UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2015

Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File No. 001-12593

Atlantic Tele-Network, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**47-0728886** (I.R.S. Employer Identification No.)
600 Cummings Center **Beverly, Massachusetts** (Address of principal executive offices)	**01915** (Zip Code)

(978) 619-1300
(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of each exchange on which registered
Common Stock, par value $.01 per share	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: **None**

(Title of each class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☒	Accelerated filer ☐	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of Common Stock held by non-affiliates of the registrant as of June 30, 2015, was approximately $748 million based on the closing price of the registrant’s Common Stock as reported on the NASDAQ Global Select Market.

As of February 29, 2016, the registrant had 16,076,094 outstanding shares of Common Stock, $.01 par value.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s Definitive Proxy Statement for the 2016 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this "Report") contains statements about future events and expectations, or forward-looking statements, all of which are inherently uncertain. We have based those forward-looking statements on our current expectations and projections about future results. When we use words such as "anticipates," "intends," "plans," "believes," "estimates," "expects," or similar expressions, we do so to identify forward-looking statements. Examples of forward-looking statements include statements we make regarding our business operations and plans, future economic and political conditions in the markets in which we operate, the competitive environment in the markets in which we operate, legal and regulatory actions and technological changes, the pace of our network expansion and improvement, our future prospects for growth, our continued access to the credit and capital markets, our ability to maintain or increase our market share, demands for our services and industry trends, our future operating results and our future capital expenditure levels. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. These assumptions could be proven inaccurate. These forward-looking statements may be found under the captions "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors" and "Business," as well as in this Report generally.

You should keep in mind that any forward-looking statement made by us in this Report or elsewhere speaks only as of the date on which we make it. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. In any event, these and other important factors may cause actual results to differ materially from those indicated by our forward-looking statements, including those set forth in Item 1A of this Report under the caption "Risk Factors." We have no duty to, and do not intend to, update or revise the forward-looking statements made by us in this Report after the date of this Report, except as may be required by law.

In this Report the words "ATN," "the Company," "we," "our," "ours" and "us" refer to Atlantic Tele-Network, Inc. and its subsidiaries. This Report contains trademarks, service marks and trade names that are the property of Atlantic Tele-Network, Inc., and its subsidiaries or licensed from others.

References to dollars ($) refer to U.S. dollars unless otherwise specifically indicated.

PART I

ITEM 1. BUSINESS

Overview

We are a holding company that, through our operating subsidiaries, (i) provides wireless and wireline telecommunications services in North America, Bermuda and the Caribbean, (ii) owns and operates commercial distributed generation solar power systems in the United States, and (iii) owns and operates terrestrial and submarine fiber optic transport systems in the United States and the Caribbean, respectively. We were incorporated in Delaware in 1987 and began trading publicly in 1991. Since that time, we have engaged in strategic acquisitions and investments to grow our operations. We continue to actively evaluate additional domestic and international acquisition and investment opportunities and other strategic transactions in the telecommunications, energy-related and other industries that meet our return-on-investment and other acquisition criteria. For a discussion of our investment strategy and risks involved, see "*Risk Factors—We are actively evaluating investment, acquisition and other strategic opportunities, which may affect our long-term growth prospects*."

We offer the following principal services:

- ***Wireless.*** In the United States, we offer wholesale wireless voice and data roaming services to national, regional, local and selected international wireless carriers in rural markets located principally in the Southwest and Midwest United States. We also offer wireless voice and data services to retail customers in Bermuda, Guyana, and in other smaller markets in the Caribbean and the United States.

- ***Wireline.*** Our local telephone and data services include our operations in Guyana and the mainland United States. We are the exclusive licensed provider of domestic wireline local and long-distance telephone services in Guyana and international voice and data communications into and out of Guyana. We also offer facilities-based integrated voice and data communications services and wholesale transport services to enterprise and residential customers in New England, primarily Vermont, and in New York State. In addition, we offer wholesale long-distance voice services to telecommunications carriers.

- ***Renewable Energy.*** In the United States, we provide distributed generation solar power to corporate, utility and municipal customers in Massachusetts, California and New Jersey.

We provide management, technical, financial, regulatory, and marketing services to our subsidiaries and typically receive a management fee equal to a percentage of their revenues, which is eliminated in consolidation. For information about our financial segments and geographical information about our operating revenues and assets, see Notes 1 and 17 to the Consolidated Financial Statements included in this Report.

Our principal corporate offices are located at 600 Cummings Center, Beverly, Massachusetts, 01915. The telephone number at our principal corporate offices is (978) 619-1300.

Strategy

The key elements of our strategy consist of the following:

- ***Target Under-served Markets or Industries Where We Can Compete Successfully.*** We operate our telecommunications businesses primarily in smaller, rural or under-served markets where we believe we are or will be one of the leading providers of telecommunications services. Our pending transactions in the US Virgin Islands and Bermuda provide us with the opportunity and scale to build out our services in key geographies where we see the opportunity to create long term value. Our businesses typically have strong local brand identities and market positions. By leveraging these attributes, along with our lower cost of capital and our senior management expertise at the holding company level, we seek to improve and expand available products and services in our targeted markets to better meet the needs of our customers and expand our customer base and revenues. We are particularly interested in investing in businesses that have the potential to provide a platform for future organic and strategic growth. Our solar company investments have afforded us entry into an emerging industry in which we believe there are attractive investment return opportunities and the potential to expand our business.

- ***Collaborate with Local Management.*** We believe that strong local management enhances our close relationship with customers and reduces risk. Wherever feasible, we seek to partner with local investors, owners or management teams who have demonstrated a successful track record or have extensive knowledge of the industry. We seek to enhance our strong market position by maintaining these relationships and by leveraging our comprehensive management experience and technical and financial expertise to assist them in further improving operations.

- ***Maintain a Disciplined Earnings-Oriented Approach.*** We carefully assess the potential for earnings stability and growth when we evaluate the performance of our subsidiaries, new investment opportunities and prospective acquisitions or dispositions. In managing our more mature businesses, we seek to solidify our brands, improve customer satisfaction, add new services, control costs and preserve cash flow. In managing newer, early-stage businesses, we seek to invest capital to improve our competitive position, increase market share and generate strong revenue and cash flow potential. We consider new investments, acquisitions and dispositions on a disciplined, return-on-investment basis.

Acquisitions

Caribbean Asset Holdings LLC

On September 30, 2015, we entered into an agreement to acquire all of the membership interests of Caribbean Asset Holdings LLC, the holding company for the Innovative group of companies operating cable TV, Internet and landline services primarily in the U.S. Virgin Islands (“Innovative”), from the National Rural Utilities Cooperative Finance Corporation (“CFC”). We will purchase the Innovative operations for a purchase price of approximately $145.0 million, subject to certain purchase price adjustments (the “Innovative Transaction”). In connection with the purchase, we have the option to finance up to $60 million of the purchase price with a loan from an affiliate of CFC, the Rural Telephone Finance Cooperative (“RTFC”) on the terms and conditions set forth in a commitment letter and rate lock option letter executed by RTFC filed herewith as Exhibits 99.1 and 99.2, respectively. We expect to fund the remaining $85.0 million of the purchase price, plus any amounts not financed, in cash. With the purchase, our current operations in the U.S. Virgin Islands under the “Choice” name, will be combined with Innovative to deliver residential and business subscribers a full range of telecommunications and media services.

The Innovative Transaction is subject to customary closing terms and conditions and the receipt of approvals from the Federal Communications Commission and regulatory authorities in the U.S. and British Virgin Islands and St. Maarten. We currently expect to complete the proposed transaction in mid-2016.

KeyTech Limited

On October 5, 2015, we entered into an agreement with KeyTech Limited (“KeyTech”), a publicly held Bermuda company listed on the Bermuda Stock Exchange (“BSX”) that provides broadband and cable television services and other telecommunications services to residential and enterprise customers under the “Logic” name in Bermuda and the Cayman Islands, in which we will acquire a controlling interest in KeyTech as part of a proposed business combination of KeyTech with our subsidiary providing wireless services under the “CellOne” name in Bermuda (the “KeyTech Transaction”). KeyTech currently owns a 43.0% interest in CellOne, and as part of the KeyTech Transaction, we will contribute our current ownership interest of approximately 43% in CellOne and approximately $42.0 million in cash in exchange for a 51% ownership interest in KeyTech. We currently own on a combined basis with KeyTech approximately 85% of CellOne. As part of the KeyTech Transaction, CellOne will be merged with and into a company within the KeyTech group and the approximate 15% interest in CellOne held, in the aggregate, by CellOne’s minority shareholders will be converted into the right to receive common shares in KeyTech.

Following the transaction, CellOne will be indirectly wholly owned by KeyTech and KeyTech will continue to be listed on the BSX. A portion of the cash proceeds that KeyTech will receive upon closing will be used to fund a one-time special dividend to KeyTech's existing shareholders and to retire KeyTech's subordinated debt. We currently consolidate the operations of CellOne and, upon closing of the KeyTech Transaction, will consolidate the results of KeyTech, in our financial statements.

The KeyTech Transaction is subject to customary closing terms and conditions, including, among others, the receipt of approval from the Bermuda Regulatory Authority, the Federal Communications Commission, and the Information and Communications Technology Authority of the Cayman Islands and the consent of the Bermuda Stock Exchange to certain transaction matters. KeyTech shareholders approved the proposed transaction by affirmative vote on October 20, 2015. We are working towards completing the proposed transaction by the end of the first quarter of 2016.

Our Services

Wireless Services

We provide mobile wireless voice and data communications services in the United States, Bermuda and the Caribbean. Our revenues from wireless services were approximately 67% of our consolidated revenues for fiscal year 2015. Currently, the U.S. portion of our business constitutes a significant portion of our consolidated revenue. Our revenues from U.S. wireless services were approximately 37%, 46%, and 44% of our consolidated revenues for the years ended December 31, 2013, 2014, and 2015, respectively. Our U.S. wireless service revenues have historically had high operating margins and therefore have contributed a large percentage of operating income.

U.S. Wireless Segment

In the United States, we provide wholesale wireless voice and data roaming services in rural markets to national, regional, local and selected international wireless carriers. Our largest wholesale networks are located principally in the western United States. We also offer wireless voice and data services to retail customers in certain rural markets already covered by our wholesale networks.

Services. The revenue and profits of our U.S. wholesale wireless business are primarily driven by the number of sites and base stations in operation, the amount of voice and data traffic that each of these sites generates, and the rates we receive from our carrier customers on that traffic. Many of our sites are located in popular tourist and seasonal visitor areas, which has resulted in higher wholesale revenues in those areas during the summer months.

We currently have roaming agreements with approximately 50 United States- based wireless service providers and, as of December 31, 2015, had roaming arrangements with each of the four U.S. national wireless network operators: AT&T, Sprint, T-Mobile and Verizon Wireless. Other than the agreements with the national carriers, our standard roaming agreements are usually terminable within 90 days. Occasionally, we may agree or strategically decide to lower rates or build a new mobile network at a specified location as part of a long-term roaming agreement to offer our roaming partner pricing certainty in exchange for priority designation with respect to their customers' wireless traffic. Once we complete building a rural network, we then benefit from the use of that network under existing roaming agreements with other international, national, regional, and local carriers to supplement our initial revenues. In 2015, the four national wireless service providers together accounted for a substantial portion of our wholesale wireless revenues, with AT&T and Verizon accounting for 17% and 19%, respectively, of our total consolidated revenue for the year.

Network and Operations. Our roaming network uses GSM/UMTS technology that often will be deployed at a single cell site location along with CDMA/EVDO coverage in order to maximize revenue opportunities. The majority of our GSM/GPRS sites have been upgraded to UMTS/HSPA. In 2016, we plan to complete the efforts we began in the 2013 fiscal year to other advanced mobile technologies in many areas. Our networks comprise base stations and radio transceivers located on owned or leased towers and buildings, telecommunications switches and leased transport facilities.

As of December 31, 2015, we owned and operated a total of approximately 800 domestic base stations on nearly 520 owned and leased sites, a Network Operations Center (or "NOC") and a switching center. Our switching center routes calls, supervises call originations and terminations at cell sites and manages call handoffs. This location also houses platforms that enable our customers to use a variety of services, including text messaging, picture messaging, voice mail and data services. Our NOC provides dedicated, 24-hour, year-round monitoring of our network to ensure quality and reliable service to our customers. In 2015, we continued to expand and improve our network, adding nearly 100 new base stations and approximately 45 new sites and upgrading 40 sites to more advanced mobile data technologies.

Competition. We compete with wireless service providers that operate networks in our markets and offer wholesale roaming services. However, the most significant competitive challenge we face in our U.S. wholesale wireless business is the extent to which our carrier customers choose not to roam on our networks or elect to build or acquire their own infrastructure in a market in which we operate, reducing or eliminating their need for our services in those markets. We address this competitive threat mainly by providing a service that would be more costly for the carrier to provide itself, or, at least, a less attractive expenditure than alternative investments in its network or business elsewhere.

Occasionally, we have entered into buildout projects with existing carrier customers to help the customer accelerate the buildout of a given area. Pursuant to these arrangements, we agree to incur the cost of building and operating a network in a newly designated area meeting specified conditions. In exchange, the carrier agrees to license us spectrum in that area and enter into a contract with specific pricing and term. These arrangements typically include a purchase right in favor of the carrier to purchase that portion of the network and receive back the spectrum for a predetermined price, depending on when the option to purchase is exercised. For example, as previously disclosed in December 2012, we sold a portion of our network to a carrier customer pursuant to an option contained in a roaming and buildout agreement with that carrier. We currently have one buildout arrangement of approximately 100 built cell sites that provides the carrier with an option to purchase such sites exercisable beginning in 2018. This portion of network accounted for approximately $13.4 million in wholesale revenue during the twelve months ended December 31, 2015. At this time, we cannot predict when or whether the purchase option will be exercised.

Our ability to maintain appropriate capacity and relevant technology to respond to our roaming partners' needs also shapes our competitive profile in the markets in which we operate.

Island Wireless Segment

We provide wireless voice and data service to retail and business customers in Bermuda under the "CellOne" name, and in the U.S. Virgin Islands and in Aruba under different brand names. We also provide roaming services for many of the largest U.S. providers' customers visiting these islands. Following the consummation of our Innovative and KeyTech Transactions, we intend to expand our operations in Bermuda and the U.S. Virgin Islands to include television, internet and phone services in addition to our existing wireless services.

Products and Services. In Bermuda, a majority of our customers subscribe to one of our postpaid plans, which allow customers to select a plan with a given amount of voice minutes, text messaging, data and other features that recur on a monthly basis. A substantial majority of our customers in other markets in our Island Wireless segment subscribe to our prepaid plans, which require customers to purchase an amount of voice minutes, text messages or data prior to use. In the U.S. Virgin Islands and other island markets, we also provide Internet access services via a variety of wireless broadband technologies. At December 31, 2015, we had approximately 53,000 retail subscribers in our Island Wireless segment.

Network. We currently operate multiple advanced wireless voice and data technologies in our island markets in the 850 and 1900 MHz frequency bands, including GSM/EDGE, UMTS/HSPA+ and CDMA/EVDO and plan to add LTE technology in certain of our markets in 2016. We have extensive backbone facilities linking our sites, switching facilities and international interconnection points. Off-island connectivity is provided by leased, fiber-based interconnections.

Sales and Marketing. We maintain retail stores in our markets and allow customers to pay their bills and "top up", or add additional minutes to their prepaid plans, through payment terminals at local stores or our website. We advertise frequently through print and electronic media, radio station spots and sponsor various events and initiatives.

Handsets and Accessories. We offer a diverse line-up of wireless devices and accessories designed to meet both the personal and professional needs of our customers. Our device assortment includes a wide range of smartphones including those featuring the Android and IOS operating systems in addition to a full line of feature phones, wireless hot spots and various wireless solutions for small businesses. To complement our phone offerings, we sell a complete range of original equipment manufacturer and after-market accessories that allow our customers to personalize their wireless experience, including phone protection, battery charging solutions and Bluetooth hands-free kits.

Competition. We believe we compete for wireless retail customers in our island properties based on features, price, technology deployed, network coverage (including through roaming arrangements), quality of service and customer care. We compete against Digicel, which is a large mobile telecommunications company in the Caribbean region, and in some markets, against one or more U.S. national operators or the wireless division of the incumbent telephone companies.

International Integrated Telephony Segment

A portion of our International Integrated Telephony segment includes wireless telephone service we offer in Guyana. We offer these services in the vast majority of populated areas, including Georgetown (Guyana's capital and largest city) and the surrounding area and substantially all of the country's coastal plain where the majority of its population is concentrated. As of December 31, 2015, we had approximately 230,000 wireless subscribers. As of December 31, 2015, more than 96% of our wireless subscribers in Guyana were on prepaid plans.

Network. Our GSM network operates in the 900 MHz band and in the 1800 MHz band. We estimate that substantially all of the country's population resides in areas covered by our wireless network.

Sales and Marketing. We offer our wireless postpaid subscribers various calling plans and charge monthly fees plus airtime based on the selected plan. In September 2015, we re-branded our services and revealed an updated logo and branding, and refurnished sales locations to our customers. In addition to our retail stores, our customers may set up accounts at one of our six business centers. Our handsets, prepaid cards and prepaid accounts are sold primarily through independent dealers that we pay on a commission basis. Payments by our prepaid customers can be made by the purchase of disposable prepaid calling cards, which come in fixed Guyana dollar amounts, or by recharging an account at an authorized vendor location.

Competition. We provide wireless services in Guyana pursuant to a non-exclusive license. Digicel, our competitor, entered the market in late 2006 and has used an aggressive marketing approach to acquire, and now retain, market share. However, our continued investments in our network and customer offerings have enabled us to retain substantially all of our market share of customers. We believe we compete for customers primarily based on price, promotions, coverage and quality of service.

Wireline Services

Our wireline services include operations in Guyana and the mainland United States. Our revenues from wireline services were approximately 29%, 25% and 24% of our consolidated revenues for fiscal years 2013, 2014 and 2015, respectively.

International Integrated Telephony Segment

A portion of our International Integrated Telephony segment consists of wireline services we provide in Guyana, where we are the exclusive licensed provider of domestic wireline local and long-distance telephone services into and out of the country. As of December 31, 2015, we had approximately 154,000 access lines in service, which represent both residential and commercial subscribers. Of all fixed lines in service, the majority are in the largest urban areas, including Georgetown, Linden, New Amsterdam, Diamond and Beterverwagting. As a result of our continued network expansion into smaller communities, and more recently, newly developed housing areas and residential parks, residential customers now account for approximately two-thirds of the wireline local telephone service revenue while commercial customers account for approximately one-third. We also provide broadband service in Guyana, which accounted for 16% of our revenues in our International Integrated Telephony segment in 2015. As of December 31, 2015, we had approximately 43,000 Internet customers.

With respect to our international long-distance business, we collect payments from foreign carriers for handling international long-distance calls originating from the foreign carriers' country and terminating in Guyana. We also make payments to foreign carriers for international calls from Guyana terminating in the foreign carrier's country and are entitled to collect from our subscribers (and from competing wireless carriers) a rate that is regulated by the Public Utilities Commission ("PUC") of Guyana.

Network. All of our fixed access lines are digitally switched from our switching center in Georgetown, Guyana. Our switching center provides dedicated monitoring of our network to ensure quality and reliable service to our customers.

Our international long-distance network is linked with the rest of the world principally through our fiber-optic submarine cable into Guyana, through our ownership of a portion of the Americas II undersea fiber-optic cable and by leasing capacity on several other cables. The Suriname-Guyana Submarine Cable System, which we co-own with Telesur, the government-owned telecommunications provider in Suriname, provides us with more robust redundancy, the capacity to meet growing data demands in Guyana, and the opportunity to provide new and enhanced IP centric services such as Internet service. We also lease capacity on Intelsat satellites and have two Standard B earth stations, which provide both international and local backhaul services.

Sales and Marketing. Our revenues for fixed access domestic service are derived from installation charges for new lines, monthly line rental charges, monthly measured service charges based on the number and duration of calls and other charges for maintenance and other customer services. For each category of revenues, rates differ for residential and commercial customers and are set by regulatory authorities. We employ a minimal sales force for our basic wireline offering, as wireline sales are primarily driven by network expansion and availability of service. Customers can pay their bills at any one of our six business centers, any Western Union branch, commercial banks and post offices.

Competition. We have the exclusive right to provide domestic fixed and international voice and data services in Guyana. As the initial term of our license was scheduled to expire in December 2010, we notified the Government of Guyana of our election to renew our exclusive license for an additional 20 year term expiring in 2030 and received return correspondence from the Government that our exclusive license had been renewed until such time that new legislation is in place with regard to the Government's intention to introduce competition into the sector. We believe, however, our exclusive license continues to be valid unless and until such time as we enter into an alternative agreement with the Government. See "—Guyana Regulation—Regulatory Developments" and "Risk Factors—Our exclusive license to provide local exchange and international voice and data services in Guyana is subject to significant political and regulatory risk."

U.S. Wireline Segment

We are a leading provider of competitive integrated voice and broadband data communications and wholesale transport services in Vermont, New York and New Hampshire.

