

**20
09**

**RCA's
17th Annual
Convention
& Exhibition**

**evolution
revolution**



Raising Capital to Grow Your Business



Raising Capital to Grow Your Business

Moderator

Kevin Reidy

RBC Daniels

Senior Lenders

John Donner
Richard Vian

CoBank
Union Bank

Federal Programs

Tony Tindall

Dept. of Agriculture,
RUS

Vendor Financing

Raymond Kim

ZTE USA

Wireless Operator

Craig Sheetz

Cellular One of
East Texas



Raising Capital to Grow Your Business

2009 RCA Convention





Total Portfolio

- 240 Customers
- \$3.9 Billion Commitments
- \$3.2 Billion Outstandings

Wireline Portfolio

- 189 Customers
- \$2.9 Billion Commitments
- \$2.3 Billion Outstandings

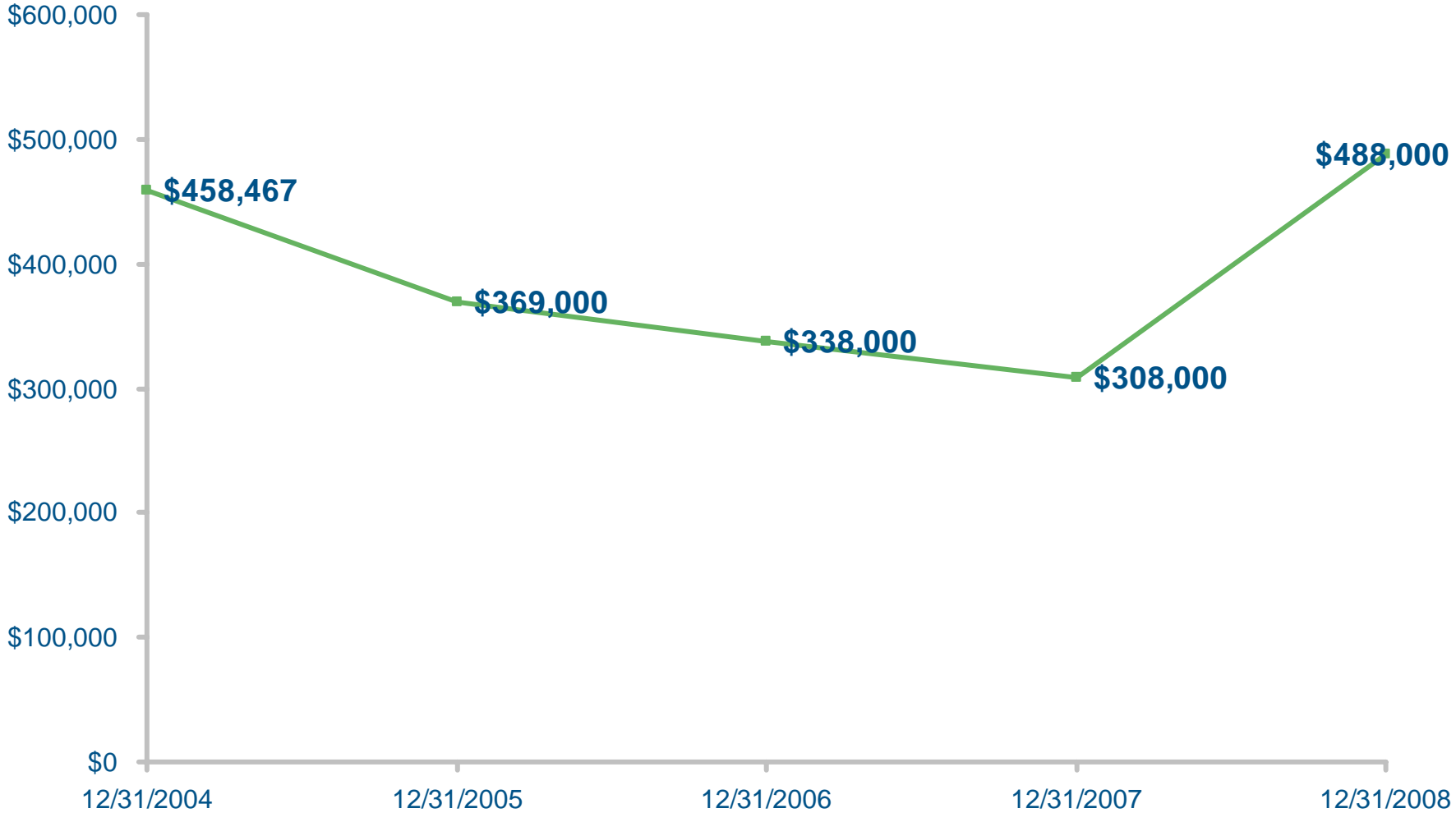
CATV Portfolio

- 25 Customers
- \$545 Million Commitments
- \$481 Million Commitments

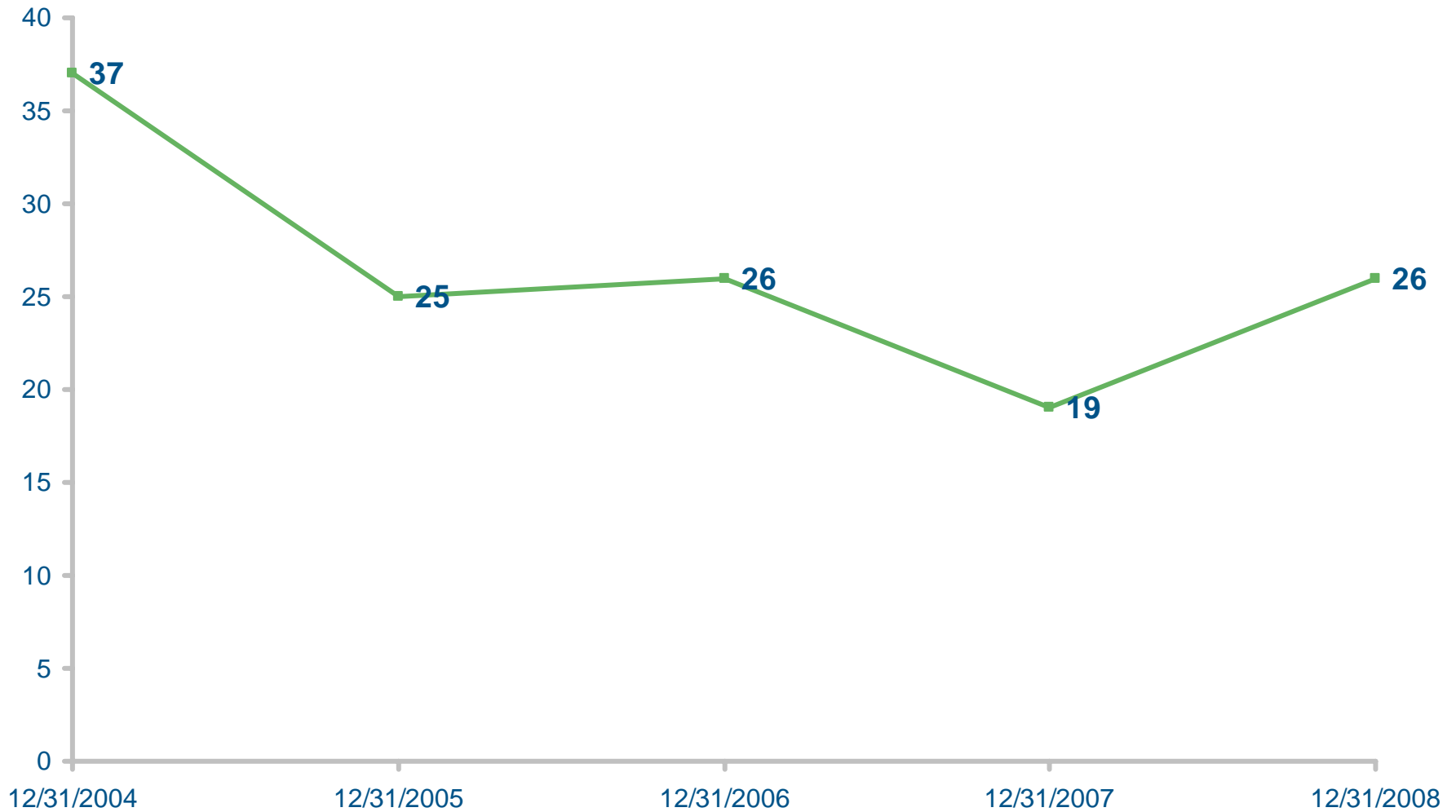
Wireless Portfolio

- 26 Customers
- \$488 Million Commitments
- \$377 Million Commitments

CoBank Wireless Loan Volume



CoBank Wireless Customer Count





Thank You

John Donner
Vice President
952-417-7934
jdonner@cobank.com



Union Bank, N.A. ("UB") Overview

- UB is financially sound and has actively deployed capital during the current volatile credit environment.
 - UB is among the 25 largest banks in the U.S. with \$68.7 billion in assets.
 - In the last 12 months, UB has deployed \$5.9 billion in new money loans (same store, no acquisitions), with \$49.4 billion in loans currently outstanding.
 - Because 99% of loan book funded by deposits, UB is not susceptible to volatility in short term rates, and thus focuses on relationship banking (not spread interest return).
 - Unlike the majority of its peers, UB has no exposure to residential subprime mortgages, auction rate securities, structured investment vehicles or securitization products.
