination, amendment, cancellation, or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which Merger Sub is a party or by which any of its assets or properties may be bound; or (c) violate any Law, order, writ, injunction,



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decree, statute, rule, or regulation applicable to Merger Sub. Except as disclosed on Schedule 4.2, other than the registrations, filings, covenants and approvals that have been made, requested or obtained, the execution of this Agreement and the performance and consummation of the Transactions by Merger Sub will not require any registration, filing, consent or approval under any Law, or any consent or approval of any other party to Merger Sub's Charter Documents, any material documents to which Merger Sub may be subject, or any other material, contract, agreement, instrument, commitment or restriction binding upon Merger Sub or its property.

**SECTION 4.3** Legal Proceedings, etc. As of the date of this Agreement, there are no Actions pending, or, to the knowledge of Parent, threatened against or involving Parent or Merger Sub or any of their officers, managers or directors in connection with the business or affairs of Parent or Merger Sub before any court, arbitrator or administrative or governmental body, United States or foreign which, if adversely determined, would, individually or in the aggregate, have or reasonably be expected to have a material adverse effect on the ability of Parent or Merger Sub to consummate the Transactions. Neither Parent nor Merger Sub is subject to any judgment, decree, injunction or orders of any court, which would, individually or in the aggregate, reasonably be expected to materially impact the ability of Parent or Merger Sub to perform its obligations under, and to consummate the Transactions.

**SECTION 4.4** Brokers or Finders. No agent, broker, investment banker, financial advisor or other firm or Person is or shall be entitled, as a result of any action, agreement or commitment of Parent, Merger Sub or any of its respective Affiliates, to any broker's, finder's, financial advisor's or other similar fee or commission in connection with any of the Transactions.

**SECTION 4.5** Acquisition of STi Member Units for Investment. Parent has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its purchase of the STi Member Units. Parent is acquiring the STi Member Units for investment and not with a view toward or for sale in connection with any distribution thereof, or with any present intention of distributing or selling the STi Member Units. Parent agrees that the STi Member Units may not be sold, transferred, offered for sale, pledged, hypothecated or otherwise disposed of without registration under the Securities Act of 1933, as amended (the "Securities Act"), or any applicable state securities Laws, except pursuant to an exemption from such registration available under the Securities Act, or any applicable state securities Laws.

**SECTION 4.6** Financing. Parent currently has (and at the Closing and all relevant times thereafter will have) available to it cash, marketable securities or other investments or available sources of credit (other than the Loan) to enable it to (i) consummate the Transactions on the terms and conditions set forth in the Transaction Documents, including, without limitation, the payment of (A) the Merger Consideration at the Closing, (B) all payments under the Loan Agreement and the Note when each such payment is required thereunder, and (C) all expenses incurred by Parent, Merger Sub and the Guarantors in connection with the Transactions; and (ii) fund the anticipated operating and capital expenditure requirements of STi and the STi Companies after the Closing.

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SECTION 4.7 Other Transaction Documents. Parent represents and warrants that:

- (i) the representations and warranties made by it, each of the Guarantors and Progress International in the other Transaction Documents are true, correct and complete in all respects; and
- (ii) at the Closing, the Lender shall receive a first priority security interest in all of the Collateral (as defined in the Security Agreement), enforceable against Parent and the Guarantors in accordance with the terms of the Security Agreement.

SECTION 4.8 Investigation by Parent; Liability of STi, the Lender and the STi Members. Parent has conducted its own independent review and analysis of the business, operations, assets, liabilities, results of operations, financial condition, software, technology and prospects of STi and the STi Companies and acknowledges that Parent has been provided access to certain personnel, properties, premises and records of STi and the STi Companies for such purpose. In entering into this Agreement, Parent has relied solely upon (x) its own investigation and analysis and (y) the representations and warranties of STi set forth in Article III of this Agreement. Parent agrees, to the fullest extent permitted by Law, that none of STi, the Lender, the STi Members or any of their respective officers, managers, equityholders, employees, Affiliates, controlling Persons, advisors or Representatives shall have any liability or responsibility whatsoever in respect of this Agreement or any other Transaction Document to Parent, the Guarantors, Progress International or their respective directors, officers, employees, Affiliates, controlling Persons, agents, advisors or Representatives on any basis (including, without limitation, in contract or tort, under federal or state securities Laws or otherwise) based upon any information provided or made available, or statements made, to Parent, the Guarantors, Progress International or their respective directors, officers, employees, Affiliates, controlling Persons, advisors, agents or Representatives (or any omissions therefrom) other than the representations and warranties of STi set forth in Article III of this Agreement, but always subject to the limitations and restrictions contained therein.

ARTICLE V

COVENANTS

SECTION 5.1 Conduct of the Business. STi agrees that, during the period from the date hereof until the earlier of the Closing or the termination of this Agreement in accordance with its terms, except as (a) otherwise expressly contemplated hereby; or (b) consented to by Parent, in writing (which consent shall not be unreasonably withheld, delayed or conditioned), STi will, and will cause the STi Companies, to:

- (i) use its commercially reasonable efforts to (A) cause the Business to be conducted in the ordinary course of business; and (B) preserve STi's assets and business organization in all material respects;
- (ii) not amend its certificate of formation or Charter Documents;



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(iii) not issue, deliver, sell, pledge, dispose of or encumber, or authorize or commit to the issuance, sale, pledge, disposition or encumbrance of any equity interest, or any other ownership interest, in STi or the STi Companies, or any options, warrants, convertible securities or other rights of any kind to acquire any equity interest, or any other ownership interest, in STi or the STi Companies;

(iv) not declare, set aside, make or pay any dividend or other distribution, payable in cash, membership interests, property or otherwise, with respect to the STi Member Units;

(v) not reclassify, split, subdivide or redeem, purchase or otherwise acquire, directly or indirectly, the STi Member Units or the membership interest of the STi Companies;

(vi) not enter into any joint venture, partnership or other similar arrangement;

(vii) not agree, commit, or adopt any plan or proposal to take any of the actions set forth in clauses (ii) through (vi) above.

**SECTION 5.2    Access to Information and Confidentiality.**

(a) Upon reasonable advance notice, between the date hereof and the earlier of the Closing or the termination of this Agreement in accordance with its terms, STi shall give Parent and its Representatives full access during normal business hours to the offices, personnel, books, records, contracts, information and documents of STi and the STi Companies to conduct such examinations and investigations of STi and the STi Companies as Parent reasonably determines necessary. STi shall and shall cause the STi Companies to cooperate in all reasonable respects with Parent's examinations and investigations. For purposes of this Agreement, "Representatives" means with respect to any Person, such Person's counsel, financial advisors, auditors and other authorized representatives.

(b) Parent will, and will cause its Representative's to, treat and hold any information and materials it receives in the course of the reviews contemplated by Section 6.2(a) in confidence and will afford such information and materials the same level of protection it provides to its own proprietary and confidential information.

(c) The parties hereto acknowledge and agree that this Agreement and the matters addressed therein are, and shall remain, confidential until the Closing; provided, that, to the extent required by Law or the rules and regulations of the U.S. Securities and Exchange Commission, each party may, with the prior written consent of the other party (which consent shall not be unreasonably withheld, conditioned or delayed), publicly disclose the existence and terms of this Agreement and the Transactions.

**SECTION 5.3    Reasonable Best Efforts.**

(a) Upon the terms and subject to the conditions herein provided, each of the parties agrees, both before and after the Closing, to cooperate and to use its commercially reasonable

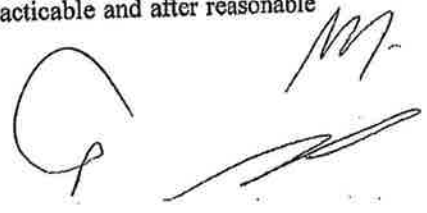
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efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary for it to do under applicable Laws, to consummate and make effective the Transactions, in the most expeditious manner practicable, including the satisfaction of the respective conditions set forth in Articles VI and VII and the execution of any documents, instruments or conveyances of any kind which may be reasonably necessary or advisable to carry out the intent of any of the Transactions. Each of the parties will use its commercially reasonable efforts to obtain any and all consents and approvals of all third parties as are necessary to the consummation of the Transactions, including the FCC Approval and the State PUC Approvals. In furtherance of the foregoing, Parent shall, as promptly as practicable, and in any event no later than five (5) Business Days from the date of this Agreement, file such applications for the FCC Approval and all the State PUC Approvals as are necessary for the consummation of the Transactions, and Parent shall use its reasonable best efforts to obtain such approvals including (i) entering into negotiations with any Governmental Entity, (ii) promptly complying with (or properly seeking to reduce the scope of) all formal or informal requests for additional information or documentary material received by it or any of its Affiliates from any Governmental Entity, and (iii) keeping STi informed of any material communication with any Governmental Entity.