Network. We provide voice and data services using a network comprising telecommunications switching and related equipment that we own and telecommunications lines that we typically lease from the incumbent telephone company. We operate high capacity fiber-optic ring networks in Vermont and New York State that we use to connect our enterprise markets and to provide wholesale data transport services to other carriers. As of December 31, 2015, we had approximately 260,000 business and 6,000 residential access line equivalents (“ALEs”), in billing. ALEs are calculated by determining the number of individual voice or data lines, in 64 kbps segments, that generate a monthly recurring charge within an end user circuit or circuits. As of December 31, 2015, we also provided broadband services to approximately 3,700 accounts in Vermont and western New Hampshire.

In 2010, we received two grants from the National Telecommunications and Information Administration of the U.S. Department of Commerce to expand our existing network by constructing ten new segments of a 1,300 mile fiber-optic, middle-mile broadband infrastructure in upstate New York and to construct and operate a 773 mile fiber-optic middle mile network in Vermont. Our New York project was completed in 2013 and our Vermont project was completed in 2014.

Sales and Marketing. We sell our services primarily through a direct sales force that assists customers in choosing tailored solutions for their specific communication needs. Our direct sales staff focuses on selling integrated voice and data to small and medium-sized businesses and other organizations, while residential services are largely sold through advertising and word of mouth. We advertise on television and radio through cooperative arrangements and engage in other promotional activities from time to time.

Our wholesale transport and capacity customers are predominately telecommunications carriers such as local exchange carriers, wireless carriers and interstate integrated providers, which are served by our direct sales force. We expect to expand our customer base in New York State to include more large- scale end users such as large enterprises, governmental agencies and educational institutions, and with the completion of our Vermont stimulus project build in 2014, to add wholesale transport and capacity customers in Vermont.

Competition. We compete for retail customers by offering customized voice and data solutions designed to meet the specific needs of our two targeted subsets of customers by providing superior customer service and competitive pricing. Our primary retail competitor is Fairpoint Communications, which acquired the incumbent local exchange business of Verizon Communications in northern New England. We also compete with cable companies, such as Comcast, and other competitive service providers who target small and medium sized businesses. Our wholesale competitors include Level 3 and Verizon Communications, other regional wholesale providers and cable television companies that operate fiber-optic networks.

Renewable Energy Services

On December 24, 2014, we acquired a provider of distributed generation solar power services in the United States, specifically, in Massachusetts, California and New Jersey (the “Ahana Acquisition”). As of December 31, 2015, we owned and operated 28 commercial solar projects at 59 sites (each, a “Facility”) with an aggregate 45.8 megawatts DC (“MWs”) of electricity generating capacity. We own the Facilities through various indirect subsidiaries that were formed for the purpose of financing the development of, and owning and operating, the Facilities (the “Special Purpose Entities”).

Services. Generally, our solar projects are in the "commercial and industrial" (C&I) sector of the solar market, which is distinguished from utilities and residential customers. Our customers or "offtakers" include high-credit quality corporates, utilities, schools, and municipalities, which purchase electricity from us under the terms of long-term power purchase agreements ("PPAs"). Each Facility is built on the customer's owned or leased site and reduces the customer's dependence on traditional energy suppliers, thereby mitigating the price volatility often associated with traditional energy suppliers and transmissions systems. Our PPA terms range from ten to twenty-five years in duration and are typically priced at or below local retail electricity rates, allowing the customer to secure electricity at predictable and stable prices over the duration of their long-term contract. As such, the PPAs provide us with high-quality contracted cash flows, which will continue over their average remaining life, weighted by MWs, of 13.4 years as of December 31, 2015. Certain of our PPAs provide for early termination for a variety of reasons, including in the event that (a) an offtaker is unable to appropriate funds from state and local governments, (b) there is a change of law that substantially reduces the value of utility credits, (c) termination for convenience, or (d) the Facility causes damage to the premises or roof and our customer fails to repair or causes the customer to be in violation of law, or the customer ceases to hold tenancy or fee interest in the premises. All of our Facilities have been in commercial operation for at least two years and are located as follows:

State	Number of Facilities	Total Capacity (MW-DC)
California	33	17.271
Massachusetts	16	26.999
New Jersey	10	1.524
Total	**59**	**45.794**

In developing each solar project, we facilitate the project's design, development and construction and obtain project-level financing, and we take a controlling interest in the Special Purpose Entity that owns the project Facility in exchange for a PPA. Our solar projects may be financed using a combination of tax equity, bank financing that we secure and our cash on hand. A substantial majority of our acquired Facilities received tax equity financing, pursuant to which third party investors hold equity in the Special Purpose Entities that were formed to finance the development of, and own and operate, such Facilities. In return, the tax equity investors receive a preferred return on their investment up to a contractually agreed amount and the benefits of various tax credits those Facilities generate. In addition, the Facilities located in California receive revenue from performance based incentive payments ("PBIs") and those located in Massachusetts and New Jersey receive revenue from the sale of solar renewable energy credit ("SREC") contracts, which revenue we retain as the Facilities' operator. In the future, we intend to focus on growing our project portfolio through additional investments with favorable credit quality offtakers in markets that offer favorable government policies to encourage renewable energy projects and where our projects can generate electricity at a cost that is less than or equal to the price of purchasing power from traditional energy sources.

We contract with utilities through an interconnection agreement to export excess energy generated by our Facilities to another offtaker and/or the utility electrical grid.

Infrastructure.

Our existing Facilities are comprised of rooftop, ground-mounted and elevated solar support structure photovoltaic ("PV") installations. Our Facilities are located on our customers' buildings, parking structures, landfill sites and other locations pursuant to leases or easements granted to us by our customers. These Facilities use crystalline silicon PV modules mounted in ballasted, tracking or roof penetrating fixed-tilt configurations. All of our existing Facilities were designed, engineered and constructed by Borrego Solar Systems, Inc. ("Borrego"), a former sister company of our acquired solar operations, pursuant to engineering, procurement and construction, or "EPC", agreements. Borrego now also maintains our Facilities at a committed fee through long-term Operations and Maintenance Agreements ("O&M Agreements"). Each O&M Agreement commits Borrego to provide maintenance of a Facility for ten years after such Facility is placed in service, including systems monitoring and troubleshooting, inspection, preventative maintenance and any other services on an as-needed basis at our request at an additional cost.

We are dependent on a limited number of key suppliers for the PV modules that we purchase for installation at our Facilities, with the majority of Facilities constructed with PV modules supplied by Yingli Green Energy Holding Company Limited, a Chinese company that sources cells from Taiwanese manufactures and assembles them in China. Typically, the PV modules carry materials and workmanship warranties from 5-10 years in duration, with power warranties for a 25-year useful life.

Competition.

We compete with the traditional electric power industry, as well as with other solar energy companies that may have greater financial resources or brand name recognition than we do, disadvantaging our ability to attract new customers. The solar energy industry is highly competitive and continually evolving and as such, we expect to compete for future project opportunities with new entrants in the distribution solar energy generation industry as well. We believe that we compete with the traditional utilities primarily based on price and the predictability of that price, while we compete with other solar energy providers based on our ability to structure the development and financing of a project for our potential customers or developers on favorable terms.

Employees

As of December 31, 2015, we had approximately 1,200 employees, of whom approximately 400 were employed in the United States (including in the U.S. Virgin Islands). At the holding company level, we employ our executive management team and staff. More than half of our Guyana full-time work force is represented by the Guyana Postal and Telecommunications Workers Union. We do not have any other union employees at this time, however, will employ additional union employees after we complete our pending transactions. We believe we have good relations with our employees.

Regulation

Our telecommunications operations are subject to extensive governmental regulation in each of the jurisdictions in which we provide services. The following summary of regulatory developments and legislation does not purport to describe all present and proposed federal, state, local, and foreign regulation and legislation that may affect our businesses. Legislative or regulatory requirements currently applicable to our businesses may change in the future and legislative or regulatory requirements may be adopted by those jurisdictions that currently have none. Any such changes could impose new obligations on us that would adversely affect our operating results.

U.S. Federal Regulation

Our wireless and wireline operations in the United States and the U.S. Virgin Islands are governed by the Communications Act of 1934, as amended (or “Communications Act”), the implementing regulations adopted thereunder by the Federal Communications Commission (“FCC”), judicial and regulatory decisions interpreting and implementing the Communications Act, and other federal statutes. Our solar operations are regulated by the Federal Energy Regulatory Commission (“FERC”) and the mandatory reliability requirements imposed by the North American Electric Reliability Corporation.

Wireless Services

The FCC regulates, among other things; the licensed and unlicensed use of radio spectrum; the ownership, lease, transfer of control and assignment of wireless licenses; the ongoing technical, operational and service requirements applicable to such licenses; the timing, nature and scope of network construction; the provision of certain services, such as E-911; and the interconnection of communications networks in the United States.

Licenses. We provide our wireless services under various commercial mobile radio services (or “CMRS”) licenses, such as cellular, broadband Personal Communications Services (or “PCS”) or 700 MHz licenses, and broadband radio service (or “BRS”) licenses granted by the FCC and pursuant to leases of spectrum from FCC-licensed operators. Some of these licenses are site- based while others cover specified geographic market areas, typically Cellular

Market Areas (or “CMAs”) and Basic Trading Areas (or “BTAs”), as defined by the FCC. The technical and service rules, the specific radio frequencies and the authorized spectrum amounts vary depending on the licensed service. The FCC generally allocates CMRS and BRS licenses through periodic auctions, after determining how many licenses to make available in particular frequency ranges, the applicable service rules, and the terms on which the license auction will be conducted. Such licenses are also available via secondary market mechanisms, using procedures and regulations set forth by the FCC. There is no certainty as to whether or not such additional spectrum will be made available for wireless broadband services, the amount of spectrum that might ultimately be made available, the timing of the auction of any such spectrum, the likely configuration of any such additional spectrum and conditions that might apply to it, or the usability of any of this spectrum for wireless services competitive with our services or by us.

Construction Obligations. The FCC conditions licenses on the satisfaction of certain obligations to construct networks covering a specified geographic area or population by specific dates. The obligations vary depending on the licensed service. Failure to satisfy an applicable construction requirement can result in the assessment of fines and forfeitures by the FCC, a reduced license term, or automatic license cancellation. We are in compliance with the applicable construction requirements that have arisen for the licenses we currently hold and expect to meet our future construction requirements as well. If we do not meet initial construction requirements in December of 2016 for our 700 MHz licenses, or obtain a waiver of the construction requirements, the license term for such licenses will be shortened to June of 2017, and, we may be subject to fines and forfeitures and/or a reduction of our licensed service area. If we fail to meet the build out requirements by the end of the license term for our 700 MHz licenses, we will lose our authority to serve any unserved area within our 700 MHz licensed area and also could be subject to fines and forfeitures, including a revocation of our 700 MHz licenses. We currently expect to meet the build out or waiver requirements with respect to our 700 MHz licenses.

With respect to some of our licenses, if we were to discontinue operation of a wireless system for a period of time, (at least 90 consecutive days for cellular licenses), our license for that area would be automatically forfeited.

License Renewals. Our FCC licenses generally expire between 2015 and 2019 and are renewable upon application to the FCC. License renewal applications may be denied if the FCC determines, after appropriate notice and hearing, that renewal would not serve the public interest, convenience, or necessity. At the time of renewal, if we can demonstrate that we have provided “substantial” service during the past license term and have complied with the Communications Act and applicable FCC rules and policies, then the FCC will award a renewal expectancy to us and will generally renew our existing licenses without considering any competing applications. The FCC defines “substantial” service as service that is sound, favorable and substantially above a level of mediocre service that might only minimally warrant renewal. If we do not receive a renewal expectancy, then the FCC will accept competing applications for the license and conduct a comparative hearing. In that situation, the FCC may award the license to another applicant. While our licenses have been renewed regularly by the FCC in the past, there can be no assurance that all of our licenses will be renewed in the future.

In 2011, the FCC, in a Notice of Proposed Rule Making (“NPRM”), proposed to establish more consistent requirements for the renewal of licenses, uniform policies governing discontinuances of service, and to clarify certain construction obligations across all of the wireless service bands. The proposed changes to the applicable renewal and discontinuance of service requirements may be applied to existing licenses that will be renewed in the future. We are unable to predict with any certainty the likely timing or outcome of this wireless renewal standards proceeding.

The FCC may deny license applications and, in extreme cases, revoke licenses if it finds that an entity lacks the requisite qualifications to be a licensee. In making that determination, the FCC considers whether an applicant or licensee has been the subject of adverse findings in a judicial or administrative proceeding involving felonies, the possession or sale of unlawful drugs, fraud, antitrust violations, or unfair competition, employment discrimination, misrepresentations to the FCC or other government agencies, or serious violations of the Communications Act or FCC regulations. To our knowledge, there are no activities and no judicial or administrative proceedings involving either us or the licensees in which we hold a controlling interest that would warrant such a finding by the FCC.

License Acquisitions. Prior FCC approval typically is required for transfers or assignments of a controlling interest in any license or construction permit, or of any rights thereunder. The FCC may approve or prohibit such transactions altogether, or approve subject to certain conditions such as divestitures or other requirements. Non-controlling minority interests in an entity that holds an FCC license generally may be bought or sold without FCC approval, subject to any applicable FCC notification requirements. The FCC permits licensees to lease spectrum to third parties under certain conditions, subject to prior FCC approval, or in some instances, notification to the FCC. These mechanisms provide additional flexibility for wireless providers to structure transactions and create additional business and investment opportunities.

The FCC no longer caps the amount of CMRS spectrum in which an entity may hold an attributable interest and now engages in a case-by-case review of proposed wireless transactions, including spectrum acquired via auction, to ensure that the proposed transaction serves the public interest and would not result in a rule violation or an undue concentration of market power.

In reviewing proposed transactions that involve the transfer or assignment of mobile wireless spectrum, the FCC utilizes a spectrum aggregation screen to determine whether the transaction requires additional scrutiny. The FCC in June 2014 adopted an Order which updated the spectrum screen that the FCC uses in order to conduct its competitive review of proposed secondary market transactions. The FCC's Order continued the FCC's policy of conducting a case-by-case analysis of a combined entity's spectrum screen holdings for proposed transactions, revised its existing spectrum screen to reflect the current suitability and availability of spectrum for mobile wireless services, and adopted certain limitations with respect to the purchase and transfer of 600 MHz spectrum. A transaction will trigger additional FCC scrutiny if it will result in the geographic overlap of CMRS spectrum in a given area that is equal to or in excess of 141 MHz, 163.5 MHz, 171 MHz, or 194 MHz, depending on the availability of BRS and Advanced Wireless Services (or "AWS") spectrum in an overlap area. A transaction will also be reviewed by the FCC with heightened scrutiny if it will result in the resulting entity having over 45 MHz of spectrum under 1 GHz. The FCC's additional scrutiny would also be triggered if a proposed transaction results in a material change in the post-transaction market share in a particular market as measured by the Herfindahl-Hirschman Index. We are well below the spectrum aggregation screen in the geographic areas in which we hold or have access to licenses, and thus we may be able to acquire additional spectrum either from the FCC in an auction or from third parties in private transactions. Similarly, our competitors may be able to strengthen their operations by making additional acquisitions of spectrum in our markets or by further consolidating the industry.

Other Requirements. The Communications Act and the FCC's rules impose a number of additional requirements upon wireless service providers. A failure to meet or maintain compliance with the Communications Act and/or the FCC's rules may subject us to fines, forfeitures, penalties or other sanctions.

Wireless licensees must satisfy a variety of FCC requirements relating to technical and reporting matters. Licensees must often coordinate frequency usage with adjacent licensees and permittees to avoid interference between adjacent systems. In addition, the height and power of transmitting facilities and the type of signals emitted must fall within specified parameters. For certain licensed services, a variety of incumbent government and non-government operations may have to be relocated before a licensee may commence operations, which may trigger the payment of relocation costs by the incoming licensee.

The radio systems towers that we own and lease are subject to Federal Aviation Administration and FCC regulations that govern the location, marking, lighting, and construction of towers and are subject to the requirements of the National Environmental Policy Act, National Historic Preservation Act, and other environmental statutes enforced by the FCC. The FCC has also adopted guidelines and methods for evaluating human exposure to radio frequency emissions from radio equipment. We believe that all of our radio systems on towers that we own or lease comply in all material respects with these requirements, guidelines, and methods.

The FCC has adopted requirements for cellular, PCS and other CMRS providers to implement basic and enhanced 911, or E-911, services. These services provide state and local emergency service providers with the ability to better identify and locate 911 callers using wireless services, including callers using special devices for the hearing impaired. Because the implementation of these obligations requires that the local emergency services provider have certain facilities available, our specific obligations are set on a market-by- market basis as emergency service providers request the implementation of E- 911 services within their locales. As part of its E-911 initiatives, the FCC recently adopted stronger rules regarding E-911 location accuracy. The extent to which we are required to deploy E-911 services will affect our capital spending obligations. Federal law limits our liability for uncompleted 911 calls to a degree commensurate with wireline carriers in our markets.

In 2013, the FCC adopted rules requiring wireless carriers, such as ourselves, and certain other text messaging service providers to send an automatic ‘bounce-back’ text message to consumers who try to text 911 where text-to-911 is not available, indicating the unavailability of such services. In August 2014, the FCC required all wireless carriers, such as ourselves, as well as other providers of interconnected text messaging applications, to be capable of supporting text-to-911 service by December 31, 2014, and to provide such service to requesting PSAPs by June 30, 2015 or six months after a request from a PSAP, whichever is later. The FCC has also sought further comment regarding additional regulations pertaining to the provision of text-to-911 service.

Under certain circumstances, federal law also requires telecommunications carriers to provide law enforcement agencies with capacity and technical capabilities to support lawful wiretaps pursuant to the Communications Assistance for Law Enforcement Act (or “CALEA”). Federal law also requires compliance with wiretap-related record-keeping and personnel-related obligations. We are in compliance with all such requirements currently applicable to us. The FCC has adopted rules that apply CALEA obligations to high speed Internet access and voice-over Internet protocol (or “VoIP”) services. Maintaining compliance with these law enforcement requirements may impose additional capital spending obligations on us to make necessary system upgrades.

The FCC has long required CMRS providers to permit customers of other carriers to roam “manually” on their networks, for example, by supplying a credit card number, provided that the roaming customer’s handset is technically capable of accessing the roamed-on network. The FCC has also ruled that automatic voice roaming is a common carrier obligation for CMRS carriers. This ruling requires CMRS carriers to provide automatic voice roaming services to other CMRS carriers upon reasonable request and on a just, reasonable, and non-discriminatory basis pursuant to Sections 201 and 202 of the Communications Act. This automatic voice roaming obligation extends to services such as ours that are real-time, two-way switched voice or data services that are interconnected with the public switched network and utilize an in- network switching facility that enables the provider to reuse frequencies and accomplish seamless hand-off of subscriber calls. The FCC has held that the automatic voice roaming obligations of broadband CMRS providers extend to both in-market and out-of-market automatic voice roaming provided that the request is reasonable. In assessing whether a particular roaming request is reasonable, the FCC will consider the totality of the circumstances and may consider a number of factors, including the technical compatibility of the roamer, the extent of the requesting carrier’s build-out where it holds spectrum, and whether alternative roaming partners are available. In 2011, the FCC found that the automatic roaming obligation should be extended to services that are classified as information services (such as high speed wireless Internet access services) or to services that are not CMRS. The FCC found that such automatic data roaming, while not a common carrier service, should be offered by the providers of such services on a commercially reasonable basis, when technologically compatible and technologically feasible. The FCC may use a number of factors to determine commercial reasonableness of a particular request for such automatic data roaming services, including the technical compatibility of the roamer, the extent of the requesting carrier’s build-out where it holds spectrum, and whether alternative roaming partners are available.

We are obligated to pay certain annual regulatory fees and assessments to support FCC wireless industry regulation, as well as fees supporting federal universal service programs, number portability, regional database costs, centralized telephone numbering administration, telecommunications relay service for the hearing-impaired and application filing fees. These fees are subject to change periodically by the FCC and the manner in which carriers may recoup these fees from customers is subject to various restrictions.

Wireless and Wireline Services

Universal Service. In general, all telecommunications providers are obligated to contribute to the federal Universal Service Fund (or “USF”), which is used to promote the availability of wireline and wireless telephone service to individuals and families qualifying for federal assistance, households located in rural and high-cost areas, and to schools, libraries and rural health care providers. Contributions to the federal USF are based on end user interstate telecommunications revenue and some states have similar programs that also require contribution. The FCC is examining the way in which it collects carrier contributions to the USF, including a proposal to base collections on the number of telephone numbers or network connections in use by each carrier. We contribute to the USF as required by the rules throughout the U.S., and receive funds from the USF for providing service in rural areas of the United States and the U.S. Virgin Islands. The collection of USF fees and distribution of USF support is under continual review by state and federal legislative and regulatory bodies and we are subject to audit by the Universal Service Administration Corporation (or "USAC"). We believe we are substantially compliant with all FCC and state regulations related to the receipt and collection of universal service support.

In November 2011, the FCC released an order reforming the USF program to phase out the current level of high-cost USF support for wireless carriers over a period of five years, beginning in 2012. The scheduled phase out, however, was suspended in 2013 as the FCC addresses a delay in implementing phase two of its Mobility Fund program. Although we cannot predict the impact of such changes on the amounts we pay or receive in USF funds, we believe the changes are likely to impact our USF funding negatively, and consequently, our efforts to build and maintain networks in certain rural markets and our ability to provide services currently offered to very low income consumers supported by USF funds. The FCC's overhaul of the rules governing the distribution of USF currently are subject to various petitions before the United States Supreme Court and various petitions for reconsideration before the FCC. We cannot predict the likely timing or outcome of such petitions. As part of the USF reforms, the FCC created two new replacement funds, the Connect America Fund and the Mobility Fund, both of which allow for the use of USF funds for broadband services, in addition to voice services. The new funds are intended to provide targeted financial support to areas that are unserved or under-served by voice and broadband service providers and will be initiated during the phase out of USF support.