- UB is 100% owned by The Bank of Tokyo-Mitsubishi UFJ ("BTMU"), which is the commercial banking arm of Mitsubishi UFJ Financial Group ("MUFG"), the 7th largest financial institution in the world by market capitalization.

Data as of March 31, 2009



Commitment to the Telecommunications Industry

- UB is one of the few remaining banks in the U.S. with a specialized media and telecommunications practice (“M&T”).
 - The Communications & Media Division (“CMD”) at UB manages a \$1.4 billion loan portfolio.
 - CMD has been specializing in the telecommunications sector for over 25 years.
 - Telecommunications lending represents \$634 million in commitments or 46% of the total portfolio.
- UB has a positive long term view of the telecommunications sector and is seeking to deploy capital in support of the industry.
 - During 2008’s tough economic environment, CMD committed \$150 million of new money to companies in the telecommunications space.

Broadband Funding Under the Telecommunications Program

April 30, 2009

*Anthony Tindall
Broadband Field Representative
Rural Utilities Service
USDA Rural Development
612-721-6432
anthony.tindall@wdc.usda.gov*



Telecommunications Program

The Rural Development Telecommunications Program loan and grant programs



- **Infrastructure Loan Program:** Loans to local telephone companies for improving telecommunications service in rural communities
- **Broadband Access Loan Program and Community Connect Grant Program:** Loans and grants for local telephone companies and other service providers who offer Broadband (high-speed Internet) services in eligible communities
- **Distance Learning/Telemedicine Loan and Grant Program:** Loans and grants for providing Distance Learning and Telemedicine services to rural residents
- **ARRA Broadband Loans and Grants:** Loans and grants authorized under the American Recovery and Reinvestment Act of 2009

Telecommunications Program

Loans/ Grants Approved FY 2008

Traditional Loan Program: \$674,966,000