Without limiting the generality of the foregoing, the parties shall:

- (i) cooperate with one another in (A) determining which filings are required to be made prior to the Closing with, and which consents, approvals, permits or authorizations are required to be obtained from, Governmental Entities or other third parties in connection with the execution and delivery of this Agreement and the consummation of the Transactions; and (B) timely making all such filings and timely obtaining all such consents, approvals, permits or authorizations;
- (ii) furnish the other party with such necessary information and reasonable assistance as such other party and its respective Affiliates may reasonably request in connection with their preparation of necessary filings, registrations or submissions of information to any Governmental Entities; provided, however, that if the provisions of any applicable Law would prevent a party from disclosing such information to the other party, then such information may be disclosed to such party's counsel; and
- (iii) If this Agreement is terminated, Parent and STi shall have an affirmative obligation to notify the FCC and State PUCs of such termination and to submit whatever applications or other notifications are required to return the Parties to their respective positions status quo ante.

(b) Each party hereto shall promptly inform the others of any written or material communication from any Governmental Entity regarding any of the Transactions. If any party or Affiliate thereof receives a request for additional information or documentary material from any such Governmental Entity with respect to the Transactions, then such party will endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and after reasonable

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consultation with the other party, an appropriate response in compliance with such request. Each party agrees (i) not to participate in any substantive meeting or discussion with any Governmental Entity in respect of any filings, investigation or other inquiry concerning this Agreement or the Transactions unless it consults with the other parties in advance and, to the extent permitted by such Governmental Entity, gives the other parties the opportunity to attend and participate, (ii) to furnish counsel to the other parties with copies of all correspondence, filings and communications (and memoranda setting forth the substance thereof) between such party, its Affiliates and their respective representatives on the one hand, and any Governmental Entities or members of their respective staffs on the other hand, with respect to this Agreement and the Transactions and (iii) promptly notify each other of any communication concerning this Agreement from any Governmental Entity and, subject to applicable Law, permit the other party to review in advance any proposed communication concerning this Agreement and the Transactions.

(c) In the event any Action is commenced by the FCC, a State PUC, any other Governmental Entity or any other third party, which (i) threatens or questions the validity or legality of this Agreement or the Transactions; (ii) seeks damages in connection therewith; (iii) alleges any breach or non-compliance with any applicable Law or contract by the STi Companies, Parent shall defend, indemnify and hold harmless the STi Indemnified Parties from any and all Losses associated therewith.

**SECTION 5.4    Tax Matters.**

(a) STi shall prepare and timely file, or cause to be prepared and filed, all Tax Returns required to be filed by STi with respect to Tax periods that end on or prior to the Closing Date; provided, however, that STi shall consult with Parent with respect to the preparation and filing of any Tax Return relating to the period of time between the date hereof and Closing.

(b) Parent shall prepare and timely file, or cause to be prepared and filed, all Tax Returns required to be filed by the Surviving Company with respect to Tax periods that end after the Closing Date.

(c) Parent shall be fully responsible for all transfer, documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with the Transactions ("Transfer Taxes"). Parent shall be responsible for preparing and timely filing all necessary Tax Returns and other documentation with respect to all such Transfer Taxes.

(d) From and after the Closing, STi shall furnish, and Parent shall cause STi to furnish, to each STi Member, its counsel, accountants, auditors or other authorized representatives such information pertaining to STi as the STi Member may reasonably request in connection with the preparation, amendment and/or filing of any Tax Return for any Tax period commencing prior to the Closing Date.

**SECTION 5.5    Post Closing Covenants.**

(a) Parent shall pay all amounts due under the Loan and the Note without deduction or setoff on or before the maturity date therefor and in accordance with the terms of



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the Loan Agreement and the Note, and shall comply in all respects with its obligations under the Transaction Documents.

(b) Parent shall fund the anticipated operating and capital expenditure requirements of STi and the STi Companies after the Closing and will cause STi and the STi Companies to pay their respective Liabilities as they become due.

(c) Parent shall continue defending the Diamond Litigation and shall indemnify and hold harmless any STi Indemnified Parties named as a defendants therein or who otherwise experiences any Losses associated therewith.

(d) To the fullest extent permitted by applicable Law, Parent hereby waives any and all claims or Actions against STi, the Lender, the STi Members and any of their respective Affiliates in connection with or related to any dividends or any other distributions of cash or property paid at any time by STi to any of the STi Members, including, without limitation, any claims or Actions under Section 10.3 of the STi LLC Agreement.

(e) To the fullest extent permitted by applicable Law, Parent hereby forever and unconditionally waives and releases each of the directors and officers of STi and the STi Companies (each a "Releasee") from all Losses, known and unknown, existing or claimed to exist, fixed or contingent, which have been or might have been asserted under any Law, arising out of or in any way related to such Releasee's position as an officer or director of STi or the STi Companies and the Transactions.

**SECTION 5.6 Further Assurances.** From and after the Closing Date, each of the parties shall execute and deliver such documents and other papers and take such further actions as may reasonably be required to carry out the provisions of this Agreement and the other Transaction Documents and give effect to the Transactions.

**ARTICLE VI**

**CONDITIONS TO PARENT'S OBLIGATION TO CLOSE**

Parent's obligation to consummate the Transactions shall be subject to the satisfaction or written waiver by Parent on or prior to the Closing Date, of each of the following conditions:

**SECTION 6.1 Representations and Warranties; Covenants.** The representations and warranties of STi contained in Article III and in any Transaction Document shall be true and correct in all material respects as of the Closing. STi shall have, and STi shall have caused the STi Companies to have, performed in all material respects each of their respective agreements and covenants contained in or contemplated by this Agreement or the other Transaction Documents that are required to be performed by each of them at or prior to the Closing pursuant to the terms hereof.

**SECTION 6.2 Consents.** The FCC Approval and all State PUC Approvals necessary to consummate the Transactions shall have been obtained.

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SECTION 6.3 Waiver of ROFO. ST Finance shall have waived the right of first offer provided in Section 11.2(c) of the STi LLC Agreement (the "ROFO"), or the Sale Offer Period (as defined in the STi LLC Agreement and as amended by the Settlement Agreement) shall have expired without acceptance.

SECTION 6.4 Disbursement of Loan. The Parent shall have received from the Lender the proceeds of the Loan.

SECTION 6.5 Deliverables. Pursuant to Section 1.3(b) hereof, STi shall have delivered or caused to be delivered all of the deliverables required by Section 1.3(b).

ARTICLE VII

CONDITIONS TO STI'S OBLIGATIONS TO CLOSE

STi's obligations to consummate the Transactions shall be subject to the satisfaction or written waiver, by STi on or prior to the Closing Date, of each of the following conditions:

SECTION 7.1 Representations and Warranties; Covenants. The representations and warranties of Parent, Merger Sub, each of the Guarantors and Progress International contained in Article IV and in any Transaction Document shall be true and correct in all material respects as of the Closing. Parent, Merger Sub, each of the Guarantors and Progress International shall have performed in all material respects each of its respective agreements and covenants contained in or contemplated by this Agreement or the other Transaction Documents that are required to be performed by such party at or prior to the Closing pursuant to the terms hereof.

SECTION 7.2 Consents. The FCC Approval and all State PUC Approvals necessary to consummate the Transactions shall have been obtained.

SECTION 7.3 Waiver of ROFO. ST Finance shall have waived the ROFO, or the Sale Offer Period shall have expired without acceptance.

SECTION 7.4 Deliverables. Parent and Merger Sub shall have, pursuant to Sections 1.3(c) and (d) hereof, delivered all the deliverables required by Sections 1.3(c) and (d) hereof. The Guarantors and Progress International shall have delivered to the Lender counterparts of the Guaranty and the other Security Documents.

ARTICLE VIII

TERMINATION

SECTION 8.1 Termination. Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time prior to the Closing by:

- (a) the mutual written consent of STi and Parent;

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(b) Parent in the event that any condition set forth in Article VI hereof shall not be satisfied and shall not be reasonably capable of being satisfied by December 31, 2010;

(c) STi in the event that any condition set forth in Article VII hereof shall not be satisfied and shall not be reasonably capable of being satisfied by December 31, 2010;

(d) Parent if STi is in material breach of any representation, warranty, covenant, or other obligation set forth in this Agreement or any Transaction Document, and, in each case, such breach is not cured within thirty (30) calendar days of receipt of written notice from Parent identifying such breach; provided that Parent, any of the Guarantors or Progress International (i) has not materially breached any of its respective representations and warranties set forth in this Agreement or any Transaction Document, and (ii) has performed and complied, in all material respects, with its respective covenants and obligations required by this Agreement or any Transaction Document to have been performed or complied with before that time; or

(e) STi if Parent, any Guarantor or Progress International is in material breach of any of their respective representations, warranties, covenants, or other obligations set forth in this Agreement or any Transaction Document, and, in each case, such breach is not cured within thirty (30) calendar days of receipt of written notice from STi identifying such breach; provided that STi (i) has not materially breached any of its representations and warranties set forth in this Agreement or any Transaction Document, and (ii) has performed and complied, in all material respects, with its covenants and obligations required by this Agreement or any Transaction Document to have been performed or complied with before that time.