During this five year phase-out period, the FCC began distributing funds through new mechanisms associated with the Connect America Fund and the Mobility Fund. In July 2012, the FCC initiated the application process for the Mobility Fund I program, a reverse auction for a one-time distribution of up to $300 million intended to stimulate third- and fourth-generation wireless coverage in unserved and under-served geographic areas. A number of our subsidiaries participated in the Mobility Fund I reverse auction on September 27, 2012 and bid successfully for approximately $21.7 million in one-time support to expand voice and broadband networks in certain geographic areas in order to offer either 3G or 4G coverage. As part of the receipt of these funds, we committed to comply with certain additional FCC construction and other requirements.

Intercarrier Compensation. Under federal and state law, telecommunications providers are generally required to compensate one another for originating and terminating traffic for other carriers. Consistent with these provisions, we currently receive compensation from other carriers and also pay compensation to other carriers. In October 2011, the FCC, significantly revised its intercarrier compensation regime. Under the revised intercarrier compensation regime, where there is no pre-existing agreement between a CMRS carrier and a local exchange carrier (or "LEC") for the exchange of local traffic, such traffic between CMRS providers and most LECs is to be compensated pursuant to a default bill-and-keep regime, in which each carrier agrees to terminate calls from the other at no charge. The FCC's new intercarrier compensation regime also sets forth a transition schedule that will eventually result in the exchange of traffic between telecommunications carriers being exchanged on a bill-and-keep basis. The FCC's new intercarrier compensation rules may affect the manner in which we are charged or compensated for the exchange of traffic. We cannot predict the impact of any changes to these requirements on the amounts that we pay or receive. The FCC's overhaul of the rules governing intercarrier compensation currently are subject to various petitions before the United States Supreme Court and various petitions for reconsideration before the FCC. We cannot predict the likely timing or outcome of such petitions.

Local Competition. The Communications Act encourages competition in local telecommunications markets by removing barriers to market entry and imposing on non-rural incumbent local exchange carriers (or "ILECs"), among other things, duties to do the following:

- negotiate interconnection agreements at any technically feasible point on just, reasonable, and non-discriminatory rates, terms, and conditions;

- provide access to certain unbundled network elements (or "UNEs"), such as local loops and interoffice transport, or combinations of UNEs at nondiscriminatory, cost-based rates in certain circumstances;

- provide physical collocation, which allows competitive local exchange carriers (or “CLECs”) to install and maintain its network termination equipment in an ILEC’s central office or to obtain functionally equivalent forms of interconnection under certain circumstances;

- provide access to poles, ducts, conduits, and rights-of-way on a reasonable, non-discriminatory basis;

- offer retail local telephone services to resellers at discounted wholesale rates;

- when a call originates on its network, compensate other telephone companies for terminating or transporting the call;

- provide dialing parity, which ensures that customers are able to route their calls to telecommunications service providers without having to dial additional digits;

- provide notice of changes in information needed for another carrier to transmit and route services using its facilities; and

- provide telephone number portability, so customers may keep the same telephone number if they switch service providers.

In addition, under Section 271 of the Communications Act, the Bell Operating Companies (or “BOCs”) have an obligation to provide certain network elements, including elements (for example, local switching) that have been removed from the mandatory list of network elements that must be unbundled under Section 251 of the Communications Act. The BOCs are required to provide Section 271 network elements under a “just and reasonable” pricing standard. Over time, the FCC has removed the BOCs’ obligation to provide certain network elements under Section 271. There can be no assurance that the FCC will not continue to exercise its authority to remove other Section 271 network element obligations in the future. Any such action by the FCC may have an adverse effect on the financial condition or operations of our U.S. Wireline segment. We operate in a region where the ILEC is required to comply with the above-mentioned statutory provisions, and, accordingly, we have benefited from the reduced costs in acquiring required communication services, such as ILEC interconnection, and have benefited from the right to receive compensation for the termination of traffic. Provisions relating to interconnection, telephone number portability, equal access, and resale could, however, subject us to increased competition and additional economic and regulatory burdens. The FCC recently initiated a proceeding to gather information regarding a potential future transition from TDM to IP. The FCC has explicitly stated that it will consider the regulatory obligations that would apply to any transition of services from TDM to IP at a later time. We cannot predict with any certainty the FCC’s approach regarding the application of particular regulations in an IP-based regime.

While the FCC to date has declined to classify interconnected VoIP service as a telecommunications service or information service, it has imposed a number of consumer protection and public safety obligations on interconnected VoIP providers, relying in large part on its general ancillary jurisdiction powers. To the extent that we provide interconnected VoIP service we will be subject to a number of these obligations.

The FCC, in March 2015, adopted net neutrality rules for broadband Internet providers, including mobile broadband Internet providers, in which such providers would not be able to engage in various forms of blocking, throttling or engaging in paid prioritization agreements with respect to Internet content, subject to reasonable network management. The FCC also adopted enhanced transparency rules and a general conduct rule regarding behavior of broadband Internet providers. In doing so, the FCC reclassified broadband Internet service as a Title II service under the Communications Act. The FCC, in reclassifying broadband Internet service as a Title II service did specifically forbear from applying many legacy common carrier regulations to broadband Internet service providers. These network neutrality rules have been appealed to the Court of Appeals for the District of Columbia, and such appeal remains pending. We cannot predict with any certainty the likely timing or outcome of any Court action.

Obligations Due to Economic Stimulus Grants

Three of our subsidiaries have received awards from the Broadband Technology Opportunities Program ("BTOP") of the U.S. Department of Commerce ("DOC") pursuant to the American Recovery and Reinvestment Act of 2009 ("ARRA"). As a BTOP awardee, we are subject to the various terms and conditions included in the agency's Notice of Funds Availability published in the Federal Register on July 9, 2009. Among these requirements are Interconnection and Non- Discrimination requirements by which any awardee must comply with the following requirements: (i) adhere to the principles contained in the FCC's Internet Policy Statement (FCC 05-151, adopted August 5, 2005) or any subsequent ruling or statement; (ii) not favor any lawful Internet applications and content over others; (iii) display network management policies in a prominent location on its web page and provide notice to customers of changes to these policies; (iv) connect to the public Internet directly or indirectly, so that the project is not an entirely private closed network; and (v) offer interconnection, where technically feasible without exceeding current or reasonably anticipated capacity limitations, at reasonable rates and terms to be negotiated with requesting parties. While FCC rules regarding these issues may apply to all our operations, these particular requirements apply only to our BTOP-funded projects.

As a BTOP awardee, we are also required to comply with other terms and conditions of the individual DOC grants, including reporting, transparency and audit requirements pursuant to Section 1512 of the ARRA, and notification and reporting obligations set forth in the Office of Management and Budget Memorandum, *Implementing Guidance for Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009* (OMB M-09-21, June 22, 2009). We believe we are currently in material compliance with all BTOP and DOC requirements applicable to our grants.

Renewable Energy Services

All of our currently owned projects in operation are solar "qualifying facilities" under the Public Utility Regulatory Policies Act of 1978, as amended ("PURPA"). As such, the projects and the respective project company that own the projects are exempt from ratemaking and certain other regulatory provisions of the Federal Power Act, as amended ("FPA"), and from state organizational and financial regulation of electric utilities.

Our projects are also subject to compliance with the applicable mandatory reliability standards developed by the North American Electric Reliability Corporation and approved by FERC under the FPA.

Additionally, certain of the project companies that own projects or the "offtakers" of the electricity from the projects have entered into interconnection agreements with the local utility that allows the project companies or the offtakers to deliver excess electricity to the utility distribution system. In almost all cases, interconnection agreements are standard form agreements that have been preapproved by the local public utility commission or other state regulatory agencies with jurisdiction over interconnection agreements.

U.S. State Regulation (Telecommunications)

Federal law preempts state and local regulation of the entry of, or the rates charged by, any CMRS provider. As a practical matter, we are free to establish rates and offer new products and service with a minimum of regulatory requirements. The states in which we operate maintain nominal oversight jurisdiction. For example, although states do not have the authority to regulate the entry or the rates charged by CMRS providers, states may regulate the "other terms and conditions" of a CMRS provider's service. Most states still maintain some form of jurisdiction over complaints as to the nature or quality of services and as to billing issues. Since states may continue to regulate "other terms and conditions" of wireless service, and a number of state authorities have initiated actions or investigations of various wireless carrier practices, the outcome of these proceedings is uncertain and could require us to change certain of our practices and ultimately increase state regulatory authority over the wireless industry. States and localities assess on wireless carriers taxes and fees that may equal or even exceed federal obligations.

The location and construction of our wireless transmitter towers and antennas are subject to state and local environmental regulation, as well as state or local zoning, land use and other regulation. Before we can put a system into commercial operation, we must obtain all necessary zoning and building permit approvals for the cell site and tower locations. The time needed to obtain zoning approvals and requisite state permits varies from market to market and state to state. Likewise, variations exist in local zoning processes. If zoning approval or requisite state permits cannot be obtained, or if environmental rules make construction impossible or infeasible on a particular site, our network design might be adversely affected, network design costs could increase and the service provided to our customers might be reduced.

The FCC has adopted a declaratory ruling establishing presumptive timeframes in which states and localities must resolve tower siting applications before the applicant may seek judicial review—90 days for collocations and 150 days for all other siting applications. This ruling will expedite our ability to seek legal redress, and thus mitigate tower construction delays, in the event a state or locality does not timely act on our zoning applications.

Guyana Regulation

Our subsidiary, Guyana Telephone & Telegraph Limited (“GT&T”), in which we hold an 80% interest, is subject to regulation in Guyana under the provisions of GT&T’s License from the Government of Guyana, the Guyana Public Utilities Commission Act of 1999 as amended (or “PUC Law”) and the Guyana Telecommunications Act 1990 (or “Telecommunications Law”). The Public Utilities Commission of Guyana (or “PUC”) is an independent statutory body with the principal responsibility for regulating telecommunications rates and services in Guyana. The Ministry of Telecommunications, an agency of the Government of Guyana, has formal authority over telecommunications licensing and related issues.

Licenses. GT&T provides domestic fixed (both wireline and wireless) and international voice and data services in Guyana pursuant to a License from the Government of Guyana granting GT&T the exclusive right to provide the following: public telephone, radio telephone, and pay telephone services; domestic fixed services (both wireline and wireless); international voice and data services; sale of advertising in any telephone directories; and switched or non- switched private line service. The License, which was issued in December 1990, had an initial 20-year term. Pursuant to the License, GT&T also provides mobile wireless telephone service in Guyana on a non-exclusive basis pursuant to an initial twenty-year term. In November 2009, GT&T notified the Government of its election to renew both the exclusive and non- exclusive license grants for an additional 20 year term expiring in 2030. In exercising this option, GT&T reiterated to the Government that GT&T and the Company would be willing to voluntarily relinquish the exclusivity aspect of GT&T’s licenses, but only as part of an alternative agreement with the Government. On December 15, 2010, the Government, through the Office of the President, sent a letter to GT&T indicating that GT&T’s License was renewed until such time as a new legislative and regulatory regime to reform the telecommunications sector in Guyana is brought into force; however, GT&T formally notified the Government that it is entitled to an unconditional renewal of both the exclusive and non-exclusive license grants for an additional period of twenty years or until such time as GT&T and the Company enter into an alternative agreement with the Government.

PUC Law and Telecommunications Law. The PUC Law and the Telecommunications Law provide the general framework for the regulation of telecommunications services in Guyana. As a general matter, the PUC has authority to regulate GT&T’s domestic and international telecommunications services and rates and to require GT&T to supply certain technical, administrative and financial information as it may request. The PUC claims broad authority to review and amend any of GT&T’s programs for development and expansion of facilities or services, although GT&T has challenged the PUC’s view on the scope of its authority. For a description of recent actions of the PUC, see Note 15 to the Consolidated Financial Statements included in this Report.

Regulatory Developments. Since 2001, the Government of Guyana has stated its intention to introduce additional competition into Guyana’s telecommunications sector. Since that time, we have met on many occasions with officials of the Government of Guyana to discuss potential modifications of our exclusivity and other rights under the existing agreement. In 2012, the Government of Guyana introduced a bill into Parliament containing draft legislation, regulations, and licenses that, if enacted, would have the effect of terminating our exclusive license by permitting other telecommunications carriers to receive licenses to provide domestic fixed services and international voice and data services in Guyana. This proposed legislation would also introduce material changes to many other features of Guyana’s existing telecommunications regulatory regime. While no action has been taken on the proposed legislation since 2012, we cannot predict when or if the proposed legislation will be adopted by Parliament or, if adopted and then signed into law by the President, the manner in which it would be implemented by the Minister of Telecommunications and the PUC. Although we believe that we would be entitled to damages or other compensation for any involuntary termination of our contractual exclusivity rights, we cannot guarantee that we would prevail in a proceeding to enforce our rights or that such actions would effectively halt any unilateral action by the Government.

FCC Rule-Making and International Long-Distance Rates. The actions of foreign telecommunications regulators, especially the FCC in the United States, can affect the settlement or termination rate payable by foreign carriers to GT&T for incoming international voice calls. While the FCC continues to monitor and evaluate termination rate levels and benchmarks, the Company cannot predict when and if the FCC will further reduce settlement rates or the effect lower rates will have on revenue in the Company's International Integrated Telephony segment.

Caribbean and Bermuda Regulation

In Bermuda, we were historically subject to Bermuda's Telecommunications Act of 1986 that authorized it to use spectrum to deliver services under its "Class B" license. Beginning in 2013, the Regulatory Authority continued its implementation of the Electronic Communications Act of 2011, which allows communications service providers to enter new lines of business and introduces competition in the sector. As the government of Bermuda reforms the local telecommunications market, it has imposed regulatory and other fees and adopted additional regulation that have increased the regulatory costs incurred by and could otherwise impact the Company's Bermuda operations. For instance, in December 2014, the Bermuda Regulatory Authority adopted a decision imposing a limitation on amounts of spectrum that may be held by a single carrier and requiring the Company to surrender a portion of existing spectrum held in Bermuda that the Company had reserved for the launch of next generation services in accordance with the Company's plans and demands of its customers. The Company initiated legal proceedings challenging the implementation of such decision, however, was not successful in staying the decision and in March 2015 surrendered the spectrum in question to the Bermuda Regulatory Authority. The Company has withdrawn its appeal of the decision without prejudice and cannot now accurately predict the impact to the competitive position of the Company's Bermuda business or limitations that such actions will have on the Company's ability to grow.

The term of the Company's telecommunications license to operate in Aruba expired on January 15, 2014. The government of Aruba informed the Company earlier in January 2014 that a renewed license would be issued only upon payment by the Company of a fee in the amount of Afl 7.2 million (or approximately US$4 million). The Company is continuing to operate as it is actively contesting the assessment of such fee.

Available Information

Our website address is www.atni.com. The information on our website is not incorporated by reference in this Report and you should not consider information provided on our website to be part of this Report. Investors may access, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, plus amendments to such reports as filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, through the "Financial Information" portion of the "Investor Relations" section of our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. In addition, paper copies of these documents may be obtained free of charge upon request by writing to us at 600 Cummings Center, Beverly, Massachusetts 01915, Attention: Investor Relations, by calling us at (978) 619-1300 or by emailing us at ir@atni.com.

We have adopted a written Code of Ethics that applies to all of our employees and directors, including, but not limited to, our principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. Our Code of Ethics, along with our Compensation Committee Charter, Audit Committee Charter and Nominating Committee Charter, are available at the Corporate Governance section of our website. We intend to make any disclosure required under the SEC rules regarding amendments to, or waivers from, our Code of Ethics on our website.

ITEM 1A. RISK FACTORS

In addition to the other information contained in, or incorporated by reference into, this Report, you should carefully consider the risks described below that could materially affect our business, financial condition or future results. These risks are not the only risks facing us. Additional risks and uncertainties not presently known to us or that we currently believe are immaterial also may materially adversely affect our business, financial condition and/or results of operations.

We are actively evaluating investment, acquisition and other strategic opportunities, which may affect our long-term growth prospects.

We are actively evaluating acquisition, investment and other strategic opportunities, both domestic and international, in telecommunications, energy-related and other industries, including in areas that may not be seen by the broader market as timely today. We may focus on opportunities that we believe have potential for long-term organic and strategic growth or that may otherwise satisfy our return and other investment criteria. Any acquisition or investment that we might make outside of the telecommunications industry would pose the risk inherent in us entering into a new, unrelated business, including the ability of our holding company management team to effectively oversee the management team of such operations. There can be no assurance as to whether, when or on what terms we will be able to invest in, acquire or divest any businesses or assets or that we will be able to successfully integrate the business or realize the perceived benefits of any acquisition. Any such transactions may be accomplished through the payment of cash, issuance of shares of our capital stock or incurrence of additional debt, or a combination thereof. As of December 31, 2015, we had approximately $398.3 million in cash, cash equivalents and restricted cash primarily as a result of the proceeds from the 2013 sale of our U.S. retail wireless business operated under the Alltel name to AT&T Mobility LLC, and only approximately $32.9 million of long-term debt. How and when we deploy our balance sheet capacity will figure prominently in our longer-term growth prospects and stockholder returns.

The pending acquisitions in our telecommunications businesses are subject to the consent of regulatory authorities and other third parties, and the failure to receive any such consents or the imposition by any such regulatory authority or third party of any conditions to such acquisitions may adversely affect our business.

On September 30, 2015, we entered into an agreement to acquire all of the membership interests of Caribbean Asset Holdings LLC, the holding company for the Innovative group of companies operating cable TV, Internet and landline services primarily in the U.S. Virgin Islands from the National Rural Utilities Cooperative Finance Corporation. The agreement is subject to customary closing terms and conditions and the receipt of approvals from the Federal Communications Commission (the “FCC”) and regulatory authorities in the U.S. and British Virgin Islands and St. Maarten. Although we have received no indication that these regulatory authorities do not plan to grant the required approvals, there can be no guarantee that we will receive such approvals. In addition, the FCC may impose conditions on any approval, such as requiring the divestiture of certain markets and spectrum licenses. These conditions, if imposed and if sufficiently significant, may permit CFC not to consummate the transaction or may have other negative impacts on our business.

On October 5, 2015, we entered into an agreement with KeyTech Limited, a publicly held Bermuda company listed on the Bermuda Stock Exchange that provides broadband and cable television services and other telecommunications services to residential and enterprise customers under the “Logic” name in Bermuda and the Cayman Islands, in which we will acquire a controlling interest in KeyTech as part of a proposed business combination of KeyTech with our subsidiary providing wireless services under the “CellOne” name in Bermuda. The proposed transaction is subject to customary closing terms and conditions, including, among others, the receipt of approval from the Bermuda Regulatory Authority, the Federal Communications Commission, and the Information and Communications Technology Authority of the Cayman Islands and the consent of the Bermuda Stock Exchange to certain transaction matters. KeyTech shareholders approved the proposed transaction by affirmative vote on October 20, 2015. Although we have received no indication that the regulatory authorities listed above do not plan to grant the required approvals, there can be no guarantee that we will receive such approval or consent, or that it will be on a timely basis. In addition, the Bermuda Regulatory Authority may impose conditions on any approval, such as a prohibition or strict approval of any bundling of services between the combined companies. If these conditions are imposed and are sufficiently significant, or if the regulatory authorities do not approve the transaction on a timely basis, KeyTech may be permitted to not to consummate the transaction or there may be other negative impacts on our business or the business of the combined companies following the consummation of the KeyTech Transaction.

Risks Related to our Wireless Businesses

A significant portion of our U.S. wholesale wireless revenue is derived from a small number of customers.

A substantial portion of our U.S. Wireless revenue is generated from four national wireless service providers. Our U.S. Wireless revenues accounted for approximately 44% of our consolidated revenues in 2015. Excluding our corporate overhead, our U.S. Wireless business accounted for approximately 72% of our consolidated operating income in 2015.

Our relationships with our roaming customers generally are much more financially significant for us than for our customers. Typically, our relationships with our roaming customers do not require them to "prefer" our networks or require them to send us a minimum amount of traffic. Instead, roaming customers may choose to utilize other networks, if available, for their subscribers' roaming use. If our markets currently included in our roaming partners' home calling areas are instead subject to the imposition of additional roaming charges or if we fail to keep any of our roaming customers satisfied with our service offerings or economic terms, we could lose their business, experience less roaming traffic or be unable to renew or enter into new agreements with these customers on beneficial terms (including pricing), resulting in a substantial loss of revenue, which would have a materially adverse effect on our results of operations and financial condition. In addition, if these customers build or acquire wireless networks in our service areas we may lose revenue. Should any of these customers take such actions over a significant portion of the areas we serve, it may have a materially adverse effect on our results of operations and financial condition.

We may have difficulty meeting the growing demand for data services.

