

**EXHIBIT B**

*EXECUTION COPY*

**CREDIT AGREEMENT**

Dated as of December 19, 2003

among

**PEGASUS MEDIA & COMMUNICATIONS, INC.**  
as the Borrower,

**MADELEINE L.L.C.,**  
as Administrative Agent,

and

The Other Lenders Party Hereto

**BANC OF AMERICA SECURITIES LLC,**  
as  
Sole Lead Arranger and Sole Book Manager

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## SCHEDULES

Schedule 2.01	Commitments and Pro Rata Shares
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## EXHIBITS

A	Form of Assignment and Assumption
B	Form of Loan Notice
C	Form of Note
D	Form of L/C Issuer Joinder Agreement

## CREDIT AGREEMENT

THIS CREDIT AGREEMENT is entered into as of December 19, 2003, among PEGASUS MEDIA & COMMUNICATIONS, INC., a Delaware corporation (the "Borrower"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and MADELEINE L.L.C., in its capacity as administrative agent for the Lenders (in such capacity, together with its permitted successors and assigns, the "Administrative Agent").

### RECITALS

A. The Borrower has requested that the Lenders provide a TWENTY MILLION DOLLAR (\$20,000,000) revolving credit facility, including a subfacility for the issuance of letters of credit, for the purposes hereinafter set forth.

B. The Lenders have agreed to make the requested credit facility available to the Borrower on the terms and conditions hereinafter set forth.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

### ARTICLE I

#### DEFINITIONS AND ACCOUNTING TERMS

##### 1.01 Certain Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

"Administrative Agent's Office" means the Administrative Agent's address and, as appropriate, account as set forth on Schedule 11.02, or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

"Aggregate Commitments" means the Commitments of all the Lenders. The Aggregate Commitments as of the Closing Date shall be TWENTY MILLION DOLLARS (\$20,000,000).

"Agreement" means this Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Assignment and Assumption" means an Assignment and Assumption substantially in the form of Exhibit A.

"Availability Period" means the period from and including Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Commitments pursuant to Section 2.04, and (c) the date of termination of the commitment of each Lender to make Loans pursuant to Article IX.

"Bankruptcy Code" means the Bankruptcy Code in Title 11 of the United States Code, as amended, modified, succeeded or replaced from time to time.

"Base Rate" means, for any day, a fluctuating rate per annum equal to the higher of (a) the Federal Funds Rate plus 1% and (b) the Prime Rate.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Borrower Intercreditor Agreement" means the Intercreditor Agreement dated as of the Closing Date by and among the Borrower, the Administrative Agent and Bank of America, N.A., in its capacity as administrative agent for the lenders under the Borrower Term Loan Agreement.

"Borrower Revolver Security Agreement" means the Security and Pledge Agreement (Borrower) dated as of the Closing Date by and between the Borrower and the Administrative Agent, as amended, supplemented or otherwise modified from time to time.

"Borrower Term Loan Agreement" means the Fourth Amendment and Restatement of Credit Agreement dated as of October 22, 2003 among the Borrower, the financial institutions party thereto from time to time, as lenders, and Bank of America, N.A., in its capacity as administrative agent.

"Borrowing" means a borrowing consisting of simultaneous Loans of the same Type and, in the case of LIBOR Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

"Business Day" means (a) for all purposes other than as provided in clause (b) below, any day other than a Saturday, Sunday or legal holiday on which banks in New York, New York are open for the transaction of a substantial part of their commercial banking business; and (b) with respect to all notices and determinations in connection with, and payments of principal and interest on, Eurodollar Loans, any day that is a Business Day described in clause (a) and that is also (i) a day when on which banks in London, England are open for the transaction of a substantial part of their commercial banking business and (ii) a day for trading by and between banks in U.S. Dollar deposits in the London interbank market.

"Cash Collateralize" has the meaning specified in Section 2.12(g).

"Change of Control Put Amount" has the meaning specified in Section 2.13.

"Closing Date" means the date hereof provided all the conditions precedent in Section 4.01 are satisfied and/or waived by the Administrative Agent.

"Commitment" means, as to each Lender, its obligation to (a) make Loans to the Borrower pursuant to Section 2.01 and (b) to purchase participations in L/C Obligations, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Credit Extension" means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means (a) an Event of Default or (b) an event or condition that, but for the requirement that time elapse or notice be given, or both, would constitute an Event of Default.