Provided, however, that no party may terminate this Agreement pursuant to clause (b) or (c) above if the failure of the applicable condition in Article VI or VII, as the case may be, to be satisfied results from the willful and material breach of any covenant in this Agreement or the other Transaction Documents (i) by STi in the case of a termination by STi or (ii) by Parent, any Guarantor or Progress International in the case of a termination by Parent.

SECTION 8.2 Notice of Termination: Effect. Any termination of this Agreement under Section 8.1 above will be effective immediately upon the delivery of written notice of the terminating party to the other party hereto. In the event of the termination of this Agreement as provided in Section 8.1, (a) this Agreement shall be of no further force or effect, except this Section 8.2, Article IX and Article X shall survive the termination of this Agreement; and (b) there will be no further liability or obligation on the part of the parties hereto in connection with this Agreement except for liability for fraud and liability with respect to a failure by a party to consummate the Transactions after all conditions to closing for its benefit have been satisfied or waived.

## ARTICLE IX

### INDEMNIFICATION

SECTION 9.1 Survival of Representations, Warranties, Covenants and Indemnities.

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(a) Representations and Warranties of STi. The representations and warranties of STi contained in this Agreement and the Transaction Documents shall survive the Closing until (1) one year after the Closing Date. The termination of any such representation and warranty, however, shall not affect any claim for any breach of such representation and warranty if written notice thereof is given by Parent to STi prior to such termination date with respect to a claim arising during such one year period.

(b) Representations and Warranties of Parent and Merger Sub. The representations and warranties of Parent, Merger Sub, the Guarantors and Progress International contained in this Agreement and the Transaction Documents shall survive the Closing without limitation.

(c) Covenants. Each covenant and agreement of Parent, the Guarantors, Progress International or STi in this Agreement or in any other Transaction Document shall, unless otherwise specifically provided herein or therein, remain in full force and effect for twelve (12) months following the last date on which such covenant or agreement is required to be performed. For the avoidance of doubt, the covenants contained in Section 5.5(a) and (b) shall survive until all obligations under the Loan Agreement and the Note have been paid in full by Parent.

**SECTION 9.2     Indemnification by Parent.**

(a) Parent shall indemnify, defend and hold harmless STi, the Lender, the STi Members and their respective officers, directors, members, shareholders, partners, Representatives and controlling Persons (collectively, the "STi Indemnified Parties") against and in respect of all Losses resulting from or incident to (i) any failure by Parent, Merger Sub, any Guarantor, Progress International or any of their respective Affiliates to perform its covenants or agreements as set forth in this Agreement or in any Transaction Document; (ii) any inaccuracy in or breach of any representation, warranty, covenant or agreement of Parent, Merger Sub, any Guarantor or Progress International made to the STi Indemnified Parties in this Agreement or in any Transaction Document; (iii) any transfer Taxes imposed on the STi Indemnified Parties in connection with the Transactions; (iv) the operation of the Business or the ownership or operation of STi or the STi Companies for any periods prior to, and after the Closing Date; (v) any Liabilities of the Business or related to the STi Companies, including for Taxes, for any periods prior to, and after the Closing Date; (vi) any Actions against the STi Indemnified Parties and related to the Business or the STi Companies, including without limitation the Diamond Litigation; (vii) compliance by Parent, the Guarantors, Progress International and their respective Affiliates with all applicable Laws; and (viii) as provided under Section 5.3(c) hereof; provided, however, that Parent shall not indemnify ST Finance, Tawfik or any Affiliate of Tawfik for any Actions or Losses under the Settlement Agreement or the APA (as defined in the Settlement Agreement).

(b) The STi Indemnified Parties shall provide Parent with written notice for any claim made in respect of the indemnification provided in this Section 9.2, whether or not arising out of a claim by a third party. For purposes of quantifying the Losses attributable to any breach of representation or warranty, all qualifications as to materiality (whether by reference to "material," "in all material respects," "material adverse effect" or otherwise) shall be disregarded.

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it being understood and agreed, however, that such qualifications shall be taken into account in determining whether or not such a breach has occurred.

**SECTION 9.3     Indemnification by STi.**

(a) STi, shall indemnify, defend and hold harmless Parent and each of its officers, directors, members, shareholders, partners, Representatives and controlling Persons (collectively, the "Parent Indemnified Parties") against and in respect of all Losses resulting from or incident to: (i) any failure by STi to perform its covenants or agreements as set forth in this Agreement or in the Transaction Documents; or (ii) any inaccuracy in or breach of any representation, warranty, covenant or agreement of STi made to Parent in this Agreement or in the Transaction Documents.

(b) The Parent Indemnified Parties shall provide STi with written notice for any claim made in respect of the indemnification provided in this Section 9.3, whether or not arising out of a claim by a third party. For purposes of quantifying the Losses attributable to any breach of representation or warranty, all qualifications as to materiality (whether by reference to "material," "in all material respects," "material adverse effect" or otherwise) shall be disregarded, it being understood and agreed, however, that such qualifications shall be taken into account in determining whether or not such a breach has occurred.

**SECTION 9.4     Limitations on Indemnification Obligations.**

(a) Notwithstanding any provision of this Agreement to the contrary, (i) the STi Indemnified Parties shall not assert any claim for indemnification against Parent under Section 9.2(a) until such time as, the aggregate of all claims which the STi Indemnified Parties may have against Parent under Section 9.2(a) shall exceed \$50,000, in which case Parent shall be liable for the full amount of such Losses (and not just the portion in excess of such amount); provided, however, that the aggregate liability of Parent (under any theory of law) shall be no greater than the sum of (i) the then outstanding amount under the Loan Agreement and the Note, including any default interest thereon and (ii) fifty percent (50%) of the Merger Consideration.

(b) Notwithstanding any provision of this Agreement to the contrary, (i) the Purchaser Indemnified Parties shall not assert any claim for indemnification against STi under Section 9.3(a) until such time as, the aggregate of all claims which the Purchaser Indemnified Parties may have against STi under Section 9.3(a) shall exceed \$20,000, in which case STi shall be liable for the full amount of such Losses (and not just the portion in excess of such amount); provided, however, that the aggregate liability of STi (under any theory of law) shall be no greater than ten percent (10%) of the Merger Consideration.

**SECTION 9.5     Matters Involving Third Parties.**

(a) If any third party shall notify any party hereto (the "Indemnified Party") with respect to any Action or matter (a "Third Party Claim") which may give rise to a claim for indemnification against any other party hereto (the "Indemnifying Party") under this Article IX, then the Indemnified Party shall promptly notify each Indemnifying Party thereof in writing; provided, however, that no delay on the part of the Indemnified Party in notifying any

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Indemnifying Party shall relieve the Indemnifying Party from any obligation hereunder unless (and then solely to the extent) the Indemnifying Party thereby is prejudiced.

(b) Any Indemnifying Party will have the right to defend the Indemnified Party against the Third Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as (i) the Indemnifying Party notifies the Indemnified Party in writing within 30 days after the Indemnified Party has given notice of the Third Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against the Losses the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third Party Claim (subject to the limitations in this Article VI), (ii) the Third Party Claim involves only money damages and does not seek an injunction or other equitable relief, and (iii) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently. \*

(c) So long as the Indemnifying Party is conducting the defense of the Third Party Claim in accordance with Section 9.5(b) above, (i) the Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third Party Claim, (ii) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (which consent shall not unreasonably be withheld, delayed or conditioned), and (iii) the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, delayed or conditioned) unless written agreement is obtained releasing the Indemnified Party from all liability thereunder.

(d) In the event any of the conditions in Section 9.5(b) above is or becomes unsatisfied, however, (i) the Indemnified Party may defend against, and consent to the entry of any judgment or enter into any settlement with respect to, the Third Party Claim in any manner it may deem appropriate (and the Indemnified Party need not consult with, or obtain any consent from any Indemnifying Party in connection therewith), and (ii) the Indemnifying Party will remain responsible for any Losses the Indemnified Party may suffer resulting from, arising out of, relating to, or caused by the Third Party Claim (including, without limitation, any costs reasonably incurred by the Indemnified Party in defending such claim) to the fullest extent provided in (but subject to the limitations of) this Article IX.