Demand for smartphones and data services continues to grow across all of our wireless markets and our value to our customers in some markets depends in part on our network's ability to provide high-quality and high capacity network service to smartphone devices. Indeed, much of the revenue growth in our U.S. Wireless segment in 2015 was attributable to increased demand for data services. However, if data usage increases faster than we anticipate and exceeds the then-available capacity of any of our networks, our costs to deliver roaming services may be higher than we anticipate or the quality of our service may be negatively affected. In addition, the dearth of available spectrum in our industry means that we cannot guarantee that we will be able to acquire additional spectrum at a reasonable cost or at all to ensure our ability to maintain or grow our business and traffic volumes. As demand for advanced mobile data services continues to grow, we may have difficulty satisfying our wholesale roaming partners' demand for these services without substantial upgrades and additional capital expenditures, which could have an adverse effect on our results of operations and financial condition.

Risks Relating to Our Wireline Services in Guyana

Our exclusive license to provide local exchange and international voice and data services in Guyana is subject to significant political and regulatory risk.

Since 1991, our subsidiary Guyana Telephone and Telegraph, Ltd. ("GT&T") has operated in Guyana pursuant to a license from the Government of Guyana to be the exclusive provider of domestic fixed and international voice and data services pursuant to a license with an initial term ending in December 2010, which was renewable at our sole option for an additional 20 year term. In November 2009, we notified the Government of Guyana of our election to renew our exclusive license for an additional 20 year term expiring in 2030. On December 15, 2010, we received correspondence from the Government of Guyana indicating that our license had been renewed until such time that new legislation is in place with regard to the Government's intention to expand competition within the sector; however, we believe our exclusive license continues to be valid unless and until such time as we enter into an alternative agreement with the Government.

Since 2001, the Government of Guyana has stated its intention to introduce additional competition into Guyana's telecommunications sector. Since that time, we have met on many occasions with officials of the Government of Guyana to discuss potential modifications of our exclusivity and other rights under the existing agreement. In 2012, the Government of Guyana introduced a bill into Parliament containing draft legislation, regulations, and licenses that, if enacted, would have the effect of terminating our exclusive license by permitting other telecommunications carriers to receive licenses to provide domestic fixed services and international voice and data services in Guyana. The proposed legislation would also introduce material changes to many other features of Guyana's existing telecommunications regulatory regime. We cannot predict when or if the proposed legislation will be adopted by Parliament or, if adopted and then signed into law by the President, the manner in which it would be implemented by the Minister of Telecommunications and the PUC. Although we believe that we would be entitled to damages or other compensation for any involuntary termination of our contractual exclusivity rights, we cannot guarantee that we would prevail in a proceeding to enforce our rights or that such actions would effectively halt any unilateral action by the Government.

In addition, since 2009, we have been engaged in lawsuits in Guyana challenging the legality of GT&T's exclusive license rights under Guyana's constitution. As recently as 2012, a trial court made findings calling into question the validity of our exclusive license, prompting Digicel, our main competitor in Guyana, to begin openly connecting its own international traffic out of Guyana without receiving an international license and at rates which had not been approved by the Guyana PUC. In response, the Guyana PUC ordered Digicel to cease providing service at such rates, and the government of Guyana notified us that they have undertaken to advise Digicel that its activities are in contravention of Guyana law. The Guyana courts also granted GT&T an interim injunction restraining Digicel from bypassing GT&T's network. GT&T has also appealed the case, not only with respect to the contract claim, but also as to the court's findings regarding the exclusivity of GT&T's license and its application to VoIP services.

We are dependent on GT&T for approximately 25% of our total consolidated revenues. A loss of exclusivity on international voice and data service would result in a reduction in the international call traffic and as a result, a loss in that portion of our wireline revenue. Any modification, early termination or other revocation of the exclusive domestic fixed and international voice and data license could adversely affect our revenues and profits and diminish the value of our investment in Guyana.

Other Risks Relating to Our Telecommunications Businesses

The loss of certain licenses could adversely affect our ability to provide wireless and broadband services.

In the United States, wireless, PCS and microwave licenses are valid for ten years from the effective date of the license. Licensees may renew their licenses for additional ten-year periods by filing renewal applications with the FCC. Our wireless licenses in the U.S. expire between 2015 and 2019. While we intend to renew our licenses expiring this year, the renewal applications are subject to FCC review and are put out for public comment to ensure that the licensees meet their licensing requirements and comply with other applicable FCC mandates. Failure to file for renewal of these licenses or failure to meet any licensing requirements could lead to a denial of the renewal application and thus adversely affect our ability to continue to provide service in that license area. Furthermore, our compliance with regulatory requirements such as enhanced 911 and CALEA requirements may depend on the availability of necessary equipment or software.

In our international markets, telecommunications licenses are typically issued and regulated by the applicable telecommunications ministry. The application and renewal process for these licenses may be lengthy, require us to expend substantial renewal fees, and/or be subject to regulatory uncertainty, such as we are experiencing in Guyana, as described above. Failure to comply with these regulatory requirements may have an adverse effect on our licenses or operations and could result in sanctions, fines or other penalties.

Rapid and significant technological changes in the telecommunications industry may adversely affect us.

Our industry faces rapid and significant changes in technology that directly impact our business, including the following:

- evolving industry standards;

- requirements resulting from changing regulatory regimes;

- the allocation of radio frequency spectrum in which to license and operate advanced wireless services;

- ongoing improvements in the capacity and quality of digital technology;

- changes in end-user requirements and preferences;

- convergence between video and data services;

- development of data and broadband capabilities and rapidly expanding demand for those capabilities; and

- migration to new-generation services such as LTE or "4G" network technology.

For us to keep up with these technological changes and remain competitive, at a minimum we will be required to continue to make significant capital expenditures to add to our networks' capacity, coverage and technical capability. For example, we have spent considerable amounts adding higher speed, higher capacity mobile data services to many of our networks in recent years and we think it likely that more such expenditures, including adding LTE mobile data technologies, will be needed over the next few years.

We cannot predict the effect of technological changes on our business. Alternative or new technologies may be developed that provide communications services superior to those available from us, which may adversely affect our business. For example, to accommodate the demand by our wireless customers for next-generation advanced wireless products such as high-speed data and streaming video, we may be required to purchase additional spectrum, however, we have had difficulty finding spectrum for sale or on terms that are acceptable to us. In our Bermuda market, the action taken by the Regulatory Authority to recapture spectrum we formerly held will have an impact on our ability to deploy next generation mobile technologies. In addition, usage of wireless voice or broadband services in excess of our expectations could strain our capacity, causing service disruptions and result in higher operating costs and capital expenditures. In each of our markets, providing more and higher speed data services through our wireless or wireline networks may require us to make substantial investments in additional telecommunications transport capacity connecting our networks to the Internet, and in some cases such capacity may not be available to us on attractive terms or at all. Failure to provide these services or to upgrade to new technologies on a timely basis and at an acceptable cost could have a material adverse effect on our ability to compete with carriers in our markets.

Risks Related to Our Renewable Energy Business

Our Facilities have a limited operating history.

All of our Facilities have limited operating histories. Our expectations about the performance of these Facilities are based on assumptions and estimates made without the benefit of operating history. There can be no assurance that our Facilities will perform as anticipated or projected and the failure of these Facilities to perform as we expect could have a material adverse effect on the financial condition, results of operations and cash flows of our Renewable Energy segment.

Our revenues are dependent on the performance and effectiveness of our PPAs.

The cash flow from the PPAs and PBIs is significantly affected by our ability to collect payments from offtakers under our PPAs. While we believe that all of our current customers are high-quality credit entities, if for any reason these customers are unable or unwilling to fulfill their related contractual obligations or if they refuse to accept delivery of power or otherwise terminate such agreements, this non-payment could have a material adverse effect on our revenues. In addition, our inability to perform our obligations under the PPAs could also have a material adverse effect on our revenues. For instance, our inability to meet certain operating thresholds or performance measures under certain of our PPAs within specified time periods exposes us to the risk of covering the cost of any shortfall or early termination by such customer.

Certain of our PPAs provide for early termination for a variety of reasons, including in the event that (a) an offtaker is unable to appropriate funds from state and local governments, (b) there is a change of law that substantially reduces the value of utility credits, (c) termination for convenience, or (d) the Facility causes damage to the premises or roof and our customer fails to repair or causes the customer to be in violation of law, or the customer ceases to hold tenancy or fee interest in the premises. While we would be entitled to a termination fee (typically set at the terminal value of the PPA) in most cases, the termination fee might not be a sufficient substitute for the payments otherwise due under the PPAs. There can be no assurances that such appropriations will be made or timely made in any given year or that tax or other incentives continued to be available for the purchase of solar energy. In the event a PPA for one or more of our projects is terminated or payments are not made (or not made in a timely manner) pursuant to such provisions, it could materially and adversely affect our results of operations and financial condition. We cannot provide any assurance that PPAs containing such provisions will not be terminated or, in the event of termination, we will be able to enter into a replacement PPA. Moreover, any replacement PPA may be on terms less favorable to us than the PPA that was terminated.

Our revenue may be exposed to SREC uncertainty inflation-based price increases or other external factors.

We also generate solar renewable energy credits, or SRECs, which are government emissions allowances obtained through power generation and compliance with various regulations from the government as our projects produce electricity. Revenue is recognized as SRECs are sold through long-term purchase agreements with a third party at the contractual rate specified in the agreement. In 2015, approximately 64% of our renewable energy revenue was earned from SREC contracts and PBIs and 36% was earned from PPAs. SRECs may also be transferred directly to our lenders in lieu of payments due on loans. The revenue derived from our sale of SRECs is dependent on local governments in Massachusetts and California electing to maintain the programs that grant SRECs for power production in these states.

In addition, certain of our PPAs do not contain inflation based price increases, resulting in an average, weighted by MW, escalator on our PPAs of 1.11%. To the extent that we experience high rates of inflation we may experience increased operation costs and decreased revenues. In addition, a portion of the revenues under certain of the PPAs for our solar energy projects are subject to price adjustments triggered by a decrease in the market price of electricity over time. This would also have a negative impact on our ability to attract new customers and increase our portfolio, as we believe that an offtaker's decision to develop our solar projects is primarily driven by a desire to decrease their traditional energy costs. If we are unable to negotiate more favorable pricing, it could have a material adverse impact on the financial condition, results of operations and cash flows of our Renewable Energy segment. We also believe the solar industry will continue to experience periods of structural imbalance between supply and demand (i.e., where production capacity exceeds global demand), and that such periods will put pressure on pricing, which could adversely affect our results of operations.

We are reliant on a key vendor for operation, maintenance and interconnection of our Facilities.

Pursuant to our O&M Agreements, our O&M vendor is required to operate and maintain our Facilities. While this vendor is obligated to indemnify us to the extent it fails to perform under our O&M Agreements, any such failure could cause a delay or reduction in payments under our PPAs. Additionally, we contract with utilities through an interconnection agreement to export excess energy generated by our Facilities to an offtaker and/or the utility electrical grid. Our O&M vendor is required to perform our obligations under the interconnection agreement. If our O&M vendor fails to so perform and interconnection is lost, our offtakers will not receive any energy or net metering credits from such Facility nor a bill credit for energy that would otherwise have been exported to the utility and we may be required to cover these amounts under our PPAs.

The growth of our solar business is dependent on our ability to identify and acquire additional solar projects on favorable terms.

Our business strategy for our Renewable Energy segment is to grow via acquisition and development of additional energy generation assets, with a current focus on solar distributed generation. In order to do so, we are reliant on management to effectively identify and consummate acquisition or new project opportunities on a timely basis and on favorable terms. The number of acquisition and development opportunities is limited, and we compete with some organizations with greater size, scale and resources. In addition, the design, construction and operation of solar energy projects are highly regulated, require various governmental approvals and permits, including environmental approvals and permits, and may be subject to the imposition of related conditions that vary by jurisdiction. We cannot predict whether all permits required for a given project will be granted or granted on terms that are favorable to our business plans. If we are unable to grow our Renewable Energy segment, we may not be able to succeed with our overall business growth strategy.

Other Risks Related to Our Businesses

We rely on a limited number of key suppliers and vendors for timely supply of handsets, accessories, equipment and services relating to our network or Facility infrastructure. If these suppliers or vendors experience problems or favor our competitors, we could fail to obtain sufficient quantities of the products and services we require to operate our businesses successfully.

We depend on a limited number of suppliers and vendors for equipment and services relating to our handset lineup, network infrastructure, solar equipment and our back-office IT systems infrastructure. If these suppliers experience interruptions or other problems delivering these network components on a timely basis, our subscriber or revenue growth and operating results could suffer significantly.

We source wireless devices for our retail wireless businesses from a small number of handset resellers and to a lesser extent, equipment manufacturers and depend on access to compelling devices at reasonable prices on primary and secondary markets for these devices, as well as timely delivery of devices to meet market demands. The inability to provide a competitive device lineup could materially impact our ability to attract new customers and retain existing customers. We are also reliant upon a limited number of network equipment manufacturers, including Ericsson, Motorola, Alcatel-Lucent and Nokia and a limited number of solar equipment manufacturers, including Yingli and Inventec for photovoltaic modules and SMA and Satcon for inverters.

We are also dependent on the ability of our solar equipment manufacturers to fulfill the warranties on our solar equipment, which typically range from 5 to 25 years in length, in the event of equipment malfunction. If these suppliers cease operations or for some reason default on their warranties, we would have to bear the expense our repairing or replacing any faulty equipment. Our business, financial condition, results of operations and cash flows could be materially adversely affected if we cannot make claims under warranties covering our Facilities. If it becomes necessary to seek alternative suppliers and vendors, we may be unable to obtain satisfactory replacement suppliers or vendors on economically attractive terms on a timely basis.

Regulatory changes may impose restrictions that adversely affect us or cause us to incur significant unplanned costs in modifying our business plans or operations.

We are subject to U.S. federal, state and local regulations and foreign government regulations, all of which are subject to change. As new laws and regulations are issued, we may be required to modify our business plans or operations. We cannot be certain that we can do so in a cost-effective manner. For example, a portion of our revenues in our Renewable Energy segment from PPAs is dependent on the ongoing availability of tax credits for clean energy. In addition, the failure to comply with applicable governmental regulations could result in the loss of our licenses or authorizations to operate, inability to perform under our PPAs, the assessment of penalties or fines or otherwise may have a material adverse effect on the results of our operations.

Our operations in the United States are subject to the Telecommunications Act of 1996 (or “1996 Act”). The interpretation and implementation of the provisions of the 1996 Act and the FCC rules implementing the 1996 Act continue to be heavily debated and may have a material adverse effect on our business. Also, although legislation has not yet been introduced, there have been indications that Congress may substantially revise the 1996 Act and other regulation in the next few years. While we believe we are in compliance with federal and state regulatory requirements, our interpretation of our obligations may differ from those of regulatory authorities. Both federal and state regulators require us to pay various fees and assessments, file periodic reports and comply with various rules regarding our consumer marketing practices and the contents of our bills, on an on-going basis. If we fail to comply with these requirements, we may be subject to fines or potentially be asked to show cause as to why our licenses to provide service should not be revoked.

Increased competition may adversely affect growth, require increased capital expenditures, result in the loss of existing customers and decrease our revenues.

We face competition in the markets in which we operate. For example:

- In the United States, our greatest competitive risk to our wireless business is the possibility that our current roaming customers may elect to build or enhance their own networks within the rural market in which we currently provide service, which is commonly known as “over-building.” If our roaming customers, who generally have greater financial resources and access to capital than we do, determine to over-build our network, their need for our roaming services will be significantly reduced or eliminated.

- In Guyana, we have faced competition from Digicel, a wireless service provider operating across the region.

- In Bermuda and the Caribbean, we compete primarily against Digicel.

- In New England and New York State, in addition to other competitive voice and data communications service providers, we compete with much larger regional carriers and national cable providers, each of which has greater financial and other resources.

- In our solar power business, we face competition from traditional utilities and renewable energy companies. Many of our competitors are larger with greater resources and are less dependent on third parties for the sourcing of equipment or operation and maintenance of their solar facilities.

Over the last decade, an increase in competition in many areas of the telecommunications industry has contributed to a decline in prices for communication services, including mobile wireless services, local and long-distance telephone service, and data services. Increased competition in the industry may decrease prices further. In addition, increased competition in the telecommunications and renewable energy industries could reduce our customer base, require us to invest in new facilities and capabilities and reduce revenues, margins and returns.

General economic factors, domestically and internationally, may adversely affect our business, financial condition and results of operations.

General economic factors could adversely affect demand for our products and services, require a change in the services we sell or have a significant impact in our operating costs. Energy costs are historically volatile and are subject to fluctuations arising from changes in domestic and international supply and demand, labor costs, competition, market speculation, government regulations, or weather conditions. Rapid and significant changes in these and other commodity prices may affect our sales and profit margins. General economic conditions can also be affected by the outbreak of war, acts of terrorism, or other significant national or international events.

- In addition, an economic downturn in our markets or the global market may lead to slower economic activity, increased unemployment, concerns about inflation, decreased consumer confidence and other adverse business conditions that could have an impact on our businesses. For example, among other things:

- A decrease in tourism could negatively affect revenues and growth opportunities from operations in the islands and in a number of areas covered by U.S. rural and wholesale wireless operations that serve tourist destinations.

- An increase in “bad debt”, or the amounts that we have to write off of our accounts receivable could result from our inability to collect subscription fees from our subscribers.

- We rely on the population of Guyanese living abroad who initiate calls to Guyana or are responsible for remittances to relatives living in Guyana. A prolonged economic downturn in the U.S. or Canadian economies could affect inbound calling and, therefore, our revenue in Guyana.

- The impact, if any, that these events might have on us and our business, is uncertain.

Failure of network or information technology systems, including as a result of security breaches, could have an adverse effect on our business.

We are highly dependent on our information technology (IT) systems for the operation of our network, or Facilities delivery of services to our customers and compilation of our financial results. Failure of these IT systems, through cyberattacks, breaches of security, or otherwise, may cause disruptions to our operations. Our inability to operate our network, Facilities and back office systems as a result of such events, even for a limited period of time, may result in significant expenses and/ impact the timely and accurate delivery of our services or other information. Other risks that may also cause interruptions in service or reduced capacity for our telecommunications customers include power loss, capacity limitations, software defects and breaches of security by computer viruses, break-ins or otherwise. Disruptions in our networks and the unavailability of our services or our inability to efficiently and effectively complete necessary technology or systems upgrades or conversions could lead to a loss of customers, damage to our reputation and violation of the terms of our licenses and contracts with customers. These failures could also lead to significant negative publicity, regulatory problems and litigation.

Our foreign operations are subject to economic, political and other risks that could adversely affect our revenues or financial position.

Our international operations may face adverse financial consequences and operational problems due to foreign political or economic changes, such as changes in national or regional political or economic conditions, laws and regulations that restrict repatriation of earnings or other funds, or changes in foreign currency exchange rates. Any of these changes could adversely affect our revenues or financial position.

Our ability to recruit and retain experienced management and technical personnel could adversely affect our results of operations and ability to maintain internal controls.

The success of our business is largely dependent on our executive officers and the officers of our operating units, as well as on our ability to attract and retain other highly qualified technical and management personnel. We believe that there is, and will continue to be, strong competition for qualified personnel in the communications industry and in our markets, and we cannot be certain that we will be able to attract and retain the personnel necessary for the development of our business. We rely heavily on local management to run our operating units. Many of the markets we operate in are small and remote, making it difficult to attract and retain talented and qualified managers and staff in those markets. The loss of key personnel or the failure to attract or retain personnel with the sophistication to run complicated telecommunications equipment, networks and systems could have a material adverse effect on our business, financial condition and results of operations. We do not currently maintain “key person” life insurance on any of our key employees and none of the executives at our parent company are under employment agreements.

In addition, cultural differences abroad and local practices of conducting business in our foreign operations may not be in line with the business practices, recordkeeping and ethics standards in the United States. In order to continue to ensure compliance with foreign and U.S. laws, accounting standards and our own corporate policies, we have implemented financial and operational controls, created an internal audit team responsible for monitoring and ensuring compliance with our internal accounting controls, and routinely train our employees, vendors and consultants. However, having substantial foreign operations also increases the complexity and difficulty of developing, implementing and monitoring these internal controls and procedures. If we are unable to manage these risks effectively, it could have a material adverse effect on our business, financial condition and results of operations.

Changes in meteorological conditions may materially disrupt our operations.

Many of the areas in which we operate have experienced severe weather conditions over the years including hurricanes, tornadoes, blizzards, damaging storms and floods. Some areas in which we operate may also be at risk of earthquakes. Such events may materially disrupt and adversely affect our business operations. Major hurricanes passed directly over Bermuda in 2003 and 2014 causing major damage to our network and to the island’s infrastructure. In 2008, a hurricane caused extensive damage on a small portion of the U.S. Virgin Islands. Guyana has suffered from severe rains and flooding in the past as well. Our solar production at our facilities in Massachusetts was negatively impacted in early 2015 by repeated heavy snowfall and prolonged cold weather. While these events have not had a significant negative impact on the operating results or financial condition of the affected businesses or our overall business, we cannot be sure that these types of events will not have such an impact in the future or that the insurance coverage we maintain for asset damage will adequately compensate us for all damage and economic losses resulting from natural catastrophes.