Broadband Loan Program: \$438,475,000

Community Connect Grants: \$ 15,488,579

DLT Grants: \$ 28,270,764

DLT Loan/Grant Combos: \$ 15,005,308

Telecommunications Program

FY 2009 Budget

Traditional Loan Program: \$ 690,000,000

Broadband Loan Program: \$ 400,487,000

Community Connect Grants: \$ 13,406,000

DLT Grants: \$ 34,755,000

ARRA Broadband Loans

and Grants: \$2,500,000,000

Telecommunications Program

Broadband Loan Program – Changes Under 2008 Farm Bill

- Section 601 – Broadband Program:
 - Changed the definition of rural area
 - Modified the definition of eligible entities and eligible projects
 - Changed equity and market survey requirements
 - Expanded notice requirement
 - Paperwork reduction and pre-application process
 - New requirements apply to all applications which were not received 45 days prior to the enactment of the Farm Bill and still pending on that date
- The revised regulations required by these changes are in final review
- Interim Final Rule will be published; loan applications submitted after May 4, 2008, must comply with these new requirements



ZTE Introduction

April 2009

ZTE USA

Introduction to ZTE Corporation

- ZTE USA, Inc. based in Richardson TX, is a wholly owned subsidiary of ZTE Corporation.
- ZTE Corporation, founded in 1985, is the largest publicly traded telecom (with shares traded on both the Hong Kong and Shenzhen stock exchanges) company from China.
- Global Headquarters in Shenzhen China, ZTE Corp provides innovative telecom solutions in over 100 countries. Its products spans the entire spectrum of telecom solutions, including handsets, terminals, access networks, core networks as well as value added services.
- 2008 revenue approaching 6.8 B USD, a 27% increase despite the global economic downturn. 60% of the revenue coming from overseas operations.
- 45 Million handset/terminal units shipped in 2008, 40% increase compared to 2007