**SECTION 9.6    Exclusive Remedy.**

The remedies provided for in this Article IX, as limited by the limitations set forth in Section 9.4 hereof, shall constitute the sole and exclusive remedies (other than equitable remedies not involving the payment of money) for any post-Closing claims against the parties hereto, arising under or otherwise relating to this Agreement or any Transaction Document, except for claims arising out of fraud. Each party hereby waives any provision of Law to the extent that it would limit or restrict the agreement contained in this Section 9.5. For the avoidance of doubt, this Section 9.6 shall not be deemed as a waiver of, or otherwise impose any restriction on the STi Indemnified Parties or the Lender from exercising any remedies against Parent, the Guarantors, Progress International or their Affiliates under other the Transaction Documents.

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**SECTION 9.7 Knowledge; Investigation.** The right to indemnification or any other remedy based on representations, warranties, covenants and agreements in this Agreement or in any Transaction Document shall not be affected by any investigation conducted at any time, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any such covenant or agreements, will not affect the right to indemnification or any other remedy based on such representations, warranties, covenants and agreements.

**ARTICLE X**

**MISCELLANEOUS**

**SECTION 10.1 Certain Definitions.** For purposes of this Agreement, the following terms have the following meanings:

**"Account Control Agreements"** means each of the Account Control Agreements among each of Parent, each of the Guarantors, the Lender and the other parties thereto, each substantially in the form of Exhibit E attached hereto .

**"Action"** means any actions, suits, claims, causes of action, demands, hearings, proceedings, arbitrations, mediations, audits, inquiries, or investigations (whether civil, criminal, administrative or otherwise).

**"Affiliate"** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person; provided that, for the purposes of this definition, "control" (including with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of clarification, each Guarantor and Progress International shall be considered an Affiliate of Parent and Parent shall be considered an Affiliate of each Guarantor and Progress International for purposes of this Agreement and the other Transaction Documents.

**"Agreement"** has the meaning given such term in the Preamble.

**"BEI"** means Prepaid Cards, LLC, a Delaware limited liability company and formerly known as BEI Prepaid, LLC.

**"Business"** means the business of the STi Companies as conducted by the STi Companies on the date of this Agreement.

**"Business Day"** means a day other than Saturday, Sunday or any other day on which commercial banks located in the State of New York are authorized or obligated to close under the laws of the State of New York.

**"Certificate of Merger"** has the meaning given such term in Section 1.2.

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"Charter Documents" means with respect to any Person, such Person's certificate of incorporation and Bylaws, or certificate of formation and limited liability company agreement, each as amended and in effect as of the applicable date of determination.

"Class A Consideration" has the meaning given such term in Section 2.1(a)(i).

"Class B Consideration" has the meaning given such term in Section 2.1(a)(ii).

"Class C Consideration" has the meaning given such term in Section 2.1(a)(iii).

"Closing" has the meaning given such term in Section 1.3.

"Closing Date" has the meaning given such term in Section 1.2.

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

"Continenza" means James V. Continenza.

"Diamond Litigation" means, collectively (i) the following cases pending before the Supreme Court of the State of New York: (A) DigitGlobal Communications Inc. v. Diamond Phone Card, Inc., Diamond Prepaid Phone Cards, LLC, STX II LLC, STi Phone Card, Inc, STi Prepaid, LLC, Samsuddin Panjwani and John and Jane Does 1 through 20, the last twenty names of individuals and entities being unknown to Plaintiff, Index No. 13658/09; and (B) Diamond Phone Card, Inc., North Shore Telecom, Inc., A&R Consulting of NY, LLC, Samsuddin Panjwani and Nasreen Gilani v. STX Communications LLC, Leucadia National Corporation, Slepian & Associates, LLC, Charles Slepian, Jim Continenza, David Larsen, Antonio Raimondo, Yasser Tawfik a/k/a Ken Tawfik and Glenn H. Ripa, Esq., Index No. 350107/10; and (ii) any pending or future Action against any of the STi Indemnified Parties in connection with, related to or arising from the withdrawal or dismissal of, any of the foregoing cases.

"DLLCA" has the meaning given such term in Section 1.1(f).

"Effective Time" has the meaning given such term in Section 1.2.

"E-Z Tel" means E-Z Tel, S.R.L. de C.V., a *sociedad de responsabilidad limitada de capital variable* organized under the laws of Mexico.

"FCC" means the Federal Communications Commission.

"FCC Approval" means the grant by the FCC of consent to the consummation of the Transactions.

"Governmental Entity" means any governmental department, commission, board, bureau, agency, court, regulatory body, regional transmission organization, or other instrumentality of any country, state, province, county, parish or municipality, jurisdiction, or other political subdivision thereof.

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"Guarantors" means, collectively, the Surviving Company, Epana Networks, Inc., a Delaware corporation; Kare Distribution, Inc., a Delaware corporation; TNW Corporation, a Delaware corporation; Unidos Financial Services, Inc., a Delaware corporation; E-Z Tel; and Unidos Envío.

"Guaranty" has the meaning given such term in Section 2.2.

"Indemnified Party" has the meaning given such term in Section 9.5.

"Indemnifying Party" has the meaning given such term in Section 9.5.

"Knowledge of STi" means the actual knowledge (without obligation of inquiry or investigation) of Continenza, David Larsen and Thomas D'Aurio.

"Law" means any federal, state, territorial, foreign or local law, common law, statute, ordinance, rule, regulation or code of any Governmental Entity.

"Liabilities" means any and all debts, liabilities and obligations whether accrued or fixed, known or unknown, absolute or contingent, matured or un-matured or determined or determinable.

"Liens" means any and all encumbrances of any nature whatsoever, including, liens, licenses, leases, chattel or other mortgages, collateral security arrangements, pledges, title imperfections, security interests, conditional and installment sales agreements, preemptive rights or rights of first refusal, claims, options, charges, easements, encroachments, voting trusts or agreements, proxies and other agreements, obligations, understandings, interest retention arrangements or other arrangements, restrictions or limitations of any nature with respect to title or transferability.

"Loan" shall have the meaning given such term in the Recitals.

"Loan Agreement" means that certain Loan Agreement by and among the Lender and Parent substantially in the form attached as Exhibit B hereto.

"Loss" or "Losses" means any Actions, judgments, awards, Liabilities, losses, Taxes, costs or damages (including reasonable attorneys' fees and expenses and costs of investigation, but excluding, lost profits, lost revenues, lost opportunities consequential, indirect, incidental, punitive and other special damages, regardless of the legal theory and regardless of any notice regarding the possibility of such damages, except to the extent any such damages are included as components in awards to third parties in connection with a Third Party Claim for which an Indemnified Party is entitled to indemnification pursuant to Article IX).

"Material Adverse Effect" means a material and adverse effect on the assets, financial condition or results of operations of STi and the STi Companies, taken as a whole, except to the extent such adverse effect results from, (i) general economic, financial or market conditions in any of the geographic areas in which the STi Companies operate; (ii) conditions caused by acts of terrorism or war (whether or not declared); (iii) conditions or circumstances generally affecting the businesses or industries, as a whole, in which the STi Companies operate; (iv) the



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entering into of this Agreement with Parent; (v) any changes in applicable Laws or the official interpretations thereof; or (vi) any changes in generally acceptable accounting principles.

"Merger" has the meaning given such term in the Recitals.

"Merger Consideration" has the meaning given such term in Section 2.2.

"Merger Sub" has the meaning given such term in the Preamble.

"Mexican Guarantors" means E-Z Tel and Unidos Envío.

"Mexico" means the United Mexican States.

"Note" has the meaning given such term in Section 2.1(c).

"Parent" has the meaning given such term in the Preamble.

"Parent Indemnified Parties" has the meaning given such term in Section 9.3.

"Person" means an individual, corporation, partnership, limited liability company, firm, joint venture, association, trust, unincorporated organization, or other entity, or any Governmental Entity or quasi-governmental body or regulatory authority.

"Progress International" means Progress International Holdings L.L.C., a Delaware limited liability company.

"Progress Pledge Agreement" means that certain Limited-Recourse Guaranty and Pledge Agreement by and among Progress International, Parent and the Lender substantially in the form attached as Exhibit F hereto.

"Representatives" has the meaning given such term in Section 5.2.

"ROFO" has the meaning given such term in Section 6.3.

"Securities Act" has the meaning given such term in Section 4.5.

"Security Agreement" means that certain Pledge and Security Agreement by and among the Guarantors, Parent and the Lender substantially in the form attached as Exhibit G hereto.

"Security Documents" means, collectively, the Loan Agreement, the Note, the Guaranty, each Account Control Agreement, the Security Agreement, the Progress Pledge Agreement, and each of the other agreements, instruments or documents that creates or purports to create a Lien or guarantee an obligation for the benefit of the Lender.

"Settlement Agreement" means that certain Settlement Agreement, dated as of March 2010, by and among STi, ST Finance, Tawfik and the other parties thereto.

"State PUC" means any state or local public service or public utilities commission (or the equivalent) having regulatory authority over the Business, as conducted in any given jurisdiction.