The electricity produced and revenues generated by a solar electric generation facility is highly dependent on suitable solar and associated weather conditions and our solar panels and inverters could be damaged by severe weather, such as hailstorms, blizzards or tornadoes. In addition, replacement and spare parts for key components may be difficult or costly to acquire or may be unavailable. Unfavorable weather and atmospheric conditions could reduce the output of our Facilities and lead to a loss of revenue from our offtakers.

Risks Related to Our Capital Structure

Our debt instruments include restrictive and financial covenants that limit our operating flexibility.

Our credit facility requires us to maintain a ratio of indebtedness to EBITDA and contains certain covenants that, among other things, restrict our ability to take specific actions, even if we believe such actions are in our best interest. These include restrictions on our ability to do the following:

- incur additional debt;
- create liens or negative pledges with respect to our assets;
- pay dividends or distributions on, or redeem or repurchase, our capital stock;
- make investments, loans or advances or other forms of payments;
- issue, sell or allow distributions on capital stock of specified subsidiaries;
- enter into transactions with affiliates; or

- merge, consolidate or sell our assets.

Any failure to comply with the restrictions of the credit facility or any subsequent financing agreements may result in an event of default. Such default may allow our creditors to accelerate the repayment of the related debt and may result in the acceleration of the repayment of any other debt to which a cross-acceleration or cross-default provision applies. In addition, these creditors may be able to terminate any commitments they had made to provide us with further funds.

Our Chairman is our largest stockholder and will continue to exert significant influence over us.

Cornelius B. Prior, Jr., our Chairman and the father of our Chief Executive Officer, beneficially owns, together with related entities, affiliates and family members (including our Chief Executive Officer), approximately 30% of our outstanding Common Stock. As a result, he is able to exert significant influence over all matters presented to our stockholders for approval, including election and removal of our directors and change of control transactions. In addition, as our Chairman, he has the ability to exert significant influence over other matters brought before our Board of Directors, such as proposed changes in our strategy or business plans and our major financing decisions. His interests may not always coincide with the interests of other holders of our Common Stock.

Low trading volume of our stock may limit our shareholders ability to sell shares and/or result in lower sale prices.

For the three months prior to February 1, 2016, the average daily trading volume of our Common Stock was approximately 73,000 shares. As a result, shareholders may have difficulty selling a large number of shares of our Common Stock in the manner or at a price that might be attainable if our Common Stock were more actively traded. In addition, the market price of our Common Stock may not be reflective of its underlying value.

We may not pay dividends in the future.

Our stockholders may receive dividends out of legally available funds if, and when, they are declared by our Board of Directors. We have consistently paid quarterly dividends in the past, but may cease to do so at any time. Our credit facility sets certain limitations on our ability to pay dividends on, or repurchase, our capital stock. We may incur additional indebtedness in the future that may further restrict our ability to declare and pay dividends. We may also be restricted from paying dividends in the future due to restrictions imposed by applicable state laws, our financial condition and results of operations, capital requirements, covenants contained in our financing agreements, management’s assessment of future capital needs and other factors considered by our Board of Directors.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We lease approximately 12,000 square feet of office space at 600 Cummings Center, Beverly, MA 01915 for our corporate headquarters. Worldwide, we utilize the following approximate square footage of space for our operations:

Type of space	U.S. Wireless	International Integrated Telephony	Island Wireless	Renewable Energy	U.S. Wireline
Office	26,110	344,829	10,465	1,000	22,250
Retail stores	4,147	17,303	8,898	—	—
Technical operations	16,000	2,188,163	9,496	—	8,185

All of the above locations are leased except for the office and technical space within our International Integrated Telephony segment, which we own. As of December 31, 2015, we operated four retail stores in our U.S.

Wireless segment, ten retail stores in our International Integrated Telephony segment and seven retail stores in our Island Wireless segment.

Our offices and technical operations are in the following locations:

U.S. Wireless	International Integrated Telephony	Island Wireless	Renewable Energy	U.S. Wireline
Little Rock, AR	Georgetown, Guyana	Bermuda	San Francisco, CA	Bellows Falls, VT
Castle Rock, CO		U.S. Virgin Islands		Williston, VT
Atlanta, GA		Aruba		Albany, NY

Within our telecommunications operations, we globally own 229 towers, lease an additional 477 towers and have five switch locations within rented locations. In addition, our renewable energy operations own 28 commercial solar projects at 59 sites. We consider our owned and leased properties to be suitable and adequate for our business operations.

ITEM 3. LEGAL PROCEEDINGS

Currently, our Guyana subsidiary, Guyana Telephone & Telegraph, Ltd. (“GT&T”) holds an exclusive license to provide domestic fixed services and international voice and data services in Guyana. The license, whose initial term of twenty years expired at the end of 2010, allowed for GT&T, at its sole option, to extend the term for an additional twenty years, until December 2030. GT&T exercised its extension right, in accordance with the terms of its License and its agreement with the Government of Guyana, in November 2009.

Since 2001, the Government of Guyana has stated its intention to introduce additional competition into Guyana’s telecommunications sector. Since that time, we have met on several occasions with officials of the Government of Guyana to discuss potential modifications of GT&T’s exclusivity and other rights under the existing agreement and License. In 2012, the Government of Guyana introduced draft legislation in Parliament that, if enacted, would have the effect of terminating our exclusive license rights by permitting other telecommunications carriers to receive licenses to provide domestic fixed services and international voice and data services in Guyana. Along with the draft legislation, the Government also released drafts of new regulations and licenses (collectively, the “Draft Laws”). These Draft Laws would also introduce material changes to many other features of Guyana’s existing telecommunications regulatory regime. While little or no substantive actions have been taken on the Draft Laws since 2012, we cannot predict when or if the proposed legislation will be adopted by Parliament or, if adopted and then signed into law by the President, the manner in which it would be implemented by the Minister of Telecommunications and the PUC. Although we believe that we would be entitled to damages or other compensation for any involuntary termination of our contractual exclusivity rights, we cannot guarantee that we would prevail in a proceeding to enforce our rights or that our actions would effectively halt any unilateral action by the Government.

In November 2007, Caribbean Telecommunications Limited (“CTL”) filed a complaint in the U.S. District Court for the District of New Jersey against GT&T and ATN claiming breach of an interconnection agreement for domestic cellular services in Guyana and related claims. CTL asserted over $200 million in damages. GT&T and ATN moved to dismiss the complaint on procedural and jurisdictional grounds. On January 26, 2009, the court granted the motions to dismiss the complaint on the grounds asserted. On November 7, 2009 and again on April 4, 2013, CTL filed a similar claim against GT&T and the PUC in the High Court of Guyana. The Company believes these claims are without merit and are duplicative of a previous claim filed by CTL in Guyana that was dismissed. There has been no action on these matters since the April 2013 filing.

On May 8, 2009, Digicel filed a lawsuit in Guyana challenging the legality of GT&T’s exclusive license rights under Guyana’s constitution. Digicel initially filed this lawsuit against the Attorney General of Guyana in the High Court. On May 13, 2009, GT&T petitioned to intervene in the suit in order to oppose Digicel’s claims and that petition was granted on May 18, 2009. GT&T filed an answer to the charge on June 22, 2009, and the case is pending. We believe that any legal challenge to GT&T's exclusive license rights granted in 1990 is without merit, and we intend to vigorously defend against such a legal challenge.

On February 17, 2010, GT&T filed a lawsuit in the High Court of Guyana asserting that, despite its denials, Digicel is engaged in international bypass in violation of GT&T's exclusive license rights, the interconnection agreement between the parties, and the laws of Guyana. GT&T is seeking, among other things, injunctive relief to stop the illegal bypass activity, actual damages in excess of US$9 million and punitive damages of approximately US$5 million. Digicel filed counterclaims alleging that GT&T has violated the terms of the interconnection agreement and Guyana laws. GT&T intends to vigorously prosecute this suit.

On July 20, 2012 a trial court in Guyana made findings calling into question the validity of GT&T's exclusive license to provide international voice and data service in Guyana and the applicability of that license to telecommunications services using Voice over Internet Protocol ("VoIP"). The findings were made in a breach of contract case brought originally in 2007 against GT&T by a subscriber to its Internet service and are now temporarily stayed pending further court proceedings. Digicel, our main competitor in Guyana, in response to the trial court's findings, began connecting its own international traffic out of Guyana without receiving an international license and at rates which had not been approved by the Guyana PUC. In response, the Guyana PUC ordered Digicel to cease providing service at these rates and the government of Guyana notified us that they have undertaken to advise Digicel that its activities are in contravention of Guyana law. The Guyana courts also granted GT&T an interim injunction restraining Digicel from bypassing GT&T's network and GT&T has sued Digicel to recover damages that it incurred as a result of Digicel's bypass during this time period. GT&T has also appealed the original breach of contract case, not only with respect to the contract claim, but also as to the court's findings regarding the exclusivity of GT&T's license and its application to VoIP services.

GT&T is also involved in several legal claims regarding its tax filings with the Guyana Revenue Authority dating back to 1991 regarding the deductibility of intercompany advisory fees as well as other tax assessments. Should GT&T be held liable for any of the disputed tax assessments, totaling $32.4 million, the Company believes that the Government of Guyana would then be obligated to reimburse GT&T for any amounts necessary to ensure that GT&T's return on investment was no less than 15% per annum for the relevant periods.

The term of the Company's telecommunications license to operate in Aruba expired on January 15, 2014. The government of Aruba informed the Company earlier in January 2014 that a renewed license would be issued only upon payment by the Company of a fee in the amount of Afl 7.2 million (or approximately US$4 million). The Company is continuing to operate as it is actively contesting the assessment of such fee.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Common Stock, $.01 par value, is listed on the NASDAQ Global Select Market under the symbol "ATNI." The following table sets forth the high and low sales prices for our Common Stock as reported by the NASDAQ Global Select Market:

	High	Low
2014		
Quarter ended March 31	$ 67.16	$ 55.06
Quarter ended June 30	$ 67.09	$ 53.76
Quarter ended September 30	$ 59.99	$ 53.25
Quarter ended December 31	$ 73.55	$ 53.27

	High	Low
2015		
Quarter ended March 31	$ 71.68	$ 60.64
Quarter ended June 30	$ 74.03	$ 64.15
Quarter ended September 30	$ 76.00	$ 66.05
Quarter ended December 31	$ 83.80	$ 71.40

The number of holders of record of Common Stock as of February 26, 2016 was 88.

Dividends

The following table sets forth the quarterly dividends per share declared by us over the past two fiscal years ended December 31, 2015:

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2014	$ 0.27	$ 0.27	$ 0.29	$ 0.29
2015	$ 0.29	$ 0.29	$ 0.32	$ 0.32

The declaration and payment of dividends on our Common Stock is at the discretion of our Board of Directors and is subject to a number of factors. Our credit facility restricts our ability to declare or pay dividends on our Common Stock. Because we are a holding company, our ability to declare dividends is effectively limited to the amount of dividends, if any, our subsidiaries and other equity holdings may distribute to us. We have paid quarterly dividends on our Common Stock since January 1999, and have increased the amount of our dividend in each of the years since then. The present Board of Directors believes in returning a significant portion of profits, where possible, to stockholders and, subject to prudent resource management and strategic development needs, would expect to continue to increase the amount of our dividend if earnings continue to increase, although not necessarily proportionally. In 2014 and 2015, we declared a total annual dividend of $1.12 and $1.22 per share, respectively. The continuation or modification of our current dividend policy will be dependent upon strategic opportunities or developments, future results of operations, financial condition, capital requirements, contractual restrictions (such as those under our existing credit facility), regulatory actions, and other factors deemed relevant at that time by the Board of Directors.

Issuer Purchases of Equity Securities in the Fourth Quarter of 2015

In September 2004, the Board of Directors authorized the Company to repurchase up to $5.0 million of its Common Stock. The repurchase authorizations do not have a fixed termination date and the timing of the buyback amounts and exact number of shares purchased will depend on market conditions. No repurchases were made under this plan during the quarter ended December 31, 2015.

The following table reflects the repurchases by the Company of its Common Stock during the quarter ended December 31, 2015:

Period	(a) Total Number of Shares Purchased (1)	(b) Average Price Paid per Share (1)	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May be Purchased Under the Plans or Programs
October 1, 2015 — October 31, 2015	5,944	$ 82.62	—	$ 2,919,965
November 1, 2015 — November 30, 2015	—	$ —	—	$ 2,919,965
December 1, 2015 — December 31, 2015	—	$ —	—	$ 2,919,965

(1) Represents shares purchased on October 26, 2015 from an executive officer who tendered these shares to the Company to satisfy his tax withholding obligation incurred in connection with the vesting of restricted stock awards at such date. Such shares were not purchased under the plan described above. The price paid per share was the closing price per share of our Common Stock on the Nasdaq Stock Market on the date such shares were purchased.

Stock Performance Graph

The graph below compares the cumulative total shareholder return (assuming reinvestment of dividends) from investing $100.00 on December 31, 2010, and plotted at the last trading day of each of the fiscal years ended December 31, 2011, 2012, 2013, 2014 and 2015, in each of (i) our Common Stock; (ii) the Russell 2000 Index, (iii) the S&P Small Cap 600 and (iv) the Nasdaq Telecommuncations index. The stock price performance in the graph below is not necessarily indicative of future price performance.

This performance graph is furnished and shall not be deemed “filed” with the SEC or subject to Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any of our filings under the Securities Act of 1933.

ITEM 6. SELECTED FINANCIAL DATA

You should read the selected financial data in conjunction with our “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our Consolidated Financial Statements for the years ended December 31, 2013, 2014 and 2015 and the related Notes to those Consolidated Financial Statements included in this Report. The historical results set forth below are not necessarily indicative of the results of future operations. Period to period comparisons are also significantly affected by our significant acquisitions. See Notes 3 and 4 to the Consolidated Financial Statements included in this Report for a more detailed discussion of our recent acquisitions and discontinued operations.

	Year ended December 31,				
	2011	2012	2013	2014	2015
	(In thousands, except per share data)				
Statement of Operations Data					
Revenue	$ 262,807	$ 277,796	$ 292,835	$ 336,347	$ 355,369
Operating expenses(1)	219,445	221,158	228,750	250,771	276,774
Income from operations	43,362	56,638	64,085	85,576	78,595
Other income (expense):					
Interest income	443	272	852	788	588
Interest expense	(17,301)	(13,981)	(12,785)	(1,208)	(3,180)
Other, net(2)	(208)	1,867	(5,679)	1,012	(19,802)
Other income (expense), net	(17,067)	(11,842)	(17,612)	592	(22,394)
Income from continuing operations before income taxes	26,295	44,796	46,473	86,168	56,201
Income taxes	14,620	20,831	9,536	28,148	24,137
Income from continuing operations	11,675	23,965	36,937	58,020	32,064
Income from discontinued operations, net of tax	10,222	29,202	5,166	—	—
Gain on sale of discontinued operations, net of tax(3)	—	—	307,102	1,102	1,092
Net income	21,897	53,167	349,205	59,122	33,156
Net income attributable to non-controlling interests, net of tax	(103)	(4,235)	(37,489)	(10,970)	(16,216)
Net income attributable to Atlantic Tele-Network, Inc. Stockholders	$ 21,794	$ 48,932	$ 311,716	$ 48,152	$ 16,940
Net income per weighted average basic share attributable to Atlantic Tele-Network, Inc. Stockholders:					
Continuing operations	$ 0.47	$ 1.34	$ 1.84	$ 2.96	$ 0.99
Discontinued operations	0.95	1.81	18.01	0.07	0.07
Total	$ 1.42	$ 3.15	$ 19.85	$ 3.03	$ 1.06
Net income per weighted average diluted share attributable to Atlantic Tele-Network, Inc. Stockholders:					
Continuing operations	$ 0.47	$ 1.33	$ 1.83	$ 2.94	$ 0.98
Discontinued operations	0.94	1.80	17.88	0.07	0.07
Total	$ 1.41	$ 3.13	$ 19.71	$ 3.01	$ 1.05
Dividends per share applicable to common stock	$ 0.90	$ 0.96	$ 1.04	$ 1.12	$ 1.22

	2011	2012	2013	2014	2015
			(In thousands)		
Balance Sheet Data (as of December 31,):					
Cash and investments	$ 48,735	$ 136,647	$ 434,607	$ 371,394	$ 398,346
Assets of discontinued operations(3)	394,434	380,765	4,748	175	—
Working capital	330,239	407,981	350,930	347,305	384,137
Fixed assets, net	249,835	238,324	254,632	369,582	373,503
Total assets	851,810	910,875	859,719	925,030	945,004
Short-term debt (including current portion of long-term debt)	25,068	15,680	—	6,083	6,284
Liabilities of discontinued operations(3)	93,759	73,910	11,187	1,247	—
Long-term debt, net	257,146	250,900	—	32,794	26,575
Atlantic Tele-Network, Inc. stockholders' equity	294,266	334,146	643,330	677,222	680,299
Statement of Cash Flow Data					
(for the years ended December 31,):					
Net cash provided by (used in):					
Operating activities:					
Continuing operations	$ 67,204	$ 114,884	$(131,396)	$ 82,699	$ 139,080
Discontinued operations	65,399	72,587	19,394	(4,719)	158
Investing activities:					
Continuing operations	(35,577)	(26,991)	(67,816)	(74,467)	(31,971)
Discontinued operations	(60,070)	(35,267)	710,934	—	—
Financing activities:					
Continuing operations	(24,755)	(36,370)	(308,796)	(33,904)	(41,438)
Discontinued operations	(796)	(931)	(1,678)	—	—
Capital expenditures	(41,331)	(42,154)	(69,316)	(58,300)	(64,753)

(1) The Company recognized an impairment charge on its telecommunications licenses during each of the years ended December 31, 2011 and 2012.

(2) During the year ended December 31, 2013, the Company recognized a loss on interest rate derivative contracts. See Note 10 to the Consolidated Financial Statements included in this Report for additional information. During the year ended December 31, 2015, the Company recognized a loss on the deconsolidation of a subsidiary. See Note 5 to the Consolidated Financial Statements included in this Report for additional information

(3) During the year ended December 31, 2013, the Company recognized a gain on the sale of our U.S. retail wireless business operated under the Alltel name to AT&T Mobility LLC completed in September 2013. See Note 4 to the Consolidated Financial Statements included in this Report for additional information.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a holding company that, through our operating subsidiaries, (i) provides wireless and wireline telecommunications services in North America, Bermuda and the Caribbean, (ii) owns and operates commercial distributed generation solar power systems in the United States, and (iii) owns and operates terrestrial and submarine fiber optic transport systems in the United States and the Caribbean, respectively. We were incorporated in Delaware in 1987 and began trading publicly in 1991. Since that time, we have engaged in strategic acquisitions and investments to grow our operations. We continue to actively evaluate additional domestic and international acquisition, divesture, and investment opportunities and other strategic transactions in the telecommunications, energy-related and other industries that meet our return-on-investment and other acquisition criteria. For a discussion of our investment strategy and risks involved, see "*Risk Factors—We are actively evaluating investment, acquisition and other strategic opportunities, which may affect our long-term growth prospects*."

We offer the following principal services:

- ***Wireless.*** In the United States, we offer wholesale wireless voice and data roaming services to national, regional, local and selected international wireless carriers in rural markets located principally in the Southwest and Midwest United States. We also offer wireless voice and data services to retail customers in Bermuda, Guyana, and in other smaller markets in the Caribbean and the United States.

- ***Wireline.*** Our local telephone and data services include our operations in Guyana and the mainland United States. We are the exclusive licensed provider of domestic wireline local and long-distance telephone services in Guyana and international voice and data communications into and out of Guyana. We also offer facilities-based integrated voice and data communications services and wholesale transport services to enterprise and residential customers in New England, primarily Vermont, and in New York State. In addition, we offer wholesale long-distance voice services to telecommunications carriers.

- ***Renewable Energy.*** In the United States, we provide distributed generation solar power to corporate, utility and municipal customers in Massachusetts, California and New Jersey.

The following chart summarizes the operating activities of our principal subsidiaries, the segments in which we report our revenue and the markets we served as of December 31, 2015:

Services	Segment	Markets	Tradenames
Wireless	U.S. Wireless	United States (rural markets)	Commnet, Choice
	Island Wireless	Aruba, Bermuda, U.S. Virgin Islands	Mio, CellOne, Islandcom (through March 23, 2015), Choice
	International Integrated Telephony	Guyana	Cellink
Wireline	International Integrated Telephony	Guyana	GT&T
	U.S. Wireline	United States (New England and New York State)	Sovernet, ION, Essextel
Renewable Energy	Renewable Energy	United States (Massachusetts, California, and New Jersey)	Ahana Renewables

We provide management, technical, financial, regulatory, and marketing services to our subsidiaries and typically receive a management fee equal to a percentage of their respective revenue. Management fees from our subsidiaries are eliminated in consolidation.

To be consistent with how management began to view the structuring and managing of business operations in 2016, the Company anticipates, beginning with the first quarter of 2016, consolidating its reportable segments into three segments as follows: i) Domestic Telecom, consisting of the Company's current U.S. Wireless and U.S. Wireline segments, ii) International Telecom, consisting of the Company's current Island Wireless and International Integrated Telephony segments, and iii) Renewable Energy, consisting of the Company's current Renewable Energy segment.

The pending acquisitions, as described in Note 3, will be included within the International Telecom segment upon the completion of those acquisitions.

Acquisitions

Pending Acquisitions

For the purpose of clarity and consistency, and except where expressly indicated, each of the forward-looking statements made regarding our operations in this Item 7 assumes that the acquisitions described below have not yet been consummated.