US Focused Products and Services

- CDMA handsets and Data Devices
- GSM/WCDMA handsets and Date Devices
- WiMAX devices
- CDMA infrastructure, with forklift free migration to LTE
- WCDMA infrastructure, with forklift free migration to LTE
- Wireline and wireless home gateway products, (DSL modem, wireless broadband modem)
- Core Network
- Value Added Services

RBC Capital Markets | RBC Daniels

Rural Cellular Association Annual Convention

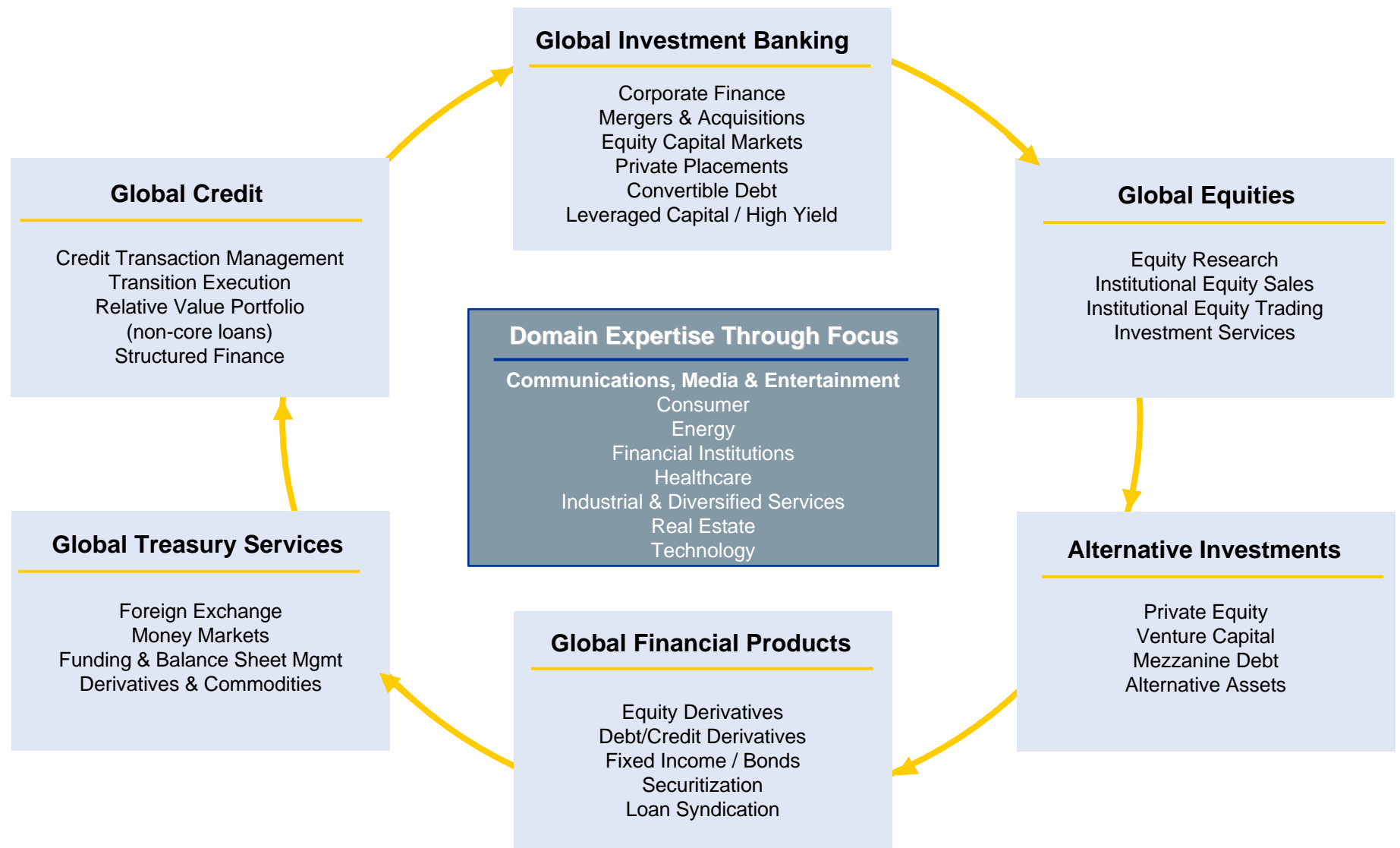
April 2009



RBC Capital Markets®
RBC Daniels

RBC Capital Markets

Full-Service Platform With Focus on Eight Industry Groups



Combines the breadth of the bulge bracket with the services and focus of a boutique in serving our clients