"Default Rate" means an interest rate equal to (a) the interest rate then applicable to a Base Rate Loan pursuant to Section 2.06(a) plus (b) 2% per annum; provided, however, that with respect to a LIBOR Loan, the Default Rate shall be an interest rate equal to the interest rate otherwise applicable to such Loan plus 2% per annum, in each case to the fullest extent permitted by applicable Laws.

"Dollar" and "\$" mean lawful money of the United States.

"Event of Default" has the meaning specified in Section 9.01.

"Federal Funds Rate" means the interest rate per annum charged on overnight Federal funds transactions with member banks of the Federal Reserve System arranged by Federal funds brokers on the date of determination, as published for any day which is a Business Day by the Federal Reserve Bank of New York (or, in the absence of such publication, as reasonably determined by the Administrative Agent).

"Honor Date" has the meaning specified in Section 2.12(c).

"Incorporated Affirmative Covenants" has the meaning set forth in Article VI.

"Incorporated Definitions" has the meaning set forth in Section 1.02.

"Incorporated Events of Default" has the meaning set forth in Section 9.01(g).

"Incorporated Financial Covenants" has the meaning set forth in Article VIII.

"Incorporated Negative Covenants" has the meaning set forth in Article VII.

"Indemnified Liabilities" has the meaning set forth in Section 11.05.

"Indemnitees" has the meaning set forth in Section 11.05.

"Interest Payment Date" means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a LIBOR Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment



Dates; and (b) as to any Base Rate Loan, the last Business Day of each March, June, September and December and the Maturity Date.

"Interest Period" means, as to each LIBOR Loan, the period commencing on the date such LIBOR Loan is disbursed or converted to or continued as a LIBOR Loan and ending on the date one, two, three or six months thereafter, as selected by the Borrower in its Loan Notice; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

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

(iii) no Interest Period shall extend beyond the Maturity Date.

"Laws" means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"L/C Advance" means, with respect to each Lender, such Lender's funding of its participation in any L/C Borrowing in accordance with its Pro Rata Share.

"L/C Borrowing" means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing of Loans.

"L/C Credit Extension" means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the renewal or increase of the amount thereof.

"L/C Issuer" means any Person (including a Lender) selected by the Borrower and acceptable to the Administrative Agent in its sole discretion that agrees to issue one or more Letters of Credit hereunder pursuant to an L/C Issuer Joinder Agreement duly executed on behalf of such Person and the Administrative Agent. Each of Bank of America, N.A., Fleet National Bank and Canadian Imperial Bank of Commerce shall be deemed to be an acceptable L/C Issuer to the Administrative Agent.

"L/C Issuer Joinder Agreement" means a joinder agreement substantially in the form of Exhibit D hereto.

"L/C Obligations" means, as at any date of determination, the aggregate undrawn amount of all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings.

"Lender" has the meaning specified in the introductory paragraph hereto and, as the context requires, includes each L/C Issuer.

"Lending Office" means, as to any Lender, the office or offices of such Lender set forth on the signature pages hereto or on the schedules to the Assignment and Assumption pursuant to which such Lender became a party hereto, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

"Letter of Credit" means any letter of credit issued hereunder in accordance with the provisions of Section 2.12(a). A Letter of Credit may be a standby letter of credit only.

"Letter of Credit Application" means an application form for the issuance of standby letters of credit as shall at any time be in use at an L/C Issuer, as each such L/C Issuer shall request.

"Letter of Credit Expiration Date" means the day that is seven (7) days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

"LIBOR" means for any Interest Period with respect to any LIBOR Loan, the per annum rate (rounded to the next higher 1/100 of 1%) for deposits in Dollars for a period equal to the relevant Interest Period as reported on Telerate Page 3750 as of 11:00 a.m. (London time), on the day that is two (2) Business Days prior to the commencement of such Interest Period. If, for any reason, such rate does not appear on Telerate Page 3750, or shall cease to be available from Telerate News Service, then "LIBOR" shall be determined by the Administrative Agent from such financial reporting service or other information as shall be reasonably designated by the Administrative Agent, to be the arithmetic average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the interest rate per annum representing the British Banker's Association average of interbank offered rates for deposits in U.S. Dollars in the London Interbank Market approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of the applicable Interest Period for a period equal to such Interest Period and in an amount substantially equal to the amount of the applicable LIBOR Loan.

"LIBOR Loan" means a Loan that bears interest at a rate based on LIBOR.