Caribbean Asset Holdings LLC

On September 30, 2015, the Company entered into an agreement to acquire all of the membership interests of Caribbean Asset Holdings LLC, the holding company for the Innovative group of companies operating cable TV, Internet and landline services primarily in the U.S. Virgin Islands ("Innovative"), from the National Rural Utilities Cooperative Finance Corporation ("CFC"). The Company will purchase the Innovative operations for a purchase price of approximately $145.0 million, subject to certain purchase price adjustments (the "Innovative Transaction") with the option to finance up to $60.0 million of the purchase price with a loan from an affiliate of CFC, the Rural Telephone Finance Cooperative ("RTFC") on the terms and conditions set forth in a commitment letter and rate lock option letter executed by RTFC filed herewith as Exhibits 99.1 and 99.2, respectively. The Company expects to fund the remaining $85 million of the purchase price, plus any amounts not financed, in cash. With the purchase, the Company's current operations in the U.S. Virgin Islands under the "Choice" name will be combined with Innovative to deliver residential and business subscribers a full range of telecommunications and media services.

The Innovative Transaction is subject to customary closing terms and conditions and the receipt of approvals from the Federal Communications Commission and regulatory authorities in the U.S. and British Virgin Islands and St. Maarten. The Company currently expects to complete the proposed transaction in mid-2016.

KeyTech Limited

On October 5, 2015, the Company entered into an agreement with KeyTech Limited ("KeyTech"), a publicly held Bermuda company listed on the Bermuda Stock Exchange ("BSX") that provides voice, broadband, and cable television services under the "Logic" name in Bermuda and the Cayman Islands, in which the Company will acquire a controlling interest in KeyTech as part of a proposed business combination of KeyTech with the Company's subsidiary providing wireless services under the "CellOne" name in Bermuda (the "KeyTech Transaction"). KeyTech currently owns a 43% interest in CellOne and as part of the KeyTech Transaction, the Company will contribute our current ownership interest of approximately 43% in CellOne and approximately $42.0 million in cash in exchange for a 51% ownership interest in KeyTech. On a combined basis with KeyTech, the Company currently owns approximately 85% of CellOne. As part of the KeyTech Transaction, CellOne will be merged with and into a company within the KeyTech group and the approximate 15% interest in CellOne held, in the aggregate, by CellOne's minority shareholders will be converted into the right to receive common shares in KeyTech. Following the transaction, CellOne will be indirectly wholly owned by KeyTech and KeyTech will continue to be listed on the BSX. A portion of the cash proceeds that KeyTech will receive upon closing will be used to fund a one-time special dividend to KeyTech's existing shareholders and to retire KeyTech's subordinated debt. The Company currently consolidates the operations of CellOne and, upon closing of the KeyTech Transaction, will consolidate the results of KeyTech, in our financial statements.

The KeyTech Transaction is subject to customary closing terms and conditions, including, among others, the receipt of approval from the Bermuda Regulatory Authority, the Federal Communications Commission, and the Information and Communications Technology Authority of the Cayman Islands and the consent of the Bermuda Stock Exchange to certain transaction matters. KeyTech shareholders approved the proposed transaction by affirmative vote on October 20, 2015. The Company is working towards completing the proposed transaction by the end of the first quarter of 2016.

Completed Acquisition

On December 24, 2014, we acquired substantially all of the assets of Green Lake Capital, LLC and certain of its affiliates (collectively, "Green Lake"), an owner and operator of commercial distributed generation solar power systems in Massachusetts, California and New Jersey (the "Ahana Acquisition"). We acquired these assets as part of a total transaction valued at approximately $117.7 million which is comprised of approximately $66.3 million of cash consideration, a $12.5 million reimbursement of cash and restricted cash held by Green Lake on the date of the acquisition, and the assumption of $38.9 million of debt. The acquisition was performed through our newly formed subsidiary, Ahana Renewables, LLC ("Ahana Renewables"). Certain subsidiaries of Ahana Renewables have been partially capitalized by a third-party tax equity investor who maintains a non-controlling interest in these subsidiaries. The tax equity investor’s interest in these subsidiaries changes at a certain date (the "Flip Date"), which is the later of a) the five-year anniversary of the placed in service date for the solar assets owned by the subsidiary or, b) the date that the tax equity investor receives a certain return on their original investment in that subsidiary. These dates typically occur at approximately 2 - 4 years from the Ahana Acquisition date. The profits and losses of these subsidiaries are allocated to the tax equity investors and to the Company using the Hypothetical Liquidation Book Value method. The Hypothetical Liquidation Book Value Method is used to calculate the non-controlling interests' share of income for each period by measuring the difference in funds that would flow to the non-controlling interests in a hypothetical liquidation event at the beginning of the period compared to the end of a period (adjusted for capital distributions). The method assumes that the proceeds on liquidation approximate book value and then the proceeds are allocated to ATN and non-controlling interests based on the liquidation provisions of the solar facility operating agreement. A positive difference during the period represents non-controlling interests' share of income and a decrease represents a loss. Ahana Renewables has the option to buy-out the non-controlling interests.

Ahana Renewables generates revenue from the sale of electricity through long-term (10 - 25 years) power purchase agreements as well as the sale of Solar Renewable Energy Credits (“SRECs”) which are government emissions allowances obtained through power generation and compliance with various regulations.

Disposal of Turks and Caicos Operations

During March 2015, we sold certain assets and liabilities of our Turks and Caicos business in our Island Wireless segment. As a result, we recorded a loss of approximately $19.9 million arising from the deconsolidation of non-controlling interests of $20.0 million and a gain of $0.1 million arising from an excess of sales proceeds over the carrying value of net assets disposed of. The disposition is included within other income (expense) and does not relate to a strategic shift in our operations. As a result, the subsidiary’s historical results and financial position are presented within continuing operations.

Discontinued Operations—Sale of U.S. Retail Wireless Business

On September 20, 2013, the Federal Communications Commission announced its approval of our previously announced proposed sale of our U.S. retail wireless business operated under the Alltel name to AT&T Mobility LLC for approximately $796.8 million in cash that included a sale price adjustment for the working capital of the business of $16.8 million (the “Alltel Sale”). As a result of that approval, we completed the sale of certain U.S. retail wireless assets on that date.

The operations of the Alltel business, which were previously included in our U.S. Wireless segment, have been classified as discontinued operations in all periods presented. Unless indicated otherwise, the information in this Management's Discussion and Analysis relates only to our continuing operations.

Stimulus Grants

We were awarded several federal stimulus grants in 2009 and 2010 by the U.S. Government under provisions of the American Recovery and Reinvestment Act of 2009 intended to stimulate the deployment of broadband infrastructure and services to rural, unserved and underserved areas. As of December 31, 2015, we have spent (i) $35.8 million in capital expenditures (of which $27.5 million has been funded by the federal stimulus grant) in connection with our build of ten new segments of fiber-optic, middle-mile broadband infrastructure in upstate New York and parts of Pennsylvania and Vermont; (ii) $7.6 million in capital expenditures (of which $5.3 million has been funded by the federal stimulus grant) in connection with our last-mile broadband infrastructure buildout in the Navajo Nation across Arizona, New Mexico and Utah; and (iii) $47.9 million in capital expenditures (of which $33.0 million has been funded by the federal stimulus grant) in connection with our fiber-optic middle mile network buildout to provide broadband and transport services to over 340 community anchor institutions in Vermont. The results of our New York and Vermont stimulus projects are included in our "U.S. Wireline" segment and the results of our Navajo stimulus project are included in our "U.S. Wireless" segment. The New York and Navajo stimulus projects were completed during 2013. The Vermont stimulus project was completed during 2014.

Mobility Fund

As part of the Federal Communications Commission's ("FCC") reform of its Universal Service Fund ("USF") program, which previously provided support to carriers seeking to offer telecommunications services in high-cost areas and to low-income households, the FCC created two new funds, including the Mobility Fund, a one-time award meant to support wireless coverage in underserved geographic areas in the United States. In August 2013 and October 2014, the Company received FCC final approvals for $21.7 million and $2.4 million, respectively, of Mobility Fund support to its wholesale wireless business (the "Mobility Funds"), to expand voice and broadband networks in certain geographic areas in order to offer either 3G or 4G coverage. As part of the receipt of the Mobility Funds, we committed to comply with certain additional FCC construction and other requirements. A portion of these funds will be used to offset network capital costs and a portion is used to offset the costs of supporting the networks for a period of five years from award date. In connection with the Company's application for the Mobility Funds, we have issued approximately $10.6 million in letters of credit to the Universal Service Administrative Company ("USAC") to secure these obligations. If we fail to comply with any of the terms and conditions upon which the Mobility Funds were granted, or if we lose eligibility for the Mobility Funds, USAC will be entitled to draw the entire amount of the letter of credit applicable to the affected project plus penalties and may disqualify us from the receipt of additional Mobility Fund support.

We began the construction of its Mobility Funds projects during the third quarter of 2013 and their results are included in the Company's "U.S. Wireless" segment. As of December 31, 2015, we have received approximately $8.1 million in Mobility Funds. Of these funds, $1.0 million was recorded as an offset to operating expenses, $3.4 million was recorded as an offset to the cost of the property, plant, and equipment associated with these projects and, consequentially, a reduction of future depreciation expense and $3.5 million is recorded within other current liabilities while the remaining $0.1 million of future operating costs is recorded within other long-term liabilities in our consolidated balance sheet as of December 31, 2015. The balance sheet presentation is based on the timing of the expected usage of the funds which will reduce future operations expenses.

Reclassifications

Certain reclassifications have been made in the prior period financial statements to conform our consolidated income statements to how we analyze our operations in the current period. These changes did not impact operating income. For the year ended December 31, 2013 the aggregate impact of the changes included an increase to termination and access fees of $14.4 million, a decrease to engineering and operations expenses of $11.0 million, an increase to sales and marketing expenses of $0.5 million, an increase to equipment expense of $0.1 million, and a decrease to general and administrative expenses of $4.0 million. For the year ended December 31, 2014 the aggregate impact of the changes included an increase to termination and access fees of $13.7 million, a decrease to engineering and operations expenses of $9.3 million, an increase to sales and marketing expenses of $0.7 million and a decrease to general and administrative expenses of $5.1 million.

Results of Operations:

Years Ended December 31, 2014 and 2015

	Year Ended December 31,		Amount of Increase	Percent Increase
	2014	2015	(Decrease)	(Decrease)
REVENUE:				
U.S. wireless	$ 153,040	$ 155,390	$ 2,350	1.5 %
International wireless	88,650	81,652	(6,998)	(7.9)
Wireline	85,284	86,485	1,201	1.4
Renewable Energy	—	21,040	21,040	100.0
Equipment and other	9,373	10,802	1,429	15.2
Total revenue	$ 336,347	$ 355,369	$ 19,022	5.7 %
OPERATING EXPENSES (*excluding depreciation and amortization unless otherwise indicated*):				
Termination and access fees	77,888	81,928	4,040	5.2
Engineering and operations	30,954	37,244	6,290	20.3
Sales and marketing	21,664	21,466	(198)	(0.9)
Equipment expense	13,338	14,997	1,659	12.4
General and administrative	52,734	59,890	7,156	13.6
Transaction-related charges	2,959	7,182	4,223	142.7
Depreciation and amortization	51,234	56,890	5,656	11.0
Gain on disposition of long lived asset	—	(2,823)	(2,823)	(100.0)
Total operating expenses	$ 250,771	$ 276,774	$ 26,003	10.4 %
Income from operations	$ 85,576	$ 78,595	$ (6,981)	(8.2)%
OTHER INCOME (EXPENSE):				
Interest income	788	588	(200)	(25.4)
Interest expense	(1,208)	(3,180)	(1,972)	163.2
Loss on deconsolidation of subsidiary	—	(19,937)	(19,937)	(100.0)
Other income (expense), net	1,012	135	(877)	(86.7)
Other income (expense), net	$ 592	$ (22,394)	$ (22,986)	(3,882.7)%
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	86,168	56,201	(29,967)	(34.8)
Income tax expense	28,148	24,137	(4,011)	(14.2)
INCOME FROM CONTINUING OPERATIONS	58,020	32,064	(25,956)	(44.7)
Gain on disposal of discontinued operations, net of tax	1,102	1,092	(10)	(0.9)
Income from discontinued operations	$ 1,102	$ 1,092	$ (10)	(0.9)%
NET INCOME	59,122	33,156	(25,966)	(43.9)
Net income attributable to non-controlling interests, net of tax:	(10,970)	(16,216)	(5,246)	47.8
NET INCOME ATTRIBUTABLE TO ATLANTIC TELE-NETWORK, INC. STOCKHOLDERS	$ 48,152	$ 16,940	$ (31,212)	(64.8)%

U.S. wireless revenue. The substantial majority of U.S. wireless revenue consists of wholesale revenue. For the years ended December 31, 2014 and 2015, wholesale revenue represented 96% and 87% of total U.S. wireless revenue, respectively. U.S. wireless revenue also includes retail revenues generated by our operations in certain smaller rural markets already covered by our wholesale network in the western United States. Wholesale revenue is generated from providing mobile voice or data services to the customers of other wireless carriers, the provision of network switching services and certain transport services using our wireless networks. Wholesale wireless revenue is primarily driven by the number of sites and base stations we operate, the amount of voice and data traffic from the subscribers of other carriers that each of these sites generates, and the rates we are paid from our carrier customers for carrying that traffic.

The most significant competitive factor we face in our wholesale wireless business is the extent to which our carrier customers choose to roam on our networks or elect to build or acquire their own infrastructure in a market, reducing or eliminating their need for our services in those markets. Occasionally, we have entered into buildout projects with existing carrier customers to help the customer accelerate the buildout of a given area. Pursuant to these arrangements, we agree to incur the cost of building and operating a network in a newly designated area meeting specified conditions. In exchange, the carrier agrees to license us spectrum in that area and enter into a contract with specific pricing and terms. These arrangements typically include a purchase right in favor of the carrier to purchase that portion of the network and receive back the spectrum for a predetermined price, depending on when the option to purchase is exercised. For example, as previously disclosed, in December 2012, we sold a portion of our network to a carrier customer pursuant to an option contained in our roaming and buildout agreement with that carrier. We currently have one buildout arrangement of approximately 100 built cell sites, which provides the carrier with an option to purchase such sites exercisable beginning no earlier than 2018. At this time, we cannot predict whether the purchase option will be exercised.

Our U.S. wireless revenue increased to $155.4 million for the year ended December 31, 2015 from $153.0 million for the year ended December 31, 2014, an increase of $2.4 million or 1.5%. The increase was primarily driven by growth in our rural U.S. retail wireless business and U.S. wholesale growth due to expanded traffic volume. Capacity and technology upgrades to our network and the increase in the number of base stations from 760 as of December 31, 2014 to approximately 800 as of December 31, 2015 helped drive traffic levels higher. However, the increase in traffic volume was largely offset by reduced rates resulting in the decrease in wholesale revenue.

We expect that data volumes will continue to increase during 2016 due to increased demand combined with our increased capacity to serve such demand following the network upgrades made over the last two years. However, we expect to experience a decline in 2016 revenues and for margins to contract as a result of the necessary evolution of significantly reducing rates to a major customer in exchange for longer-term contracts. We believe that this new model has much lower risk in that the extended term and reduced pricing create a potential for a long-lived shared infrastructure solution.

Our U.S. wireless revenues may also be impacted by our expanded network capabilities, reach and capacity, continued declines in overall voice traffic on our networks or decisions by our roaming partners to no longer roam on our networks or to continue to expand their networks in areas where we operate.

International wireless revenue. International wireless revenue includes retail and wholesale voice and data wireless revenue from our operations in Bermuda and the Caribbean, including the U.S. Virgin Islands. During late 2015, we modified our definition of an active subscriber which resulted in a decrease in our international wireless subscribers. This change was retroactively applied to the reported subscribers for December 31, 2014.

International wireless revenue decreased by $7.0 million, or 7.9 %, to $81.6 million for the year ended December 31, 2015, from $88.6 million for the year ended December 31, 2014. Our Island Wireless segment reported a decrease in international wireless revenue of $5.9 million primarily as the result of the sale of our operations in Turks and Caicos in March 2015 and a decrease in roaming revenue in our other Island Wireless businesses due to anticipated rate declines. Our International Integrated Telephony segment also reported a $1.1 million decrease in international wireless revenue as a result of a decrease in the average number of subscribers throughout the year.

In total, our international wireless subscribers remained unchanged at 282,000 as of December 31, 2014 and December 31, 2015. Although subscribers within our Integrated Telephony segment increased by approximately 10,000 subscribers, a majority of that increase occurred towards the end of the year and as a result did not significantly impact revenue during 2015. This increase in subscribers was offset by a decrease in our Island Wireless segment primarily as a result of our sale of our operations in Turks and Caicos in March 2015. We expect international wireless revenues to remain relatively unchanged in future periods. Growth in revenue from anticipated subscriber growth may be offset by a decline in wholesale roaming revenues because many visitors' home market carriers continue to charge their customers unusually high rates for roaming services, resulting in lowered overall roaming traffic in these markets. Wholesale roaming revenues in these markets are also subject to seasonality and can fluctuate between quarters.

Additionally, international wireless revenue from our wireless voice and data services in Bermuda may be negatively impacted, principally through the loss of market share, as a result of both the implementation in March 2015 of a decision by the Bermuda Regulatory Authority requiring our Bermuda subsidiary to surrender a portion of spectrum we reserved for the launch of next generation wireless and data services and any reallocation of that spectrum to our competitors. See "Business—Caribbean and Bermuda Regulation".

Wireline revenue. Wireline revenue is generated by our wireline operations in Guyana, including international telephone calls into and out of that country, our integrated voice and data operations in New England, our wholesale transport operations in New York State and our wholesale long- distance voice services to telecommunications carriers. This revenue includes basic service fees, measured service revenue, and internet access fees, as well as installation charges for new lines, monthly line rental charges, long- distance or toll charges, and maintenance and equipment sales.

Wireline revenue increased by $1.2 million, or 1.4 %, to $86.5 million for the year ended December 31, 2015 from $85.3 million for the year ended December 31, 2014. This increase was primarily due to a $2.1 million increase in our International Integrated Telephony segment resulting from increased broadband data revenues offset by a $0.9 decrease in our U.S. wireline segment resulting from decreases in our wholesale long-distance voice services operations.

We anticipate that wireline revenue from our international long-distance business in Guyana will continue to be negatively impacted, principally through the loss of market share, should we cease to be the exclusive provider of domestic fixed and international long-distance service in Guyana, whether by reason of the Government of Guyana enacting legislation to such effect or a modification, revocation or lack of enforcement of our exclusive rights. While the loss of our exclusive rights will likely cause an immediate reduction in our wireline revenue, over the longer term such declines may be offset by increased revenue from data services to consumers and enterprises in Guyana, an increase in regulated local calling rates in Guyana, and increased wholesale transport services and large enterprise and agency sales in the United States.

We currently cannot predict when or if the Government of Guyana will enact such legislation or take, or fail to take, any action that would otherwise affect our exclusive rights in Guyana. See "Business—Guyana Regulation".

Renewable Energy revenue. Renewable energy revenue represents revenue from the sale of electricity through long-term (10 to 25 years) power purchase agreements ("PPAs") as well as the sale of solar renewable energy credits ("SRECs").

Renewable energy revenue was $21.0 million for the year ended December 31, 2015 and is attributable to our Ahana Acquistion in December 2014.

Our PPAs, which are typically priced at or below then-prevailing local retail electricity rates, allow our customers to secure electricity at predictable and stable prices over the duration of their long-term contract. As such, our PPAs provide us with high-quality contracted cash flows, which should continue over their average remaining life. For these reasons, we expect that Renewable Energy revenue from our current portfolio of commercial solar projects will remain fairly consistent in future periods.

Equipment and other revenue. Equipment and other revenue represent revenue from wireless equipment sales, primarily handsets, to retail telecommunications customers and other miscellaneous revenue items.

Equipment and other revenue increased by $1.4 million, or 15.2 %, from $9.4 million to $10.8 million for the years ended December 31, 2014 and December 31, 2015, respectively. Equipment and other revenue increased in both our U.S. Wireless segment's retail operations and in our International Integrated Telephony segment by $1.1 million and $1.0 million, respectively, as a result of increased subscriber additions and demand for handsets. These increases, however, were offset by a $0.3 million decrease in our Island Wireless segment as a result of our sale of our operations in Turks and Caicos in March 2015 and a decrease in subscribers within the other Island Wireless locations purchasing handsets.

We believe that equipment and other revenue could continue to increase as a result of gross subscriber additions, continued growth in smartphone penetration and continued customer incentives such as device subsidies.

Termination and access fee expenses. Termination and access fee expenses are charges that we pay for voice and data transport circuits (in particular, the circuits between our wireless sites and our switches), internet capacity, other access fees we pay to terminate our calls, customer bad debt expense, telecommunications spectrum, fees and direct costs associated with our Renewable Energy segment.