RBC + Daniels: A Winning Combination




By combining Daniels' depth of experience in the communications and media sectors with RBC's proven execution capabilities across the full-range of investment banking services and products, we can provide significant value to all our clients


- Leading global investment bank with strong industry expertise and relationships in the CME sector
- Full-service capabilities:
 - Equity Capital Markets
 - Investment Grade and High Yield Debt
 - Corporate Banking
 - Syndicated Loans
 - M&A
 - Private Placements
 - Convertible Securities
- Extensive CME research coverage
- Top M&A advisor to the CME sector
- Deep industry expertise and relationships
 - Cable systems, programming, equipment and service companies
 - Telecom
 - Wireless
 - Towers
 - Satellite
 - Internet content
 - Internet services & hosting
 - Media software
 - Out-of-home advertising
 - TV & radio broadcasting

Full-service investment banking capabilities and unparalleled industry expertise

Transaction Highlights - Wireless



HAS SOLD CELLULAR LICENSES AND CERTAIN RELATED OPERATING ASSETS SERVING THE MINNESOTA 7, 8, 9 AND 10 RSAs TO



SALE REPRESENTS 616,000 POPs.

WE REPRESENTED THE SELLER.




HAS ACQUIRED THE OPERATING ASSETS OF




SALE REPRESENTS 198,000 POPs IN THE MO-7 RSA AND KANSAS CITY MSA.

WE REPRESENTED THE SELLER.



HAS ACQUIRED FIFTEEN CELLULAR RSAs IN NEBRASKA AND KANSAS FROM



SALE REPRESENTS APPROXIMATELY 1,400,000 POPs.

WE REPRESENTED THE SELLER.



HAS ACQUIRED THE STOCK OF



SALE REPRESENTS 485,000 POPs IN THE IL-8 AND IL-9 RSAs.

WE REPRESENTED THE SELLER.



HARGRAY WIRELESS, LLC HAS BEEN ACQUIRED BY



A WHOLLY-OWNED SUBSIDIARY OF



TRANSACTION COVERS APPROX. 825,000 POPs IN THE SAVANNAH, GA BTA.

WE REPRESENTED THE SELLER.



HAS MADE AN INVESTMENT IN

ALASKA NATIVE WIRELESS


AN ENTITY FORMED WITH




AT&T WIRELESS

TO ACQUIRE BROADBAND PCS LICENSES THROUGH FCC AUCTION #35.


WE REPRESENTED COUNCIL TREE ANW.



NOW



AND CERTAIN OF ITS AFFILIATES HAVE ACQUIRED THE GSM-BASED PCS BUSINESS OF



SERVING APPROX. 2 MILLION POPs IN SOUTH TEXAS FOR MORE THAN \$300 MILLION.

WE REPRESENTED THE SELLER.



HAS ACQUIRED

Triton Cellular Partners, L.P.

FOR \$1.265 BILLION.

WE REPRESENTED THE SELLER.




HAS ACQUIRED FIVE GEOGRAPHICALLY DIVERSE RSAs FROM



FOR APPROXIMATELY \$550 MILLION.

WE REPRESENTED THE SELLER.



AT&T WIRELESS

HAS ACQUIRED THE CELLULAR AND PCS OPERATIONS OF

WIRELESS ONE NETWORK

COVERING OVER 1.5 MILLION POPs FOR MORE THAN \$850 MILLION.

WE REPRESENTED THE SELLER.



HAS SOLD ITS LOUISIANA CELLULAR OPERATIONS TO



AND ITS INDIANA PCS OPERATIONS TO

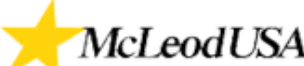


AT&T WIRELESS


FOR A COMBINED VALUE OF OVER \$900 MILLION IN ORDER TO FORM




WE REPRESENTED THE SELLER.