"Loan" has the meaning specified in Section 2.01.

"Loan Account" means an account maintained hereunder by the Administrative Agent on its books of account at the Administrative Agent's Office, and with respect to the Borrower, in which (subject to the terms hereof) the Borrower will be charged with all Loans made to, and all other Obligations incurred by, the Borrower.

"Loan Documents" means this Agreement, each Note, each Letter of Credit, each Letter of Credit Application, each L/C Issuer Joinder Agreement and the Security Documents.

"Loan Notice" means a notice of (a) a Borrowing, (b) a conversion of Loans from one Type to the other, or (c) a continuation of LIBOR Loans, pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit B.

"Loan Parties" means, collectively, the Borrower, the Parent and each Subsidiary party to the Subsidiary Revolver Security Agreement.

"Madeleine" means Madeleine L.L.C., a New York limited liability company.

"Material Adverse Effect" means (a) an adverse effect on the validity or enforceability of this Agreement or any of the other Loan Documents in any material respect, (b) an adverse effect on the condition (financial or other), business, results of operations, prospects or properties of the Borrower and its Subsidiaries, taken as a whole, in any material respect or (c) an impairment of the ability of the Companies to fulfill their obligations under this Agreement or any other Loan Document to which any Company is a party, in any material respect.

"Maturity Date" means July 31, 2006.

"Mortgaged Property(ies)" has the meaning specified in Section 6.03.

"Mortgage Instrument(s)" has the meaning specified in Section 6.03.

"Note" means a promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit C.

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

"Outstanding Amount" means (i) with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any Borrowings and prepayments or repayments of Loans occurring on such date; and (ii) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements of outstanding unpaid drawings under any Letters of Credit or any reductions in the maximum amount available for drawing under Letters of Credit taking effect on such date.

"Parent Intercreditor Agreement" means the "Intercreditor Agreement" defined in the Borrower Term Loan Agreement.

"Parent Revolver Guaranty Agreement" means the Limited Recourse Guaranty (Parent) dated as of the Closing Date by and between the Parent and the Administrative Agent, as amended, supplemented or otherwise modified from time to time.

"Parent Revolver Security Agreement" means the Securities Pledge Agreement (Parent) dated as of the Closing Date by and between the Parent and the Administrative Agent, and as it may thereafter be amended, supplemented or otherwise modified from time to time.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Prime Rate" means the per annum interest rate published as being the "Prime Rate" in the Eastern Edition of *The Wall Street Journal* in effect on a given day, or in the event that *The Wall Street Journal* ceases for any reason to publish or announce such rate of interest, any other source selected by the Administrative Agent.

"Pro Rata Share" means, with respect to each Lender at any time, a fraction (expressed as a percentage, carried out to the ninth decimal place), the numerator of which is the amount of the Commitment of such Lender at such time and the denominator of which is the amount of the Aggregate Commitments at such time; provided that if the commitment of each Lender to make Loans has been terminated pursuant to Section 9.02, then the Pro Rata Share of each Lender shall be determined based on the Pro Rata Share of such Lender immediately prior to such termination and after giving effect to any subsequent assignments made pursuant to the terms hereof. The initial Pro Rata Share of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

"Put Offer" has the meaning specified in Section 2.13.

"Register" has the meaning specified in Section 11.07(c).

"Registered Loan" has the meaning specified in Section 11.07(c).

"Registered Note" has the meaning specified in Section 11.07(c).

"Request for Credit Extension" means (a) with respect to a Borrowing, conversion or continuation of Loans, a Loan Notice and (b) with respect to an L/C Credit Extension, a Letter of Credit Application.

"Required Lenders" means, as of any date of determination, Lenders having more than 50% of the Aggregate Commitments or, if the commitment of each Lender to make Loans has been terminated pursuant to Section 9.02, Lenders holding in the aggregate more than 50% of the Total Outstandings (with the aggregate amount of each Lender's risk participation and funded participation in L/C Obligations being deemed "held" by such Lender for the purposes of this definition).

"Revolver Affiliate Subordination Agreement" means the Affiliate Subordination Agreement dated as of the Closing Date by and among Pegasus Communications Management

Company, Pegasus Development Corporation, Pegasus Communications Corporation and the Administrative Agent, as amended, supplemented or otherwise modified from time to time.

"Security Document(s)" has the meaning specified in Section 1A.03.