Termination and access fees increased by $4.0 million, or 5.2%, from $77.9 million for the year ended December 31, 2014 to $81.9 million for the year ended December 31, 2015. Our U.S. Wireless segment reported an increase of $5.9 million in these costs as the result of increased data traffic volumes, costs related to additional technologies and the expansion and upgrade of our networks. Termination and access fees also increased as a result of our Renewable Energy business, acquired in December 2014, which recorded $1.3 million of these costs. These increases were partially offset by decreases of $1.0 million in our International Integrated Telephony segment as a result of non-recurring reductions in bandwidth costs, a $0.6 million reduction in our wholesale long-distance voice services operations within our U.S. Wireline segment and $1.5 million in our Island Wireless segment, which included our operations in Turks and Caicos sold in March 2015.

Termination and access fees are expected to continue to increase in future periods with expected growth in data traffic volume.

Engineering and operations expenses. Engineering and operations expenses include the expenses associated with developing, operating and supporting our expanding telecommunications networks and renewable energy operations, including the salaries and benefits paid to employees directly involved in the development and operation of our networks.

Engineering and operations expenses increased by $6.3 million, or 20.3%, from $31.0 million for the year ended December 31, 2014 to $37.2 million for the year ended December 31, 2015. The increase was primarily the result of an increase within our U.S. Wireless segment of $4.3 million to support an expanding and upgraded network and additional technologies and as a result of the conclusion of a transition services agreement entered into to provide support services following the sale of our Alltel business which was accounted for as an offset to the expenses in previous periods. Our International Integrated Telephony segment reported an increase in engineering and operations expenses of $2.5 million for network and billing system support, maintenance, and consulting. These increases were offset partially by decreases in our other operating segments as a result of operating efficiencies and the sale of our operations in Turks and Caicos in March 2015.

Engineering and operations expenses are expected to increase as a result of the costs required to support the increased capacity and geographic expansion of our telecommunications network as well as to support our Renewable Energy segment.

Sales and marketing expenses. Sales and marketing expenses include salaries and benefits we pay to sales personnel, customer service expenses, sales commissions and the costs associated with the development and implementation of our promotion and marketing campaigns.

Sales and marketing expenses decreased by $0.2 million, or 0.9 %, from $21.7 million for the year ended December 31, 2014 to $21.5 million for the year ended December 31, 2015. Sales and marketing expenses increased by $1.7 million in our International Integrated Telephony segment as a result of additional retail stores and increased promotions and product re-branding expenses and by $0.2 million in our U.S. Wireless segment's retail operations to support its increased revenues and subscriber base. Such increases were offset by a reduction in sales and marketing expenses in our Island Wireless segment of $2.1 million primarily as a result of cost reduction measures and the sale of our operations in Turks and Caicos in March 2015.

We expect that sales, marketing and customer service expenses will remain fairly consistent as a percentage of revenues in future periods.

Equipment expenses. Equipment expenses include the costs of our handset and customer resale equipment in our retail wireless businesses.

Equipment expenses increased by $1.7 million, or 12.4 %, from $13.3 million for the year ended December 31, 2014 to $15.0 million for the year ended December 31, 2015. The increase in equipment expenses is primarily as a result of increased equipment sales in our U.S. Wireless segment's retail operations as well as in our International Integrated Telephony segment which incurred increases in equipment expenses of $1.6 million and $1.8 million, respectively. These increases were partially offset by reduced expense in our Island Wireless segment of $1.7 million which previously included our operations in Turks and Caicos which was sold in March 2015.

We believe that equipment expenses could continue to increase as a result of the increase in demand for smartphones by our subscribers.

General and administrative expenses. General and administrative expenses include salaries, benefits and related costs for general corporate functions including executive management, finance and administration, legal and regulatory, facilities, information technology and human resources. General and administrative expenses also include internal costs associated with our performance of due-diligence on our pending or completed acquisitions.

General and administrative expenses increased by $7.2 million, or 13.6%, from $52.7 million for the year ended December 31, 2014 to $59.9 million for the year ended December 31, 2015. The increase was primarily the result of our newly acquired Renewable Energy business, which was acquired in December 2014 and incurred a $4.2 million increase in general and administrative expenses during the twelve months ended December 31, 2015. Our International Integrated Telephony segment reported an increase in general and administrative expenses of $1.9 million primarily relating to one-time legal and consulting costs. Our U.S. Wireless segment reported an increase of $1.9 million primarily as a result of the conclusion of a transition services agreement entered into to provide support services following the sale of our Alltel business, which was accounted for as an offset to expense in previous periods. These increases were partially offset by a $1.1 million decrease in our Island Wireless segment as a result of certain cost reduction measures and the sale of our operations in Turks and Caicos in March 2015.

We expect that these general and administrative expenses will remain fairly consistent as a percentage of revenues in future periods.

Transaction- related charges. Transaction-related charges include the external costs, such as legal, tax and accounting, and consulting fees directly associated with acquisition and disposition-related activities, which are expensed as incurred. Transaction related charges do not include internal costs, such as employee salary and travel-related expenses, incurred in connection with acquisition or disposition-related activities or any integration-related costs.

We incurred $3.0 million and $7.2 million of transaction-related charges during the years ended December 31, 2014 and 2015, respectively. The increase was primarily related to our pending Innovative and KeyTech transactions and our evaluation of renewable energy investment opportunities.

We expect that transaction related expenses will continue to be incurred from time to time as we continue to explore additional acquisition and investment opportunities.

Depreciation and amortization expenses. Depreciation and amortization expenses represent the depreciation and amortization charges we record on our property and equipment and on certain intangible assets.

Depreciation and amortization expenses increased by $5.7 million, or 11.1 %, from $51.2 million for the year ended December 31, 2014 to $56.9 million for the year ended December 31, 2015. The increase was primarily the result of a $4.7 million increase in depreciation and amortization in our Renewable Energy business which was acquired in December 2014 and a $3.3 million increase in depreciation expense in our U.S. Wireless segment as a result of certain network expansions. Our corporate overhead incurred an increase of $1.0 million to support our expanding operations. These increases were partially offset by a decrease of $2.3 million in our Island Wireless segment primarily as a result of our sale of operations in Turks and Caicos in March 2015 and a decrease in our International Integrated Telephony segment of $0.9 million as a result of certain equipment becoming fully depreciated during 2015.

We expect depreciation expense to increase as we acquire more tangible assets to expand or upgrade our networks and build or acquire solar power generating facilities.

Gain on disposition of long-lived assets. During the year ended December 31, 2015, we sold certain network assets and telecommunications licenses in our U.S. Wireless segment and recognized a gain on such disposition of $2.8 million.

Interest income. Interest income represents interest earned on our cash, cash equivalents, and restricted cash balances.

Interest income decreased $0.2 million from $0.8 million to $0.6 million for the years ended December 31, 2014 and 2015, respectively. We expect that interest income will remain consistent in future periods.

Interest expense. Interest expense represents commitment fees and interest incurred on our outstanding credit facilities and interest incurred on the term loans we assumed in our Ahana Acquisition.

Interest expense increased $2.0 million from $1.2 million to $3.2 million for the years ended December 31, 2014 and 2015, respectively. This increase was primarily the result of the interest incurred on project debt we assumed in connection with the Ahana Acquisition.

We expect that interest expense will remain consistent in future periods.

Loss on deconsolidation of subsidiary. During March 2015, we completed the sale of certain assets and liabilities operated in Turks and Caicos and recorded a loss on the disposition and related deconsolidation of this subsidiary of approximately $19.9 million primarily as a result of the expensing of our minority holders' non-controlling interests in our Turks and Caicos operations.

Other income (expense), net. Other income (expense), net represents miscellaneous non-operational income we earned or expenses we incurred. For the year ended December 31, 2014, other income (expense), net included a $1.1 million foreign exchange gain.

Income taxes. Our effective tax rates for the years ended December 31, 2014 and 2015 were 32.7% and 43.0%, respectively. Our effective tax rate increased in 2015 primarily due to the loss on the deconsolidation of our Turks and Caicos business. This loss was generated in a non-tax foreign jurisdiction for which we receive no tax benefit. Our consolidated tax rate will continue to be impacted by the mix of income generated among the jurisdictions in which we operate.

Gain on sale of discontinued operations, net of tax. Gain on disposal of discontinued operations, net of tax of $1.1 million for the years ended December 31, 2014 and 2015, relates to the gain on the sale of our Alltel business which was sold on September 20, 2013.

Net income attributable to non-controlling interests. Net income attributable to non-controlling interests reflected an allocation of $11.0 million and $16.2 million of income generated by our less–than-wholly owned subsidiaries for the twelve months ended December 31, 2014 and 2015, respectively. Of this $5.2 million increase, $1.8 million was the result of increased net income at our less-than-wholly owned retail operations in our U.S. Wireless segment, $1.5 million was the result of our renewable energy operations, which were acquired in December 2014 and $2.5 million was the result of our operations in Turks and Caicos which were sold in March 2015. These increases were partially offset by a decrease of $0.6 million in our other less-than-wholly owned operations.

Net income attributable to Atlantic Tele-Network, Inc. stockholders. Net income attributable to Atlantic Tele-Network, Inc. stockholders decreased from $48.2 million for the year ended December 31, 2014 to $16.9 million for the year ended December 31, 2015.

On a per share basis, net income decreased from $3.01 per diluted share to $0.96 per diluted share for the years ended December 31, 2014 and 2015, respectively. The years ended December 31, 2014 and 2015 include net income per diluted share of $0.07 and $0.02, respectively, relating to the gain, net of tax, on the sale of our discontinued operations.

Results of Operations

Years Ended December 31, 2013 and 2014

	Year ended December 31,		Amount of Increase (Decrease)	Percent Increase (Decrease)
	2013	2014		
REVENUE:				
U.S. wireless	$ 107,930	$ 153,040	$ 45,110	41.8 %
International wireless	91,432	88,650	(2,782)	(3.0)
Wireline	84,585	85,284	699	0.8
Equipment and other	8,888	9,373	485	5.5
Total revenue	$ 292,835	$ 336,347	$ 43,512	14.9 %
OPERATING EXPENSES (*excluding depreciation and amortization unless otherwise indicated*):				
Termination and access fees	70,159	77,888	7,729	11.0
Engineering and operations	27,913	30,954	3,041	10.9
Sales and marketing	18,226	21,664	3,438	18.9
Equipment expense	13,013	13,338	325	2.5
General and administrative	49,066	52,734	3,668	7.5
Transaction-related charges	2,712	2,959	247	9.1
Depreciation and amortization	48,737	51,234	2,497	5.1
Impairment of Intangible Assets	—	—	—	—
Gain on disposition of long lived asset	(1,076)	—	1,076	(100.0)
Total operating expenses	$ 228,750	$ 250,771	$ 22,021	9.6 %
Income from operations	$ 64,085	$ 85,576	$ 21,491	33.5 %
OTHER INCOME (EXPENSE):				
Interest income	852	788	(64)	(7.5)
Interest expense	(12,785)	(1,208)	11,577	(90.6)
Unrealized loss on interest rate derivative contracts	(5,408)	—	5,408	(100.0)
Other income (expense), net	(271)	1,012	1,283	(473.4)
Other income (expense), net	$ (17,612)	$ 592	$ 18,204	(103.4)%
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	46,473	86,168	39,695	85.4
Income tax expense	9,536	28,148	18,612	195.2
INCOME FROM CONTINUING OPERATIONS	36,937	58,020	21,083	57.1
INCOME FROM DISCONTINUED OPERATIONS:				
Income from discontinued operations, net of tax	5,166	—	(5,166)	(1,000.0)
Gain on disposal of discontinued operations, net of tax	307,102	1,102	(306,000)	(99.6)
Income from discontinued operations	$ 312,268	$ 1,102	$ (311,166)	(99.6)%
NET INCOME	349,205	59,122	(290,083)	(83.1)
Net income attributable to non-controlling interests, net of tax:				
Continuing operations	(7,989)	(10,970)	(2,981)	37.3
Discontinued operations	(601)	—	601	(100.0)
Disposal of discontinued operations	(28,899)	—	28,899	(100.0)
	$ (37,489)	$ (10,970)	$ 26,519	(70.7)%
NET INCOME ATTRIBUTABLE TO ATLANTIC TELE-NETWORK, INC. STOCKHOLDERS	$ 311,716	$ 48,152	$ (263,564)	(84.6)%

U.S. wireless revenue. Our U.S. wireless revenue increased to $153.0 million for the year ended December 31, 2014 from $107.9 million for the year ended December 31, 2013, an increase of $45.1 million or 41.8%. The revenue growth was a result of an increase in the demand for data services and an increase in our base stations from approximately 600 as of December 31, 2013 to approximately 760 as of December 31, 2014. Revenue growth was also enhanced as we upgraded our network capacities and data speeds at many of our cell sites, enabling higher data volumes as compared to 2013.

International wireless revenue. International wireless revenue decreased by $2.8 million, or 3.0%, to $88.6 million for the year ended December 31, 2014, from $91.4 million for the year ended December 31, 2013. This decrease was mainly due to a decrease in market share within our International Integrated Telephony segment which resulted in a $3.5 million decrease in wireless revenue as well as a decline in roaming revenue in Bermuda and the Caribbean. This decrease was partially offset by a $0.7 million increase in our Island wireless segment as a result of increased subscribers.

In total, our international wireless subscribers decreased slightly from approximately 325,000 as of December 31, 2013 to 324,000 as of December 31, 2014. However, while lower revenue generating subscribers in our International Integrated Telephony segment decreased by 1.9% from December 31, 2013 to December 31, 2014, our higher revenue generating subscribers in our Island Wireless segment increased 6.4% from December 31, 2013 to December 31, 2014, respectively. While we have experienced subscriber growth in a number of our international markets, competition remains strong, and the high proportion of prepaid subscribers means that subscribers and revenue could shift relatively quickly in future periods.

Wireline revenue. Wireline revenue increased by $0.7 million, or 0.8%, to $85.3 million for the year ended December 31, 2014 from $84.6 million for the year ended December 31, 2013. This increase was primarily the result of increases from both our fiber network expansion in New York State and in our wholesale transport operations, both of which operate within our U.S. Wireline segment which accounted for an increase of $3.1 million. This increase, however, was partially offset by a $2.4 million decline in wireline revenues in Guyana where increases in high speed data services were more than offset by decreases in local landline telephone revenue and international calls into Guyana.

Equipment and other revenue. Equipment and other revenue increased by $0.5 million, or 5.6%, from $8.9 million to $9.4 million for the years ended December 31, 2013 and December 31, 2014, respectively. Equipment and other revenue increased in our U.S. Wireless segment's retail operations and in our Island Wireless segment, by $0.5 million and $0.2 million, respectively, as a result of increased demand for handsets. These increases, however, were offset by a $0.7 million decrease in our International Integrated Telephony segment as a result of a decrease in subscribers. Our Renewable Energy segment reported $0.4 million of revenue which represents revenue generated subsequent to Ahana Acquisition on December 24, 2014.

Termination and access fee expenses. Termination and access fees increased by $7.7 million, or 11.0%, from $70.2 million for the year ended December 31, 2013 to $77.9 million for the year ended December 31, 2014. Our U.S. Wireless segment reported an increase in its termination and access fees of $5.4 million as a result of its network expansion which increased traffic volume. Our fiber network expansion in New York State and an increase in our wholesale transport operations resulted in an increase in termination and access fees within our U.S. Wireline segment of $2.9 million. The remaining increase was generated by our Island Wireless segment as a result of increased roaming costs, partially offset by a decrease in our International Integrated Telephony segment as a result of decreased traffic volume.

Engineering and operations expenses. Engineering and operations expenses increased by $3.0 million, or 10.9%, from $27.9 million for the year ended December 31, 2013 to $30.9 million for the year ended December 31, 2014, primarily as a result of the continued implementation of our new billing system in our International Integrated Telephony segment.

Sales and marketing expenses. Sales and marketing expenses increased by $3.4 million, or 18.7%, from $18.2 million for the year ended December 31, 2013 to $21.6 million for the year ended December 31, 2014. Sales and marketing expenses increased within all of our segments but primarily in our U.S. Wireless segment's retail operations, where expanded marketing and advertising campaigns in the latter half of 2013 led to an increase of $2.3 million in these costs.

Equipment expenses. Equipment expenses increased by $0.3 million, or 2.5%, from $13.0 million for the year ended December 31, 2013 to $13.3 million for the year ended December 31, 2014. The increase in equipment expenses is primarily the result of increased demand for handset devices in our U.S. Wireless segment's retail operations which resulted in an increase of $1.3 million partially offset by decreased costs in our International Integrated Telephony segment as a result of fewer subscribers.

General and administrative expenses. General and administrative expenses increased by $3.7 million, or 7.5%, from $49.0 million for the year ended December 31, 2013 to $52.7 million for the year ended December 31, 2014 as a result of an increase in overhead costs within primarily all of our operating segments as well as the parent company which absorbed additional costs that were shared with the Alltel business which was sold in September 2013.

Transaction- related charges. We incurred $2.7 million and $3.0 million of transaction-related charges during the years ended December 31, 2013 and 2014, respectively. The 2013 charges primarily related to the sale of our Alltel business while the 2014 charges primarily related to our Ahana Acquisition.

Depreciation and amortization expenses. Depreciation and amortization expenses increased by $2.5 million, or 5.1%, from $48.7 million for the year ended December 31, 2013 to $51.2 million for the year ended December 31, 2014. The increase is the result of network expansions within all of our reporting segments partially offset by a decrease of $0.5 million in our International Telephony segment as certain assets in that segment became fully depreciated in 2014.

Gain on disposition of long-lived assets. During the year ended December 31, 2013, we sold certain network assets and telecommunications licenses in our U.S. Wireless segment for proceeds of $1.5 million and recognized a gain on such disposition of $1.1 million.

Interest income. Interest income decreased from $0.9 million to $0.8 million for the years ended December 31, 2013 and 2014, respectively.

Interest expense. Interest expense decreased $11.6 million from $12.8 million to $1.2 million for the years ended December 31, 2013 and 2014, respectively. The decrease was primarily a result of the repayment of our long-term debt and the termination of our interest rate derivative contracts on September 20, 2013. The year ended December 31, 2013 also included a $4.7 million charge relating to the expensing of deferred financing costs upon the repayment of our term loans.

Unrealized loss on interest rate derivative contracts. As a result of the repayment of our variable-rate term loans on September 20, 2013, our interest rate derivatives were terminated. Accordingly, we recognized a loss on our interest rate derivative contracts of $5.4 million during the year ended December 31, 2013.

Other income (expense), net. Other income (expense), net was $0.3 million of expense and $1.0 million of income for the years ended December 31, 2013 and 2014, respectively. For the year ended December 31, 2014, other income (expense), net includes a $1.1 million foreign currency exchange gain.

Income taxes. Our effective tax rates for the years ended December 31, 2013 and 2014 were 20.5% and 32.7%, respectively. The year ended December 31, 2013 includes a tax benefit of $8.6 million related to the non-recurring write-down of an intercompany note receivable. This item had an 18.1% benefit to our effective tax rate for the year ended December 31, 2013. Our consolidated tax rate will continue to be impacted by the mix of income generated among the jurisdictions in which we operate.

Income from discontinued operations, net of tax. Income from discontinued operations, net of tax was $5.2 million for the year ended December 31, 2013. This amount relates to the operations of our Alltel business which was sold on September 20, 2013.

Gain on disposal of discontinued operations, net of tax. Gain on disposal of discontinued operations, net of tax of $307.1 million and $1.1 million for the years ended December 31, 2013 and 2014, respectively, relates to the gain on our sale of our Alltel business which was sold on September 20, 2013.

Net income attributable to non-controlling interests. Net income attributable to non-controlling interests reflected an allocation of $37.5 million and $11.0 million of income generated by our less than wholly-owned subsidiaries for the years ended December 31, 2013 and 2014, respectively. During the year ended December 31, 2013, we recorded $0.6 million of net income attributable to non-controlling interests relating to our discontinued operations and $28.9 million of net income attributable to non-controlling interests relating to the gain on the sale of discontinued operations.

Net income attributable to Atlantic Tele-Network, Inc. stockholders. Net income attributable to Atlantic Tele-Network, Inc. stockholders decreased from $311.7 million for the year ended December 31, 2013 to $48.2 million for the year ended December 31, 2014. For the years ended December 31, 2013 and 2014, net income attributable to Atlantic Tele-Network, Inc. stockholders included a gain on the sale of discontinued operations of $278.2 million and $1.1 million, respectively, net of tax and non-controlling interests. The year ended December 31, 2013 also includes $3.5 million of income from discontinued operations, net of tax and non-controlling interests.

On a per share basis, net income decreased from $19.71 per diluted share to $3.01 per diluted share for the years ended December 31, 2013 and 2014, respectively. The years ended December 31, 2013 and 2014 include net income per diluted share of $17.59 and $0.07, respectively, relating to the gain, net of tax, on the sale of our discontinued operations. The year ended December 31, 2013 also includes $0.29 of income from discontinued operations, net of tax and non-controlling interests.

Regulatory and Tax Issues

We are involved in a number of regulatory and tax proceedings. A material and adverse outcome in one or more of these proceedings could have a material adverse impact on our financial condition and future operations. For a discussion of ongoing proceedings, see Note 15 to the Consolidated Financial Statements included in this Report.

Liquidity and Capital Resources

Historically, we have met our operational liquidity needs through a combination of cash on hand and internally generated funds and have funded capital expenditures and acquisitions with a combination of internally generated funds, cash on hand, proceeds from dispositions and borrowings under our credit facilities. We believe our current cash, cash equivalents and availability under our current credit facility will be sufficient to meet our cash needs for at least the next twelve months for working capital and capital expenditures.