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"State PUC Approval" means the grant by a State PUC of a consent to the consummation of the Transactions within such State PUC's jurisdiction.

"ST Finance" means ST Finance, LLC, a Delaware limited liability company.

"STi" has the meaning given such term in the Preamble.

"STi Class A Member Units" has the meaning given such term in the Recitals.

"STi Class B Member Units" has the meaning given such term in Section 3.2(a).

"STi Class C Member Units" has the meaning given such term in Section 3.2(a).

"STi Companies" means, collectively, STi; STi CC 1, LLC, a Delaware limited liability company; STi CC 2, LLC, a Delaware limited liability company; and STi Customer Care Dominicana, S.R.L., a limited company formed under the laws of the Dominican Republic.

"STi Indemnified Parties" has the meaning given such term in Section 9.2.

"STi LLC Agreement" means that certain Second Amended and Restated Limited Liability Company Agreement of STi, dated as of June 1, 2009, among STi, BEI, ST Finance and Continenza, as amended, supplemented or otherwise modified from time to time.

"STi Members" means, collectively, ST Finance, BEI and Continenza.

"STi Member Units" has the meaning given such term in the Recitals.

"Surviving Company" has the meaning given such term in Section 1.1(a).

"Tawfik" means Samer Tawfik.

"Tax" or "Taxes" means all federal, state, local or foreign net or gross income, receipts, franchise, sales, use, excise, ad valorem, transfer, withholding, real property, personal property or other taxes, assessments, duties, fees, levies or other governmental charges of any nature whatever, together with any interest, penalties, additions to tax or additional amounts with respect thereto.

"Tax Return" or "Tax Returns" means any return, report, declaration, claim for refund, information return or other document (including any related or supporting schedule, statement or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax (including, in each case, any amendment thereof).

"Third Party Claim" has the meaning given such term in Section 9.5.

"Transaction Documents" means, collectively, this Agreement, the Security Documents and all other related agreements and documents issued or delivered hereunder or thereunder or pursuant hereto or thereto or in connection herewith or therewith, in each case as such Transaction Document may be amended, supplemented or otherwise modified from time to time.



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"Transactions" means the transactions contemplated by this Agreement and the other Transaction Documents.

"Transfer Taxes" has the meaning given such term in Section 5.4.

"Unidos Envío" means Unidos Envío de Dinero, S.R.L. de C.V., a *sociedad de responsabilidad limitada de capital variable* organized under the laws of Mexico.

SECTION 10.2 Expenses. Except as provided in Article IX, the parties hereby agree that all fees and expenses incurred by Parent and its Affiliates in connection with this Agreement and the other Transaction Documents shall be borne by Parent, and that all fees and expenses incurred by STi in connection with this Agreement and the other Transaction Documents shall be borne by the STi.

SECTION 10.3 Entire Agreement. This Agreement and the other Transaction Documents constitute the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes any and all prior or contemporaneous agreements (oral or written) among the parties.

SECTION 10.4 Third-Party Beneficiaries: Assignment. Each of Parent, Merger Sub and STi acknowledges and agrees that the Lender, the STi Members, the STi Indemnified Parties, the Releasees and Parent Indemnified Parties are intended third party beneficiaries of this Agreement and shall be entitled to enforce their rights hereunder as if they were original signatories hereto.

(b) Except as set forth in Section 10.4(a), this Agreement is for the sole benefit of and binding upon the parties hereto and their permitted successors and assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

(c) No party may assign either this Agreement or any of his or its rights, interests or obligations hereunder without the prior written consent of the other parties hereto.

SECTION 10.5 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by all parties hereto.

SECTION 10.6 No Strict Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by all parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

SECTION 10.7 Notices. All notices and other communications hereunder or under the Transaction Documents shall be in writing and shall be deemed to have been duly given when delivered in person, sent by facsimile transmission, or delivered by overnight courier to the parties at the following addresses or facsimile numbers:

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If to STi, addressed as follows:

STi Prepaid, LLC  
1250 Broadway - 26th Floor  
New York, NY 10001  
Attention: Joseph S. Steinberg  
Fax: (212)-598-4869

Each with a copy to (which shall not constitute notice):

Bingham McCutchen, LLP  
2020 K Street, NW  
Washington, DC 20006  
Attention: Ulises R. Pin  
Fax: (202) 373-6001

If to Parent, Merger Sub, the Guarantors or Progress International, addressed as follows:

1250 Broadway - 30th Floor  
New York, NY 10001  
Attention: Robert K. Lacy

With a copy to (which shall not constitute notice):

Arizpe, Garza, Nufiez y Marcos, SC  
Zaragoza 1300 Sur A 1-124  
Monterrey, Nuevo Leon 64000  
Attention: Miguel J. Garza  
Fax: +52 (81) 8343-2091

Either party from time to time may change its address or facsimile number for the purpose of receipt of notices to that party by giving a similar notice specifying a new address or facsimile number to the other notice parties listed above in accordance with the provisions of this Section 10.7.

SECTION 10.8 Gender and Number; Headings. Whenever used in this Agreement or in the Transaction documents, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders. The headings contained in this Agreement or the other Transaction Documents are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or the other Transaction Documents.

SECTION 10.9 Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) This Agreement and the other Transaction Documents shall be governed by and construed in accordance with the Laws of the State of New York, without regard to the conflicts of law principles of such state to the extent that the application of the Laws of another jurisdiction would be required thereby.

Handwritten signature and initials in the bottom right corner of the page.

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(b) With respect to any Action, each party irrevocably (i) agrees and consents to be subject to the exclusive jurisdiction of the United States District Court for the Southern District of New York or any New York State court sitting in the borough of Manhattan and (ii) waives any objection which it may have at any time to the laying of venue of any Action brought in any such court, waives any claim that such Action has been brought in an inconvenient forum and further waives the right to object, with respect to such Action, that such court does not have any jurisdiction over such party. The foregoing consent to jurisdiction shall not constitute general consent to service of process in the State of New York for any purpose except as provided above and shall not be deemed to confer rights on any Person other than the respective Parties to this Agreement. Each of the parties hereto irrevocably agrees that service of any process, summons, notice or document by United States registered mail to such party's address set forth above shall be effective service of process for any Action in New York with respect to any matters for which it has submitted to jurisdiction pursuant to this Section 10.9.

(c) Each of parties hereto hereby waives, to the fullest extent permitted by applicable Law, any right it may have to a trial by jury in respect of any litigation or Action as between the Parties directly or indirectly arising out of, under or in connection with this Agreement or the Transactions or disputes relating hereto. Each of the parties hereto (i) certifies that no Representative of the other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 10.9(c).

SECTION 10.10 Counterparts, Delivery. This Agreement and the other Transaction Documents may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. This Agreement, the other Transaction Documents and any signed agreement or instrument entered into in connection with the Transactions, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or as an attachment to an electronic mail message in "pdf" or similar format, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

SECTION 10.11 Severability. In case any provision of this Agreement or any Transaction Document shall be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions thereof shall not in any way be affected or impaired thereby.

SECTION 10.12 Certain Interpretive Matters and Definitions. Unless the context otherwise requires, (i) the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and all references to Articles, Sections, Exhibits or Schedules are to Articles, Sections, Exhibits or Schedules of or to this Agreement unless otherwise specified, (ii) each term defined in this Agreement has the meaning assigned to it, (iii) "or" is disjunctive but not necessarily exclusive, (iv) words in the singular include the plural and

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vice versa, (v) whenever the words "include," "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation," (vi) a reference herein to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns, (vii) unless otherwise specified, a reference herein to any agreement or document shall be to such agreement or document (together with the schedules attached thereto) as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time in accordance with its terms and, to the extent applicable, the terms of this Agreement and (viii) a reference herein to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislative provision substituted therefore and all regulations, rules and interpretations issued thereunder or pursuant thereto. All references herein to "\$" or "Dollar" amounts will be to lawful currency of the United States of America.

SECTION 10.13 Specific Performance. The parties agree that irreparable damage would occur in the event any provision of this Agreement or any Transaction Document were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof and thereof in addition to any other remedy at Law or in equity, including monetary damages, that may be available to it.

SECTION 10.14 Time of the Essence. With regard to all dates and time periods set forth or referred to in this Agreement and the other Transaction Documents, time hereby is made expressly of the essence.

[SIGNATURE PAGES FOLLOW]

Two handwritten signatures are present at the bottom right of the page. The first signature is a large, stylized 'Q' with a long horizontal stroke extending to the right. The second signature is a smaller, more compact mark, possibly initials, located above the first signature.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized managers or officers, as the case may be, as of the date and year first above written.