"Subsidiary Revolver Security Agreement" means the Subsidiary Guaranty, Security and Pledge Agreement dated as of the Closing Date by and among the various Subsidiaries of the Borrower party thereto and the Administrative Agent, as amended, supplemented or otherwise modified from time to time.

"Total Outstandings" means, as of any date, the aggregate Outstanding Amount of all Loans and all L/C Obligations.

"Type" means, with respect to a Loan, its character as a Base Rate Loan or a LIBOR Loan.

"United States" and "U.S." mean the United States of America.

"Unreimbursed Amount" has the meaning specified in Section 2.12(c).

#### **1.02 Incorporated Definitions.**

Unless otherwise defined herein or the context otherwise requires, terms used in this Agreement, including its preamble and recitals, shall have the meaning given to such terms in the Borrower Term Loan Agreement as in effect on the Closing Date and, subject to the provisions of Section 11.01, as the same may be amended, supplemented or otherwise modified from time to time after the Closing Date (the "Incorporated Definitions"), and such terms are hereby incorporated herein by reference and shall be as binding on the Borrower as if set forth fully herein until such time as the Commitments shall have expired or been terminated in full and all of the Obligations shall have been paid in full. The incorporation by reference to the Borrower Term Loan Agreement of the Incorporated Definitions pursuant to this Section 1.02 shall survive the termination of the Borrower Term Loan Agreement. For purposes of the incorporation of the Incorporated Definitions pursuant to this Section 1.02, all references in the Incorporated Definitions to the "Agent" shall be deemed to refer to the Administrative Agent hereunder, all references in the Incorporated Definitions to a "Lender" or the "Lender" shall be deemed to refer to one or more of the Lenders hereunder, all references in the Incorporated Definitions to the "Required Lenders" shall be deemed to refer to the Required Lenders hereunder, all references in the Incorporated Definitions to the "Credit Agreement", "this Agreement," or any similar references, shall be deemed to refer to this Agreement, and all references in the Incorporated Definitions to a "Loan Document" or the "Loan Documents," or any similar references, shall be deemed to refer to one or more of the Loan Documents as defined in Section 1.01, and all references in the Incorporated Definitions to the "Fourth Amendment Effective Date" and/or the "Closing Date" shall be deemed to refer to the Closing Date hereunder.

#### **1.03 Other Interpretive Provisions.**

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) (i) The words "herein," "hereto," "hereof" and "hereunder" and words of similar import when used in any Loan Document shall refer to such Loan Document as a whole and not to any particular provision thereof.

(ii) Article, Section, Exhibit and Schedule references are to the Loan Document in which such reference appears.

(iii) The term "including" is by way of example and not limitation.

(iv) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(c) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(d) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

#### **1.04 Times of Day.**

Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

#### **1.05 Letter of Credit Amounts.**

Unless otherwise specified, all references herein to the amount of a Letter of Credit at any time shall be deemed to mean the maximum face amount of such Letter of Credit after giving effect to all increases thereof contemplated by such Letter of Credit or the Letter of Credit Application therefor, whether or not such maximum face amount is in effect at such time.

## **ARTICLE IA**

### **SECURITY; SUBORDINATION**

The Borrower hereby agrees that, until such time as the Commitments shall have expired or been terminated in full and all of the Obligations shall have been paid in full:

#### **1A.01 Collateral.**

The Obligations shall be secured at all times by:

(a) the unconditional guaranty of each of the Subsidiaries (including the Finance Subsidiaries but excluding the Special Purpose Subsidiary, the Letter-of-Credit Subsidiary and South Plains DBS (so long as South Plains DBS is not a Material Subsidiary)) and the Parent (provided that the Parent's guaranty shall be non-recourse, except to the extent of the Collateral required to be provided by the Parent under subsection (b) below); and

(b) subject to the terms of the Borrower Intercreditor Agreement, an equal and ratable lien in the collateral securing the obligations of the Borrower under the Borrower Term Loan Agreement, to the same extent and in the same manner described in clauses (ii), (iii), (iv), (v), (vi), (vii) and (viii) of Section 2.01(a) of the Borrower Term Loan Agreement subject to the exceptions set forth in Schedule 2.01(a) to the Borrower Term Loan Agreement.

#### **1A.02 Subordination.**

(a) All existing and hereafter arising indebtedness of the Borrower and the Subsidiaries, if any, to Sellers which constitutes Permitted Seller Subordinated Debt shall be subordinated to any Indebtedness of the Companies to the Administrative Agent or the Lenders pursuant to a Seller Subordination Agreement.