HAS SOLD PCS LICENSES COVERING 7 MILLION POPs IN 5 STATES TO



HickoryTech




TELECORP

FOR AN AGGREGATE VALUE OF OVER \$100 MILLION.

WE REPRESENTED THE SELLER.

LITCHFIELD COUNTY CELLULAR, INC. AND CELLULAR PHONE OF KENTUCKY, INC. DOING BUSINESS AS



HAVE SOLD CERTAIN OF THEIR WIRELESS ASSETS TO



SALE REPRESENTS 574,000 POPs IN THE KY-6 (B1), KY-11 AND OR-5 RSAs.

WE REPRESENTED THE SELLER.



HAS ACQUIRED THE OPERATIONS AND ASSETS OF

AMARILLO CELLTELCO dba CELLULARONE of Amarillo

SALE INCLUDES THE AMARILLO MSA AND 830,00 POPs IN THE AMARILLO AND LUBBOCK BTAs.

WE REPRESENTED THE SELLER.

KEY COMMUNICATIONS, LLC

HAS SOLD THE OPERATING ASSETS OF



TO



SALE REPRESENTS 1.2 MILLION POPs IN WEST VIRGINIA, KENTUCKY AND OHIO.

WE REPRESENTED THE SELLER.

Transaction Highlights – BSP and Broadband Wireless

openrange

HAS RAISED
\$374,000,000
 IN EQUITY AND DEBT
 FINANCING FROM
**ONE EQUITY PARTNERS
 UNITED STATES DEPARTMENT
 OF AGRICULTURE'S RURAL
 DEVELOPMENT UTILITIES
 PROGRAM
 GLOBALSTAR, INC.**

LEAD FINANCIAL
 ADVISOR TO OPEN RANGE.

CON TERRA

\$40,000,000
**Senior Secured
 Credit Facility**
*The undersigned acted as
 Exclusive Placement Agents in
 this transaction*

RBC
 Capital
 Markets **RBC DANIELS**

August 2007

cogent
 COMMUNICATIONS

HAS ACQUIRED THE
 DEDICATED INTERNET ACCESS
 BUSINESS FROM

VERIO
 An NTT Communications Company

WE REPRESENTED THE SELLER

Conversent

HAS ACQUIRED
REON
 BROADBAND

AND HAS SECURED \$9
 MILLION OF NEW CAPITAL
 FOR BUSINESS EXPANSION,
 AND HAS
 RENEGOTIATED A SENIOR
 CREDIT FACILITY.

WE REPRESENTED CONVERSENT.

EPOCH
 TELECOM

HAS SOLD ITS NATIONAL
 DATA
 COMMUNICATIONS
 NETWORK
 AND CUSTOMERS TO

Netifice
 COMMUNICATIONS

WE REPRESENTED THE SELLER

IPWireless

HAS SOLD ITS INTEREST IN
 2.5 GHz BRS SPECTRUM TO

clearwire

THE SPECTRUM COVERS APPROX.
 1.3 MILLION POPS AND
 510,000 HOUSEHOLDS IN
 GREENSBORO, NC.

WE REPRESENTED THE SELLER

ubb
 utah broadband

A PROVIDER OF BROADBAND
 WIRELESS SERVICE IN SALT LAKE
 CITY, PROVO, PARK CITY
 AND OTHER AREAS ALONG
 THE WASATCH FRONT

HAS BEEN ACQUIRED BY

metrobridge

WE REPRESENTED UTAH BROADBAND.

LODGENET
 always on

HAS ACQUIRED

StayOnline
 The One Network for everything IP.

A LEADING PROVIDER OF
 HIGH-SPEED INTERNET
 ACCESS SOLUTIONS TO THE
 LODGING INDUSTRY.

WE REPRESENTED THE SELLER

KEYON

HAS ACQUIRED

SPEEDNET
 SERVICES

ONE OF THE LARGEST FIXED
 WIRELESS INTERNET SERVICE
 PROVIDERS IN THE UNITED STATES.

WE REPRESENTED THE SELLER.

RBC DANIELS

ADVISED

TELLA

IN ASSESSING ITS
 U.S. INTERNET
 STRATEGY.

Level(3)
 COMMUNICATIONS

HAS ACQUIRED
 THE MEMBERSHIP
 INTERESTS OF

Progress Telecom
 Taking the challenge...making it happen

A BROADBAND NETWORK
 SERVICES COMPANY BASED
 IN ST. PETERSBURG, FL.