VIVARO CORPORATION

By: 

Name: GUSTAVO M. DE LA GARZA ORTEGA

Title:

VIVARO ACQUISITION, LLC

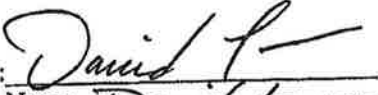
By: 

Name: GUSTAVO M. DE LA GARZA ORTEGA

Title:

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STi PREPAID, LLC

By:   
Name: *David Larsen*  
Title: *Vice President, Director*

**EXHIBIT C**

***Loan Agreement***

**(Confidential)**

**FILED UNDER SEAL**

## LOAN AGREEMENT

**THIS LOAN AGREEMENT** (this "Agreement"), is made and entered into as of the 14th day of October, 2010, (the "Effective Date") by and between Baldwin Enterprises, Inc., a Colorado corporation (the "Lender"), and Vivaro Corporation, a Delaware corporation (the "Borrower").

## WITNESSETH

**WHEREAS**, pursuant to that certain Agreement and Plan of Merger (the "Merger Agreement") dated as of September 22, 2010, by and among the Borrower, Vivaro Acquisition, LLC, a Delaware limited liability company and wholly-owned subsidiary of the Borrower, and STi Prepaid, LLC, a Delaware limited liability company ("STi"); the Borrower is acquiring all of the STi Member Units (the "Acquisition");

**WHEREAS**, in order to complete the Acquisition and to consummate the transactions contemplated by the Merger Agreement, the Borrower requires financing from Lender in an amount equal to Nineteen Million Three Hundred Ninety Nine Thousand Eight Hundred United States Dollars (\$19,399,800.00) (the "Loan"); and

**WHEREAS**, the Lender is willing to make the Loan to the Borrower under the conditions and pursuant to the terms and provisions set forth herein and subject to the execution and delivery by the Borrower and certain of its Affiliates, as applicable, of this Agreement, the Note, the Guaranty, the Security Agreement, the Progress Pledge Agreement, each Account Control Agreement and the other agreements, contracts, certificates, instruments and other documents entered into in connection with securing repayment of the Loan to the Lender (collectively, the "Security Documents").

**NOW, THEREFORE**, in consideration of the promises and mutual covenants contained herein, it is agreed by the parties hereto as follows:

1. Definitions.

1.1. Defined Terms. Each term used and otherwise not defined in this Agreement shall have the meaning given such term in the Merger Agreement.

1.2. Rules of Interpretation. The rules of interpretation set forth in Section 10.12 of the Merger Agreement shall apply, mutatis mutandis, to this Agreement.

2. Representations and Warranties of the Borrower. In order to induce the Lender to enter into this Agreement and to make the Loan, the Borrower makes the following representations and warranties to the Lender:

2.1. Organization; Power; Authorization. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is qualified to do business as a foreign corporation and is in good standing in every




jurisdiction in which qualification is necessary in order for the Borrower to own or lease its property and conduct its business; the Borrower has full corporate power and authority to execute, deliver and perform this Agreement and each of the other Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby; and the execution, delivery and performance by the Borrower of this Agreement and each of the other Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action.

2.2. Enforceability. This Agreement and each of the other Transaction Documents to which it is a party have been duly and validly executed and delivered by the Borrower and constitute the legal and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms.

2.3. Incorporation by Reference. Each of the representations and warranties made by the Borrower in the Merger Agreement and each other Transaction Document, whether now or hereafter made, is hereby incorporated by reference in its entirety and, as such, is made by the Borrower to the Lender under this Agreement and in furtherance of the Lender making the Loan to the Borrower.

3. Loan.

3.1. Loan.

(a) Loan. Subject to and upon the terms and conditions and relying upon the representations and warranties herein set forth, on the Effective Date Lender shall, in accordance with the terms hereof make the Loan in a principal amount equal to Nineteen Million Three Hundred Ninety Nine Thousand Eight Hundred United States Dollars (\$19,399,800.00) (the "Loan Amount") for the purpose of funding the Acquisition. 

(b) Note. The Loan shall be evidenced by a duly executed secured promissory note signed by the Borrower to order of the Lender dated as of the Effective Date in a principal amount equal to the Loan Amount and in the form of Exhibit A attached hereto (such secured promissory note, as amended, modified, extended, renewed or replaced from time to time is hereinafter referred to as the "Note"). The obligations under this Agreement and the Note shall be (i) guaranteed by each of the Guarantors pursuant to the Guaranty, (ii) guaranteed by Progress International under the Progress Pledge Agreement and further secured by the other Security Documents.

(c) Repayment of Loan. The Loan shall be due and payable in such amounts, on such dates, and otherwise in accordance with, the Note, including, without limitation, Schedule 1 thereto.

3.2. No Interest on Loan. The Loan shall not bear interest; *provided, however*, that the terms of the Note shall provide for a Default Rate (as defined in the Note) which shall apply at such times and on such terms as described more fully in the Note.

3.3. Payment of Sienna Indebtedness. The parties acknowledge and agree that pursuant to that certain Agreement and Plan of Merger dated as of June 18, 2010 (the "Sienna Agreement") by and among Progress International, Progress Ventures Acquisition Sub, Inc., the Borrower and Daniel Skaff, as Stockholders' Representative ("Sienna"), Progress International is indebted to Sienna in the amount of \$9,517,000 (the "Sienna Indebtedness"). The Sienna Agreement provides for monthly payments of the Sienna Indebtedness by Progress International (each a "Sienna Payment"). The Parties agree that as long as (A) no Event of Default has occurred or is continuing, (B) the Borrower provides the Lender no less than five (5) business days advance written notice and (C) the Borrower makes a mandatory prepayment of the Loan as required by Section 3.5(c), the Borrower or the Borrower Affiliates (as defined below) may make monthly distributions or advances to Progress International to pay the then corresponding Sienna Payment for such calendar month (a "Permitted Progress Distribution").

3.4. Voluntary Prepayments. The Borrower shall have the right to prepay the Loan in accordance with the terms of the Note.

3.5. Mandatory Prepayments.

(a) No later than two (2) business days after the closing of a Sale of Unidos (as such term is defined in the Security Agreement), the Borrower shall apply 70% of the proceeds resulting from such Sale of Unidos to the prepayment of the Loan (any such prepayment shall be applied in accordance with Section 6 of the Note);

(b) No later than five (5) business days after the closing of any transaction where all or any portion of the Collateral is sold or otherwise disposed of (in all cases as permitted by the Security Agreement), the Borrower shall apply 100% of the proceeds resulting from such asset sale to the prepayment of the Loan (any such prepayment shall be applied in accordance with Section 6 of the Note); provided, however, that, so long as no Default or Event of Default is continuing, the Borrower may apply the proceeds of such asset sale to the purchase of assets similar to those that were disposed of.

(c) No later than one (1) Business Day after each Permitted Progress Distribution, the Borrower shall make a mandatory prepayment of the Loan in an amount equal to the product of (A) the dollar amount of the Permitted Progress Distribution times (B) 1.6250 (each a "Special Prepayment"). The parties agree that each Special Prepayment shall not reduce the next scheduled monthly payment of the Loan, but rather such Special Prepayment shall only decrease the amounts due and payable under the Note in reverse order of maturity to the Note.

4. Conditions to Lending. The obligation of the Lender to make the Loan hereunder is subject to satisfaction of the following conditions:

4.1. Representations and Warranties; Covenants. Both at the time of making the Loan, and after giving effect thereto, (i) the representations and warranties contained in Section 2 hereof shall be true and correct in all material respects as of the date of such advance (except for those which expressly relate to an earlier date, which shall be true and correct in all material respects at such an earlier date), (ii) the Borrower shall have performed in all material

respects all of the covenants required to be performed by it hereunder, under the Merger Agreement and under each other Transaction Document prior to the Closing, and (iii) no Event of Default shall exist and be continuing either prior to or immediately after giving effect to such advance.