(b) Without limiting the generality of Section 7.01 of the Incorporated Negative Covenants, all existing and hereafter arising Indebtedness of the Borrower and the Subsidiaries to the Parent and its other subsidiaries, including without limitation the Manager, shall be subordinated to any Indebtedness of the Companies to the Lenders pursuant to a subordination agreement in form and substance similar to the Revolver Affiliate Subordination Agreement.

#### **1A.03 Security Documents.**

All agreements and instruments described or contemplated in this Article IA, including but not limited to the Parent Revolver Guaranty Agreement, the Parent Revolver Security Agreement, the Borrower Revolver Security Agreement, the Subsidiary Revolver Security Agreement, the Revolver Affiliate Subordination Agreement, the Parent Intercreditor Agreement and the Borrower Intercreditor Agreement), together with any and all other agreements and instruments heretofore or hereafter securing the Obligations or otherwise executed in connection with this Agreement, as such agreements or instruments are amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, are sometimes hereinafter referred to collectively as the "Security Documents" and each individually as a "Security Document". The Borrower agrees to execute and deliver any and all Security Documents, in form and substance satisfactory to the Administrative Agent, and take such action as the Lenders may reasonably request from time to time in order to cause the Administrative Agent and the Lenders to be secured at all times as described in this Article IA.

## ARTICLE II

### THE COMMITMENTS AND CREDIT EXTENSIONS

#### 2.01 Loans.

Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Loan") to the Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Commitment; provided, however, that after giving effect to any Borrowing, (i) the Total Outstandings shall not exceed the Aggregate Commitments and (ii) the aggregate Outstanding Amount of the Loans of any Lender plus such Lender's Pro Rata Share of the Outstanding Amount of all L/C Obligations shall not exceed such Lender's Commitment. Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.04, and reborrow under this Section 2.01. Loans may be Base Rate Loans or LIBOR Loans, as further provided herein.

#### 2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of LIBOR Loans shall be made upon irrevocable notice from the Borrower to the Administrative Agent, which may be given by telephone (provided that such telephonic notice complies with the information requirements of the form of Loan Notice attached hereto). Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of LIBOR Loans, and (ii) one Business Day prior to the requested date of any Borrowing of Base Rate Loans. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Loan Notice, appropriately completed and signed by an Authorized Officer of the Borrower. Each Borrowing of, conversion to or continuation of LIBOR Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof. Each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of LIBOR Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be borrowed, converted or continued, (iv) the Type of Loans to be borrowed or to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Borrower fails to specify a Type of Loan in a Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBOR Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of LIBOR Loans in any such Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.



(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Pro Rata Share of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of the Administrative Agent with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Borrower.

(c) Except as otherwise provided herein, a LIBOR Loan may be continued or converted only on the last day of an Interest Period for such LIBOR Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as LIBOR Loans without the consent of the Required Lenders.

### 2.03 Prepayments.

(a) The Borrower may, upon notice to the Administrative Agent, at any time or from time to time (i) voluntarily prepay Base Rate Loans in whole or in part without premium or penalty, and (ii) voluntarily prepay LIBOR Loans in whole or in part on the last day of the applicable Interest Period without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of LIBOR Loans and (B) on the date of prepayment of Base Rate Loans; (ii) any prepayment of LIBOR Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Pro Rata Share of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a LIBOR Loan shall be accompanied by all accrued interest thereon, together with any additional amounts required pursuant to Section 3.05. Each such prepayment shall be applied to the Loans of the Lenders in accordance with their respective Pro Rata Shares.

(b) If for any reason the Total Outstandings at any time exceed the Aggregate Commitments then in effect, the Borrower shall immediately prepay Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.03(b) unless after the prepayment in full of the Loans the Total Outstandings exceed the Aggregate Commitments then in effect.

## 2.04 Termination or Reduction of Commitments.

(a) Voluntary Termination or Reduction of Commitments. The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Commitments, or from time to time permanently reduce the Aggregate Commitments; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$500,000 or any whole multiple of \$100,000 in excess thereof, (iii) the Borrower shall not terminate or reduce the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Aggregate Commitments. The Administrative Agent will promptly notify the Lenders of any such notice of termination or reduction of the Aggregate Commitments. Any such voluntary reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Pro Rata Share. All commitment fees accrued until the effective date of any termination of the Commitments shall be paid on the effective date of such termination.