WE REPRESENTED THE BUYER

AN AFFILIATE OF

Sprint

HAS ACQUIRED THE LEASEHOLD
 INTEREST IN THE EBS G CHANNEL
 SPECTRUM COVERING
 POINT PLEASANT, NJ MARKET
 OF

IPWireless

THE SALE REPRESENTS APPROX.
 1.0 MILLION POPS.

WE REPRESENTED THE SELLER

Renaissance
 Broadband

HAS SOLD ITS INTERESTS IN
 2.5 GHz EBS SPECTRUM TO
 AN AFFILIATE OF

Sprint

THE TRANSACTION INCLUDES
 CERTAIN CHANNELS IN
 CO, TX, NM AND FL.

WE REPRESENTED RENAISSANCE.

FASTNET

HAS ACQUIRED SELECTED
 ASSETS OF

Applied Theory

WE REPRESENTED THE SELLER

SEAPORT
 CAPITAL

HAS ACQUIRED THE CABLE,
 BROADBAND INTERNET AND
 TELEPHONY BUSINESS OF

EVEREST
 A SUBSIDIARY OF

Aquila
 Providing Energy
 For Better Living.

SALE REPRESENTS OVER 34,000
 CUSTOMERS IN THE
 KANSAS CITY AREA.

WE REPRESENTED AQUILA.

Airpath
 wireless

HAS SECURED
**\$6 MILLION OF PRIVATE
 EQUITY**
 FROM

Millennia Partners
 BOSTON MILLENNIA PARTNERS

WE REPRESENTED AIRPATH

Job
 broadband

A PROVIDER OF FIXED
 WIRELESS BROADBAND SERVICE
 TO THE RESIDENTIAL AND SME
 COMMERCIAL MARKETS
 HAS SECURED

\$15,000,000
 IN SENIOR DEBT FINANCING
 FROM

HERCULES
 TECHNOLOGY GROWTH CAPITAL

WE REPRESENTED JOB.

**MINNESOTA
 PUBLIC RADIO**

HAS LEASED CERTAIN OF ITS
 2.5 GHz EBS SPECTRUM TO
 AFFILIATES OF

Sprint

THE TRANSACTION INCLUDES
 SELECTED CHANNELS IN
 MN, SD AND ND.

WE REPRESENTED MPR.

Raising Capital to Grow Your Business

Moderator

Kevin Reidy

RBC Daniels

Senior Lenders

John Donner
Richard Vian

CoBank
Union Bank

Federal Programs

Tony Tindall

Dept. of Agriculture,
RUS

Vendor Financing

Raymond Kim

ZTE USA

Wireless Operator

Craig Sheetz

Cellular One of
East Texas



American Recovery and Reinvestment Act of 2009



Rural Development – Rural Utilities Service
\$2,500,000,000



On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (“ARRA”).

Vision

- Rural Development will support the expansion of broadband service in rural areas through financing and grants to projects that provide access to high speed service and facilitate economic development in locations without sufficient access to such service.



Strategy

- In order to provide economic stimulus during the current recession, ARRA requires that funds be obligated by September 30, 2010.
- Rural Development will provide a combination of direct loans and grants to applicants that offer the most viable, economically advantageous proposals available within that time period.
- These funds will be awarded on a competitive basis with unprecedented transparency and accountability.



Timeline

- Within 60-days of the end of the public comment period on April 13, 2009, we intend to publish a series of Notice of Funding Availability (NOFAs) in the Federal Register seeking applications for USDA assistance. The NOFA will include:
 - The amount of funding available
 - Applicant, Area and Project eligibility requirements
 - The application process
 - The application window
 - Evaluation (scoring) criteria
 - The reporting requirements for borrowers/grantees



- **Website information will be updated frequently. Program notices and updates will be posted at:**
- **www.usda.gov/rus/telecom. NTIA information can be found at: www.ntia.doc.gov/broadbandgrants**
- **Contact:**
- **Mary Campanola, USDA Rural Utilities Telecommunications Outreach Coordinator at mary.campanola@wdc.usda.gov; telephone 202-720-8822.**
- **Telecommunications General Field Representatives: <http://www.usda.gov/rus/telecom/staff/gfr-state-list.htm>**