4.2. Executed Documents and Deliveries. The Lender shall have received executed copies of this Agreement, each other Transaction Document and the following deliveries required from the Borrower, the Guarantors and Progress Telecom:

- (a) the Note duly executed by the Borrower;
- (b) a certificate of the Secretary or Assistant Secretary of the Borrower in form and substance satisfactory to the Lender, to be dated as of the Closing Date, attaching (A) a copy of the resolutions duly adopted by the Board of Directors of the Borrower, authorizing and approving the execution, delivery and performance of this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby and any other documents or instruments contemplated hereby, and certifying that such resolutions have not been rescinded, revoked, amended or modified and remain in full force and effect as of the Closing, (B) a true, correct and complete copy of each of the certificate of formation, bylaws or other constituent documents of the Borrower, as amended to date, and certifying that such documents are in full force and effect as of the Closing, and (C) incumbency, authority and specimen signatures of each of the officers of the Borrower executing this Agreement and any other document or instrument executed on behalf of the Borrower in connection with the Transactions and certifying the authenticity of such signatures;
- (c) a certificate of the Secretary or Assistant Secretary of each of the Guarantors in form and substance satisfactory to the Lender, to be dated as of the Closing Date, attaching (A) a copy of the resolutions duly adopted by the Board of Directors of each such Guarantor, authorizing and approving the execution, delivery and performance of the Transaction Documents to which such Guarantor is party, and the transactions contemplated thereby and any other documents or instruments contemplated thereby, and certifying that such resolutions have not been rescinded, revoked, amended or modified and remain in full force and effect as of the Closing, (B) a true, correct and complete copy of each of the certificate of formation, bylaws, limited liability agreement or other constituent documents of such Guarantor, as amended to date, and certifying that such documents are in full force and effect as of the Closing, and (C) incumbency, authority and specimen signatures of each of the officers of such Guarantor executing the Transaction Documents and any other document or instrument executed on behalf of such Guarantor in connection with the Transactions and certifying the authenticity of such signatures;
- (d) a certificate of the Secretary or Assistant Secretary of Progress International in form and substance satisfactory to the Lender, to be dated as of the Closing Date, attaching (A) a copy of the resolutions duly adopted by the Board of Managers of Progress International, authorizing and approving the execution, delivery and performance of the Progress Pledge Agreement, and the transactions contemplated thereby and any other documents or instruments contemplated thereby, and certifying that such resolutions have not been rescinded,

revoked, amended or modified and remain in full force and effect as of the Closing, (B) a true, correct and complete copy of each of the certificate of formation, limited liability agreement or other constituent documents of Progress International, as amended to date, and certifying that such documents are in full force and effect as of the Closing, and (C) incumbency, authority and specimen signatures of each of the officers of Progress International executing the Progress Pledge Agreement and any other document or instrument executed on behalf of Progress International in connection with the Transactions and certifying the authenticity of such signatures;

(e) a counterpart signature page to the Guaranty duly executed by the Borrower and each of the Guarantors;

(f) a counterpart signature page to the Security Agreement duly executed by the Borrower and each of the Guarantors;

(g) a counterpart signature page to the Progress Pledge Agreement, duly executed by Progress International and the Borrower.

(h) a counterpart signature page to each of the Account Control Agreements duly executed by the Borrower, each applicable Guarantor and the other parties thereto; and

(i) the original Mexican powers of attorney delivered by each of the Mexican Guarantors, as provided for and required in each of the Guaranty and the Security Agreement.

(j) any other certificates, instruments and documents executed and delivered by the Borrower and its Affiliates as the Lender may reasonably request in order to consummate the Transactions.

4.3. Compliance with Applicable Laws. The Loan shall not be prohibited by any applicable Law and shall not subject the Lender to any penalty, liability or, in the Lender's sole judgment, other onerous condition under or pursuant to any applicable Law, and the Loan shall be permitted by the Laws of the jurisdictions and Governmental Entities to which the Lender is subject.

4.4. Closing of the Merger. The Acquisition shall be consummated immediately following the advance of the Loan proceeds to the Borrower.

5. Affirmative Covenants. The Borrower hereby covenants and agrees that, until the principal (and, if applicable, all interest subject to the Default Rate) outstanding in respect of the Loan have been paid in full and this Agreement shall have been terminated:

5.1. with reasonable promptness upon any such request, the Borrower shall furnish, or cause to be furnished, such information regarding the business, properties or financial condition of each of the Borrower, the Guarantors and Progress International (collectively the "Borrower Affiliates"), as Lender may reasonably request (including without

limitation annual, quarterly and monthly financial statements, annual budgets, certifications as to no Event of Default, certifications of transactions with Affiliates and auditors reports if any);

5.2. the Borrower shall permit, and, with respect to the Borrower Affiliates, shall cause to permit, any Representatives designated by the Lender, upon reasonable notice and during normal business hours and at such other times as the Lender may reasonably request, to (i) visit and inspect any of the properties of the Borrower and the Borrower Affiliates (in accordance with applicable security regulations imposed by Governmental Entities), (ii) examine the corporate and financial records of the Borrower and the Borrower Affiliates and make copies thereof or extracts therefrom and (iii) discuss the affairs, finances and accounts of the Borrower and the Borrower Affiliates with their respective directors, officers, key employees and independent accountants;

5.3. the Borrower shall, and shall cause the Borrower Affiliates to, comply with all applicable Laws and all applicable restrictions imposed by all Governmental Entities; and

5.4. the Borrower shall fund the anticipated operating and capital expenditure requirements of STi and the STi Companies after the Closing and will cause the Borrower Affiliates to pay their respective Liabilities as they become due.

6. Negative Covenants. The Borrower hereby covenants and agrees that, until the principal (and, if applicable, all interest subject to the Default Rate) outstanding in respect of the Loan has been paid in full and this Agreement shall have been terminated, the Borrower shall not, and shall cause each Borrower Affiliate not to:

6.1. except as expressly contemplated by this Agreement or the other Transaction Documents, authorize, issue or enter into any agreement providing for the issuance (contingent or otherwise) of any notes or debt securities or incur any Indebtedness (as defined in the Note); provided, however, that the Borrower or the Borrower Affiliates may incur Indebtedness owing by any such Person to another Borrower Affiliate or to an entity owned or controlled directly or indirectly by Mr. Gustavo Mario de la Garza Ortega so long as (i) such Indebtedness is not otherwise restricted by the Transaction Documents, and (ii) any payment of such Indebtedness (whether principal, interest or otherwise) is (A) specifically subordinated in all respects to the Loan and (B) is not secured in any form ("Permitted Intercompany Indebtedness"); provided, further, however, that no Permitted Intercompany Indebtedness may be incurred if an Event of Default has occurred and is continuing;

6.2. make any loans or advances to, guarantees for the benefit of, or investments in, any Person other than Permitted Intercompany Indebtedness; provided, however, that no loan or advance may be made with respect to Permitted Intercompany Indebtedness if an Event of Default has occurred and is continuing;

6.3. acquire any equity interest in any company, business or Person (whether by a purchase of assets, purchase of stock, merger or otherwise, other than with respect to STi), or enter into any joint venture;

6.4. enter into the ownership, active management or operation of any assets or business other than the business conducted by such party as of the date hereof;

6.5. become subject to (including, without limitation, by way of amendment to or modification of) any agreement or instrument which by its terms would (under any circumstances) restrict its right to perform the provisions of this Agreement or the Note;

6.6. establish or acquire any new subsidiaries;

6.7. incur or accept any Liabilities other than in the ordinary course of its business;

6.8. enter into, renew or extend or be a party to any transaction or series of related transactions, whether or not in the ordinary course of business, with any of its Affiliates or any director or officer of the Borrower or a Borrower Affiliate, except, in each case, if such transaction is entered into upon fair and reasonable terms and conditions no less favorable to the Borrower or the Borrower Affiliate, as the case may be, than are obtainable in a comparable arm's-length transaction with an independent unrelated third party;

6.9. pay any Affiliate or Borrower Affiliate, any telecommunications termination rates, interconnection charges or service charges, higher than the most competitive rates or charges offered by such Affiliate or Borrower Affiliate to an independent unrelated third party for the same services and under the same terms and conditions; or

6.10. make any distribution or pay any dividend to any Person, whether paid in cash, stock or any other property; provided, however, that as long as no Event of Default has occurred or is continuing, Borrower or the Borrower Affiliates may make Permitted Progress Distributions as permitted by Section 3.3.

7. Events of Default.

7.1. Events of Default. An Event of Default shall exist upon the occurrence of any of the following specified events ("Events of Default"):

(a) The Borrower, or, any Borrower Affiliate, shall fail to pay any sum due hereunder, under the Note, the Merger Agreement or any Transaction Document when the same becomes due and payable, and continuance of the default for a period of two (2) business days after there has been given written notice to the Borrower or any Borrower Affiliate by the Lender specifying non-payment.

(b) The Borrower or any Borrower Affiliate shall fail to perform any obligation, term, covenant or agreement contained under this Agreement, the Note or under any other Transaction Document, and continuance of the default or breach for a period of fifteen (15) days after there has been given written notice to the Borrower or a Borrower Affiliate by the Lender specifying the default or breach.

(c) Any representation or warranty of the Borrower or any Borrower Affiliate in any of the Transaction Documents or in any certificate or notice given in connection therewith shall have been false or misleading in any material respect at the time made or deemed to have been made.

(d) The Borrower or any Borrower Affiliate shall be in default under any agreement or agreements evidencing (i) any Indebtedness owing to the Lender or any of its Affiliates, or (ii) any other Indebtedness in excess of \$250,000.00 in aggregate principal amount, or shall fail to pay any such Indebtedness when due or within any applicable period of grace.

(e) Any Guarantor Event of Default (as defined in the Guaranty) shall occur and is continuing.

(f) Any of the Transaction Documents shall cease to be in full force and effect.