(b) Mandatory Reduction of Commitments. Upon the occurrence of any voluntary and/or mandatory prepayment of the Tranche D Term Loans pursuant to Section 1.08(c), Section 1.09(i) or Section 1.09(j) of the Borrower Term Loan Agreement, as applicable, the Aggregate Commitments shall be automatically and permanently reduced by a ratable amount in accordance with the respective amounts thereof of (i) the aggregate unpaid principal amount of the Tranche D Term Loans outstanding immediately prior to such prepayment and (ii) the Aggregate Commitments then in effect. Any such mandatory reduction of the Aggregate Commitments shall be applied to the Commitment of each Lender according to its Pro Rata Share. Simultaneously with each mandatory automatic reduction of the Commitments under this Section 2.04(b), the Borrower shall (A) pay to the Administrative Agent, for the ratable amount of each Lender according to its Pro Rata Share, (1) any then accrued unpaid Commitment Fee on the reduced portion of the Commitments, (2) pursuant to Section 2.03(b), such amount for the purpose of prepaying the Loans and/or Cash Collateralizing the L/C Obligations as shall be required to cause the Total Outstandings to be no greater than the Aggregate Commitments after giving effect to such reduction and (3) in the case of any mandatory prepayment of the Tranche D Term Loans pursuant to Section 1.09(i) or Section 1.09(j) of the Borrower Term Loan Agreement, a prepayment premium equal to (x) the percentage amount by which the percentage then in effect under the Borrower Term Loan Agreement (as in effect as of the Closing Date) for calculation of the Fixed Early Payment Amount exceeds par multiplied by (y) the amount of such reduction in the Aggregate Commitments and (B) compensate the Lenders pursuant to and in accordance with Section 3.05 in respect of Eurodollar Loans prepaid in connection with such reduction in the Aggregate Commitments.

(c) Reduction of Commitments in Connection with a Put Change of Control. The Commitment of each Lender that elects to exercise its put rights pursuant to Section 2.13 shall immediately be reduced to zero as of the date such Lender accepts its Put Offer.

## 2.05 Repayment of Loans.

The Borrower shall repay to the Lenders on the Maturity Date the aggregate principal amount of Loans outstanding on such date.

## 2.06 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each LIBOR Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to 7.00% plus the greater of (x) the LIBOR for such Interest Period and (y) 2.00%; and (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus 6.00%.

(b) If any amount payable by the Borrower under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws. Furthermore, upon the request of the Required Lenders, while any Event of Default exists, the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law. The Borrower hereby authorizes the Administrative Agent to, and the Administrative Agent may from time to time, charge the Loan Account pursuant to (and in accordance with) Section 2.10 with any interest payment due hereunder.

## 2.07 Fees.

In addition to certain fees described in subsections (i) and (j) of Section 2.12:

(a) Commitment Fee. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance with its Pro Rata Share, a commitment fee equal to 1.50% times the actual daily amount by which the Aggregate Commitments exceed the sum of (i) the Outstanding Amount of Loans and (ii) the Outstanding Amount of L/C Obligations. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable quarterly in arrears on the last Business Day of each March, June, September and December, commencing with the first such date to occur after the Closing Date, and on the Maturity Date.

(b) Other Fees. The Borrower shall pay to the Administrative Agent and/or the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

## 2.08 Computation of Interest and Fees.

All computations of interest for Base Rate Loans when the Base Rate is determined by the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and

actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.10(a), bear interest for one day.

#### **2.09 Evidence of Debt.**

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender and by the Administrative Agent in the ordinary course of business. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

#### **2.10 Payments Generally.**

(a) All payments to be made by the Borrower shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Pro Rata Share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. The Lenders and the Borrower hereby authorize the Administrative Agent to, and the Administrative Agent may, from time to time, charge the Loan Account with any amount due and payable by the Borrower under any Loan Document; provided, however, that unless a Default or Event of Default shall already exist and be continuing, no such charge may be made to the Loan Account if after giving effect to such charge, the Total Outstandings would exceed the Aggregate Commitments then in effect. Any amount charged to the Loan Account of the Borrower shall be deemed a Loan hereunder made by the Lenders to the Borrower, funded by the Administrative Agent on behalf of the Lenders and subject to Section 2.02. The Lenders and the Borrower confirm that any charges which the Administrative Agent may so make to the Loan Account of the Borrower as herein