(g) The Borrower or any Borrower Affiliate (i) shall make an assignment for the benefit of creditors; (ii) shall be adjudicated bankrupt or insolvent; (iii) shall seek the appointment of, or be the subject of an order appointing, a trustee, liquidator or receiver as to all or part of its assets, (iv) shall commence, approve or consent to, any case or proceeding under any bankruptcy, reorganization or similar law and, in the case of an involuntary case or proceeding, such case or proceeding is not dismissed within forty-five (45) days following the commencement thereof, or (v) shall be the subject of an order for relief in an involuntary case under federal bankruptcy law.

(h) The Borrower or any Borrower Affiliate shall be unable to pay its Liabilities as they mature.

(i) The prospect of payment or performance by the Borrower in the reasonable opinion of the Lender, is or becomes significantly impaired.

(j) The Borrower or any Borrower Affiliate terminates its existence by merger, reorganization or consolidation; except for mergers, consolidations or reorganizations among two Borrower Affiliates, in each case to the extent that (i) the surviving entity remains subject to this Agreement and the other Transaction Documents; (ii) no detriment results in the operation of the Borrower Affiliates' business, (iii) there is no detriment to the security interests and Liens created pursuant to the Security Documents; and (iv) the Borrower Affiliates provide the Lender no less than ten (10) business days advance written notice prior to consummation of any such transaction.

7.2. Acceleration; Remedies. Upon the occurrence of any Event of Default hereunder which is not properly cured, or at any time thereafter, and without the giving of any notice or other action by the Lender, the entire unpaid principal amount of the Loan and all other amounts payable hereunder and under the Note (including, if applicable, any interest subject to the Default Rate), shall automatically become forthwith due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by



the Borrower. No remedy herein conferred upon the Lender is intended to be exclusive of any other remedy hereunder or under any other Transaction Document and each and every remedy shall be cumulative and in addition to every other remedy hereunder or under any other Transaction Document, now or hereafter existing at Law or in equity or otherwise.

8. Miscellaneous.

8.1. Governing Law; Jurisdiction. This Agreement and the other Transaction Documents shall be governed by and construed in accordance with the Laws of the State of New York, without regard to the conflicts of law principles of such state to the extent that the application of the Laws of another jurisdiction would be required thereby. With respect to any Action, each party irrevocably (i) agrees and consents to be subject to the exclusive jurisdiction of the United States District Court for the Southern District of New York or any New York State court sitting in the borough of Manhattan and (ii) waives any objection which it may have at any time to the laying of venue of any Action brought in any such court, waives any claim that such Action has been brought in an inconvenient forum and further waives the right to object, with respect to such Action, that such court does not have any jurisdiction over such party. The foregoing consent to jurisdiction shall not constitute general consent to service of process in the State of New York for any purpose except as provided above and shall not be deemed to confer rights on any Person other than the respective parties to this Agreement. The parties irrevocably agree that service of any process, summons, notice or document by United States registered mail to such party's address set forth above shall be effective service of process for any Action in New York with respect to any matters for which it has submitted to jurisdiction pursuant to this Section 8.1.

8.2. Waiver of Jury Trial. EACH OF THE BORROWER AND THE LENDER KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY RIGHT IT MAY NOW OR HEREAFTER HAVE TO A TRIAL BY JURY IN ANY LITIGATION OR ACTION BASED HEREIN, OR ARISING OUT OF, UNDER, OR IN RESPECT OF THIS AGREEMENT OR ANY TRANSACTION DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF THE PARTIES HERETO OR THEIR AFFILIATES. m-

8.3. Amendments, Etc. This Agreement may be amended or modified only by an instrument in writing signed by all parties hereto.

8.4. Notices. All notices and other communications hereunder and under the other Transaction Documents shall be in writing and shall be deemed to have been duly given when delivered in person, sent by facsimile transmission, or delivered by overnight courier to the parties at the following addresses or facsimile numbers:

If to the Lender, addressed as follows:

Baldwin Enterprises, Inc.  
c/o Leucadia National Corporation  
315 Park Avenue South  
New York, NY 10010  
Attention: Joseph S. Steinberg  
Fax: (212)-598-4869

Each with a copy to (which shall not constitute notice):

Bingham McCutchen, LLP  
2020 K Street, NW  
Washington, DC 20006  
Attention: Ulises R. Pin  
Fax: (202) 373-6001

If to the Borrower, addressed as follows:

Vivaro Corporation  
1250 Broadway - 30th Floor  
New York, NY 10001  
Attention: Robert K. Lacy  
Fax: (212) 931-8693

*M-*

With a copy to (which shall not constitute notice):

Arizpe, Garza, Nuñez y Marcos, SC  
Zaragoza 1300 Sur A 1-124  
Monterrey, Nuevo Leon 64000  
Attention: Miguel J. Garza  
Fax: +52 (81) 8343-2091

Either party from time to time may change its address or facsimile number for the purpose of receipt of notices to that party by giving a similar notice specifying a new address or facsimile number to the other notice parties listed above in accordance with the provisions of this Section 8.4.

8.5. No Waiver; Remedies. No failure on the part of the Lender or the Borrower, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor

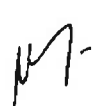
*[Handwritten signature]*

shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by Law.

8.6. Severability. In case any one or more of the provisions contained in this Agreement or any other Transaction Document should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impeded thereby.

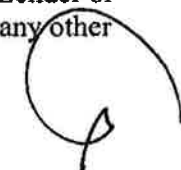
8.7. Entire Agreement. This Agreement, any other Transaction Documents and any other agreement, document or instrument referred to herein integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral negotiations and prior writings in respect of the subject matter hereof.

8.8. Assignment. The Borrower Guarantor may not assign its rights or obligations hereunder in whole or in part to any other Person without the prior written consent of the Lender (any attempt to do so being null and void ab initio).

8.9. Counterparts, Delivery. This Agreement and the other Transaction Documents may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. This Agreement and any signed agreement or instrument entered into in connection with this Agreement or the Transaction Documents, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or as an attachment to an electronic mail message in "pdf" or similar format, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. 

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

8.11. Specific Performance. The parties agree that irreparable damage would occur in the event any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof in addition to any other remedy at Law or in equity, including monetary damages, that may be available to it.

8.12. Obligations Absolute. The Borrower's payment and performance obligations under this Agreement, the Note and the other Transaction Documents are absolute and unconditional. Any claim that the Borrower may now or hereafter have against the Lender or any Affiliate thereof arising out of or in connection with the Transaction Documents or any other 

matter shall not affect or excuse the unconditional obligation of the Borrower to make any payment required to be made to the Lender or its Affiliates under the Transaction Documents, and shall not be used or asserted as a defense to payment of such obligation or as set-off, counterclaim or deduction against such payment. The Lender shall have no obligation or responsibility with respect to any dispute that may arise between the Borrower and the Lender, and no such dispute shall prevent the Lender from taking such action as it may deem appropriate in order to preserve, protect or enforce its rights hereunder and under the Note.

**[SIGNATURE PAGES FOLLOW]**

Handwritten signature and initials, possibly "MT" followed by a large circular mark.

TRADE SECRET-CONFIDENTIAL-FILED UNDER SEAL

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

**BORROWER:**  
Vivaro Corporation

By: 

Name:

Title:

Address:



*[Signature page to Loan Agreement]*

**LENDER:**

Baldwin Enterprises, Inc.

By: 

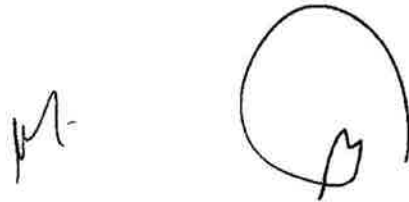
Name: Joseph A. Orlando

Title: Vice President

Address: c/o Leucadia National Corporation,  
315 Park Avenue South, New York, NY 10010

*[Signature page to Loan Agreement]*

EXHIBIT A  
FORM OF SECURED PROMISSORY NOTE

Handwritten initials 'M' and a circled signature.

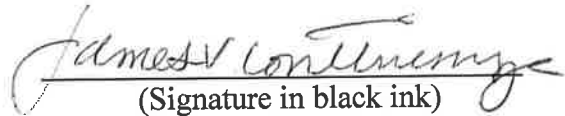


BEFORE THE TENNESSEE REGULATORY AUTHORITY

VERIFICATION  
OF STi PREPAID, LLC

STATE OF NEW YORK                    )  
  )  
COUNTY OF Queens                )

James Continenza, being duly sworn, states that he files this Application as Chief Executive Officer, that in such capacity, he/she is qualified and authorized to file and verify this Application; and that he has carefully examined all the statements and matters contained in the Application; that all such statements made and matters set forth therein are true and correct to the best of his knowledge, information, and belief. Affiant further states that the Application is made in good faith.

  
(Signature in black ink)

Subscribed and sworn to before me this

15 day of November

  
Notary Public

Dec 4, 2010  
My commission expires