Uses of Cash

Capital expenditures. A significant use of our cash has been for capital expenditures to expand and upgrade our telecommunications networks as well as for acquisitions.

For the years ended December 31, 2014 and 2015, we spent approximately $58.3 million and $64.8 million, respectively, on capital expenditures. The following details our capital expenditures, by operating segment, for these periods (in thousands):

	Capital Expenditures						
Year ended December 31,	U.S. Wireless	International Integrated Telephony	Island Wireless	U.S. Wireline	Renewable Energy	Reconciling Items	Consolidated
2014	$ 33,446	$ 10,646	$ 6,064	$ 4,680	$ —	$ 3,464	$ 58,300
2015	29,741	14,549	8,255	7,847	38	4,323	64,753

We are continuing to invest in upgrading and expanding our telecommunications networks in many of our markets, along with upgrading our operating and business support systems. We currently anticipate that telecom capital expenditures for the year ended December 31, 2016 will be between $60 million and $70 million. Capital expenditures in our Renewable Energy segment are more difficult to project, however we expect to actively pursue further investments in this segment.

We expect to fund our current capital expenditures primarily from our current cash balances and cash generated from our operations.

Acquisitions and investments. Historically, we have funded our acquisitions with a combination of cash on hand and borrowings under our credit facilities. As discussed above, we expected to fund our pending KeyTech Transaction with $42.0 million of cash. In regard to the pending acquisition of Caribbean Asset Holding, LLC, we expect to fund $85.0 million payable in cash and have the option to finance the remaining $60.0 million of the purchase price with a loan from an affiliate of CFC, the Rural Telephone Finance Cooperative.

We continue to explore opportunities to expand our businesses or acquire new businesses and licenses in the United States, the Caribbean and elsewhere. Such acquisitions, including acquisitions of renewable energy assets, may require external financing. While there can be no assurance as to whether, when or on what terms we will be able to acquire any such businesses or licenses or make such investments, such acquisitions may be accomplished through the issuance of shares of our capital stock, payment of cash or incurrence of additional debt. From time to time, we may raise capital ahead of any definitive use of proceeds to allow us to move more quickly and opportunistically if an attractive investment materializes.

As of December 31, 2015, we had approximately $398.3 million in cash, cash equivalents and restricted cash. Of this amount, $93.3 million was held by our foreign subsidiaries and is permanently invested outside the United States. In addition, we have approximately $32.9 million of debt as of December 31, 2015. How and when we deploy our balance sheet capacity will figure prominently in our longer-term growth prospects and stockholder returns.

Income taxes. We have historically used cash-on-hand to make payments for income taxes. The Company’s policy is to indefinitely reinvest the undistributed earnings of its foreign subsidiaries, and accordingly, no provision for federal income taxes has been made on accumulated earnings of foreign subsidiaries.

Dividends. We use cash-on-hand to make dividend payments to our common stockholders when declared by our Board of Directors. For the year ended December 31, 2015, our Board declared dividends to our stockholders, which includes a $0.32 per share dividend declared on December 8, 2015, and paid on January 8, 2016, of $16.8 million. We have declared quarterly dividends for the last 69 fiscal quarters.

Stock repurchase plan. Our Board of Directors approved a $5.0 million stock buyback plan in September 2004 pursuant to which we have spent approximately $2.1 million through December 31, 2015. Our last repurchase of our common stock under this plan was in 2007. We may repurchase shares at any time depending on market conditions, our available cash and our cash needs.

Debt Service and Other Contractual Commitments Table. The following table discloses aggregate information about our debt, lease and other obligations as of December 31, 2015 and the periods in which payments are due:

Contractual Obligations	Total	Less Than 1 Year	1 – 3 Years	4 – 5 Years	More Than 5 Years
			(In thousands)		
Debt	$ 32,455	$ 6,284	$ 12,795.0	$ 6,741	$ 6,635
Pension obligations	8,767	643	2,038.1	800.0	5,285.7
Mobility fund grants	3,764	3,619	145	—	—
Operating lease obligations	94,358	25,046	38,673	17,079	13,560
Total	$ 139,344	$ 35,592	$ 53,651	$ 24,620	$ 25,481

We have omitted uncertain income tax liabilities from this table due to the inherent uncertainty regarding the timing of potential issue resolution. Specifically, either the underlying positions have not been fully developed enough under audit to quantify at this time or the years relating to the issues for certain jurisdictions are not currently under audit. At December 31, 2015, we had $18.9 million of gross unrecognized tax benefits which $12.4 million was included in “Other Liabilities” and $6.5 million is included in “Accrued Taxes” in the consolidated balance sheet.

Sources of Cash

Total liquidity at December 31, 2015. As of December 31, 2015, we had approximately $398.3 million in cash, cash equivalents and restricted cash, an increase of $26.9 million from the December 31, 2014 balance of $371.4 million. The increase is primarily attributable to cash provided by our operating activities of $139.2 million partially offset by cash used for capital expenditures of $64.8 million, cash used for acquisitions of $12.0 million, and cash used in financing activities of $41.4 million. As discussed above we expect to fund our pending acquisitions of KeyTech and Caribbean Asset Holdings with an aggregate of $127.0 million of cash.

Cash provided by operations. Cash provided by operating activities was $139.2 million during the year ended December 31, 2015, an increase of $61.2 million from the $78.0 million provided by operating activities during the year ended December 31, 2014. The increase in cash flow from operations of $61.2 million was primarily the result of an increase in the change in accounts receivable of $27.0 million, and an increased change in accrued taxes of $43.4 million (which was driven by tax payments made in 2014 in connection with or sale of the Alltel business in September 2013). These increases in cash flow from operations were partially offset by a decrease in net income of $25.9 million for the year ended December 31, 2015.

Cash used in investing activities. Cash used in investing activities was $32.0 million for the year ended December 31, 2015. Cash used in investing activities was $74.5 million for the year ended December 31, 2014. The decrease in cash used in investing activities of $42.5 million was primarily the result of $56.2 million used in 2014 to fund the Ahana acquisition (as compared to $12.0 million in 2015) and $4.5 million received from the 2014 disposition of certain assets. Offsetting these decreases was an increase in capital expenditures of $6.5 million.

Cash used in financing activities. Cash used in financing activities increased by $7.5 million, from $33.9 million for the year ended December 31, 2014 to $41.4 million for the year ended December 31, 2015. This increase was predominately the result of repayments of $6.0 million of debt we assumed in connection with the Ahana Acquisition.

On December 19, 2014, we amended and restated our credit facility with CoBank, ACB and a syndicate of other lenders to provide for a $225.0 million revolving credit facility (the “Amended Credit Facility”) that includes (i) up to $10 million under the Amended Credit Facility for standby or trade letters of credit, (ii) up to $25.0 million under the Amended Credit Facility for letters of credit that are necessary or desirable to qualify for disbursements from the FCC’s mobility fund and (iii) up to $10.0 million under a swingline sub-facility.

Amounts we may borrow under the Amended Credit Facility bear interest at a rate equal to, at its option, either (i) the London Interbank Offered Rate (LIBOR) plus an applicable margin ranging between 1.50% to 1.75% or (ii) a base rate plus an applicable margin ranging from 0.50% to 0.75%. Swingline loans will bear interest at the base rate plus the applicable margin for base rate loans. The base rate is equal to the higher of (i) 1.00% plus the higher of (x) the one-week LIBOR and (y) the one-month LIBOR; (ii) the federal funds effective rate (as defined in the Amended Credit Facility) plus 0.50% per annum; and (iii) the prime rate (as defined in the Amended Credit Facility). The applicable margin is determined based on the ratio (as further defined in the Amended Credit Agreement) of our indebtedness to EBITDA. Under the terms of the Amended Credit Facility, we must also pay a fee ranging from 0.175% to 0.250% of the average daily unused portion of the Amended Credit Facility over each calendar quarter.

The Amended Credit Facility contains customary representations, warranties and covenants, including a financial covenant that imposes a maximum ratio of indebtedness to EBITDA as well as covenants by us limiting additional indebtedness, liens, guaranties, mergers and consolidations, substantial asset sales, investments and loans, sale and leasebacks, transactions with affiliates and fundamental changes. In addition, the Amended Credit Facility contains a financial covenant by us that imposes a maximum ratio of indebtedness to EBITDA. As of December 31, 2015, we were in compliance with all of the financial covenants of the Amended Credit Facility.

On January 11, 2016, we amended the Amended Credit Facility to provide for lender consent to, among other actions, (i) the contribution by the Company of all of its equity interests in ATN Bermuda Holdings, Ltd. to ATN Overseas Holdings, Ltd. in connection with the KeyTech Transaction, and subject to the closing of the KeyTech Transaction, a one-time, non-pro rata cash distribution by KeyTech Limited in an aggregate amount not to exceed $13.0 million to certain of KeyTech Limited's shareholders; and (ii) the incurrence by certain subsidiaries of the Company of secured debt in an aggregate principal amount not to exceed $60.0 million in connection with our option to finance a portion of the Innovative Transaction. The Amendment increases the amount the Company is permitted to invest in "unrestricted" subsidiaries of the Company, which are not subject to the covenants of the Amended Credit Facility, from $275.0 million to $400.0 million (as such increased amount shall be reduced from time to time by the aggregate amount of certain dividend payments to the Company's stockholders). The Amendment also provides for the incurrence by the Company of incremental term loan facilities, when combined with increases to revolving loan commitments under the Amended Credit Facility, in an aggregate amount not to exceed $200.0 million, which facilities shall be subject to certain conditions, including pro forma compliance with the total net leverage ratio financial covenant under the Amended Credit Facility.

As of December 31, 2015, we had no borrowings under the Amended Credit Facility and approximately $10.6 million of outstanding letters of credit.

Acquisition of Green Lake Capital, LLC

In connection with the Ahana Acquisition on December 24, 2014, we assumed $38.9 million in debt (the "Ahana Debt"). The Ahana Debt includes multiple loan agreements with banks that bear interest at rates between 4.5% and 6.0%, mature at various times between 2018 and 2023 and are secured by certain solar facilities. Repayment of the Ahana Debt with the banks is made on a monthly basis until maturity.

The Ahana Debt includes a loan from Public Service Electric & Gas (PSE&G) of $2.8 million. The note payable to PSE&G bears interest at 11.3%, matures in 2027, and is secured by certain solar facilities. Repayment of the Ahana Debt with PSE&G can be made in either cash or solar renewable energy credits ("SRECs"), at the Company's discretion. The value of the SRECs was fixed at the time of the loan's closing.

Factors Affecting Sources of Liquidity

Internally generated funds. The key factors affecting our internally generated funds are demand for our services, competition, regulatory developments, economic conditions in the markets where we operate our businesses and industry trends within the telecommunications and renewable energy industries.

Restrictions under Amended Credit Facility. Our Amended Credit Facility contains customary representations, warranties and covenants, including covenants by us limiting additional indebtedness, liens, guaranties, mergers and consolidations, substantial asset sales, investments and loans, sale and leasebacks, transactions with affiliates and fundamental changes. In addition, the Amended Credit Facility contains a financial covenant by us that imposes a maximum ratio of indebtedness to EBITDA. As of December 31, 2015, we were in compliance with all of the financial covenants of the Amended Credit Facility.

Capital markets. Our ability to raise funds in the capital markets depends on, among other things, general economic conditions, the conditions of the telecommunications and renewable energy industries, our financial performance, the state of the capital markets and our compliance with Securities and Exchange Commission ("SEC") requirements for the offering of securities. On June 6, 2014, the SEC declared effective our "universal" shelf registration statement. This filing registered potential future offering of our securities.

Pending Acquisitions. As discussed above, we expected to fund our pending KeyTech Transaction with $42 million of cash. In regard to the pending acquisition of Caribbean Asset Holding, LLC, we have the option to finance $60 million of the purchase price with a loan from an affiliate of CFC, the Rural Telephone Finance Cooperative. We expect to fund the remaining $85 million of the purchase price, plus any amounts not financed, in cash.

Inflation

We do not believe that inflation has had a significant impact on our consolidated operations in any of the periods presented in the Report.

We have based our discussion and analysis of our financial condition and results of operations on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (or GAAP). We base our estimates on our operating experience and on various conditions existing in the market and we believe them to be reasonable under the circumstances. Our estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates under different assumptions or conditions.

Critical Accounting Estimates

We have identified the critical accounting estimates that we believe require significant judgment in the preparation of our consolidated financial statements. We consider these accounting estimates to be critical because changes in the assumptions or estimates we have selected have the potential of materially impacting our financial statements.

Revenue Recognition. In determining the appropriate amount of revenue to recognize for a particular transaction, we apply the criteria established by the authoritative guidance for revenue recognition and defer those items that do not meet the recognition criteria. As a result of the cutoff times of our billing cycles, we are often required to estimate the amount of revenues earned but not billed from the end of each billing cycle to the end of each reporting period. These estimates are based primarily on rate plans in effect and historical evidence with each customer or carrier. Adjustments affecting revenue can and occasionally do occur in periods subsequent to the period when the services were provided, billed and recorded as revenue, however historically these adjustments have not been material.

We apply judgment when assessing the ultimate realization of receivables, including assessing the probability of collection and the current credit- worthiness of customers. We establish an allowance for doubtful accounts sufficient to cover probable and reasonably estimable losses. Our estimate of the allowance for doubtful accounts considers collection experience, aging of the accounts receivable, the credit quality of customer and, where necessary, other macro-economic factors.

Long-Lived and Intangible Assets. In accordance with the authoritative guidance regarding the accounting for impairments or disposals of long-lived assets and the authoritative guidance for the accounting for goodwill and other intangible assets, we evaluate the carrying value of our long-lived assets, including property and equipment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss exists when estimated *undiscounted* cash flows attributable to non-current assets subject to depreciation and amortization and *discounted* cash flows for intangible assets not subject to amortization are less than their carrying amount. If an asset is deemed to be impaired, the amount of the impairment loss recognized represents the excess of the asset's carrying value as compared to its estimated fair value, based on management's assumptions and projections.

Our estimates of the future cash flows attributable to our long-lived assets and the fair value of our businesses involve significant uncertainty. Those estimates are based on management's assumptions of future results, growth trends and industry conditions. If those estimates are not met, we could have additional impairment charges in the future, and the amounts may be material.

We also assess the carrying value of goodwill and indefinite-lived intangible assets on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. The carrying value of each reporting unit, including goodwill assigned to that reporting unit, is compared to its fair value. If the fair value of the reporting unit does not exceed the carrying value of the reporting unit, including goodwill, an analysis is performed to determine if an impairment charge should be recorded.

We performed our annual impairment assessment of our goodwill as of December 31, 2015 and it was determined that no impairment of any of our goodwill existed during the year ended December 31, 2015.

We assess the recoverability of the value of our telecommunications licenses using a market approach. We believe that our telecommunications licenses generally have an indefinite life based on historical ability to renew such licenses, that such renewals may be obtained indefinitely and at little cost, and that the related technology used is not expected to be replaced in the foreseeable future. If the value of these assets was impaired by some factor, such as an adverse change in the subsidiary's operating market, we may be required to record an impairment charge. We test the impairment of our telecommunications licenses annually or more frequently if events or changes in circumstances indicate that such assets might be impaired. The impairment test consists of a comparison of the fair value of telecommunications licenses with their carrying amount on a license by license basis.

We performed our annual impairment assessment of our telecommunications licenses as of December 31, 2015 and it was determined that no impairment of any of our telecommunications licenses existed during the year ended December 31, 2015.

Contingencies. We are subject to proceedings, lawsuits, tax audits and other claims related to lawsuits and other legal and regulatory proceedings that arise in the ordinary course of business as further described in Note 15 to the Consolidated Financial Statements included in this Report. We are required to assess the likelihood of any adverse judgments or outcomes to these matters as well as potential ranges of probable losses. A determination of the amount of loss accruals required, if any, for these contingencies are made after careful analysis of each individual issue. We consult with legal counsel and other experts where necessary in connection with our assessment of any contingencies. The required accrual for any such contingency may change materially in the future due to new developments or changes in each matter. We estimate these contingencies amount to approximately $33.2 million at December 31, 2015. We believe that some adverse outcome is probable and have accordingly accrued $5.0 million as of December 31, 2015 for these matters.

Recent Accounting Pronouncements

In April 2014, the FASB issued Accounting Standards Update ("ASU") 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity." ASU 2014- 08 provides guidance on determining when disposals can be presented as discontinued operations. ASU 2014- 08 requires that only disposals representing a strategic shift in operations should be presented as discontinued operations. A strategic shift may include a disposal of a major line of business, major equity method investment or a major part of an entity. Additionally, ASU 2014- 08 requires expanded disclosures regarding discontinued operations. This standard was effective prospectively for reporting periods beginning after December 15, 2014. See Note 5 to the Consolidated Financial Statements included in this Report for a discussion of the Company's sale of certain assets and liabilities of its Turks and Caicos business.

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers”, which provides a single, comprehensive revenue recognition model for all contracts with customers. The revenue standard is based on the principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. On July 9, 2015, the FASB approved the deferral of the new standard's effective date by one year. The new standard is now effective for annual reporting periods beginning after December 15, 2017. The FASB will permit companies to adopt the new standard early, but not before the original effective date of annual reporting periods beginning after December 15, 2016. We are currently evaluating the adoption method options and the impact of the new guidance on our consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, “Simplifying the Presentation of Debt Issuance Costs”, which amends the presentation of debt issuance costs on the consolidated balance sheet. Under the new guidance, debt issuance costs are presented as a direct deduction from the carrying amount of the debt liability rather than as an asset. The new guidance is effective retrospectively for fiscal periods starting after December 15, 2015 and early adoption is permitted. We expect to adopt ASU 2015-03 on January 1, 2016 and have determined that its adoption will not have a material impact on our consolidated financial statements and related disclosures at that time.

In April 2015, the FASB issued ASU 2015-05, “Customer’s Accounting for Fees Paid in a Cloud Computing Arrangement”, which provides guidance about whether a cloud computing arrangement includes software and how to account for that software license. The new guidance does not change the accounting for a customer’s accounting for service contracts. The standard is effective beginning January 1, 2017, with early adoption permitted, and may be applied prospectively or retrospectively. We do not expect ASU 2015-05 to have a material impact on our consolidated financial position, results of operations or cash flows.

In September 2015, the FASB issued ASU 2015-16, “Simplifying the Accounting for Measurement-Period Adjustments”, which provides updated guidance related to simplifying the accounting for measurement period adjustments related to business combinations. The amended guidance eliminates the requirement to retrospectively account for adjustments made during the measurement period. The standard is effective beginning January 1, 2016, with early adoption permitted. We do not expect ASU 2015-16 to have a material impact on our consolidated financial position, results of operations or cash flows.

In February 2016, the FASB issued ASU 2016-2, “Leases (Topic 842)”, which provides comprehensive lease accounting guidance. The standard requires entities to recognize lease assets and liabilities on the balance sheet as well as disclosure of key information about leasing arrangements. ASU 2016-2 will become effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. We are currently evaluating the impact of the new guidance on our consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Exchange Sensitivity. The only foreign currency for which we have a material exposure is the Guyana dollar, because a significant portion of our Guyana revenues and expenditures are transacted in Guyana dollars. The Guyana exchange rate remained relatively constant at approximately 205 Guyana dollars to 1 U.S. dollar from 2004 through May 2013. Beginning in May 2013, the exchange rate began to increase and ended at a rate of approximately $210 Guyana dollars to 1 U.S. dollar as of December 31, 2014. The exchange rate remained consistent at $210 Guyana dollars to 1 U.S. dollar throughout 2015. The results of future operations may be affected by changes in the value of the Guyana dollar.

Interest Rate Sensitivity. As of December 31, 2015, we did not have any outstanding variable rate debt and as a result, we believe that we do not have an exposure to fluctuations in interest rates. We may have an exposure to fluctuations in interest rates if we again borrow amounts under our revolver loan within our Amended Credit Facility.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The response to this item is submitted as a separate section to this Report. See “Item 15. Exhibits, Financial Statement Schedules.”

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2015. Disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s (“SEC”) rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer’s management, including its principal executive and principal financial officers, or persons performing similar functions as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2015, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act, as a process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer or persons performing similar functions, and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Our management assessed the effectiveness of our internal control over financial reporting as of December 31, 2015. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) in *Internal Control—Integrated Framework* (2013). Based on its assessment, management concluded that, as of December 31, 2015, our internal control over financial reporting was effective based on those criteria.

Our internal control over financial reporting as of December 31, 2015 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which appears on page F-2.

Changes in Internal Control Over Financial Reporting.

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

On February 26, 2016, the Company and Mssrs. Justin Benincasa, Leonard Slap and William Kreisher, entered into severance agreements in the form filed herewith as Exhibit 10.20 and the Company and Mr. Michael Prior entered into a severance agreement as filed herewith as Exhibit 10.21 (collectively, the “Executive Severance Agreements”). The Executive Severance Agreements provide each executive with severance pay upon termination as described therein in exchange for standard covenants of confidentiality, non-competition, non-solicitation and non-circumvention for a one year-period following termination and a standard release and waiver of claims. In the event of an involuntary termination without “cause” and in the absence of a “change in control” (each as defined in the Executive Severance Agreements), each executive would be entitled to (i) severance pay in the amount of one times his base salary (and in the case of the Chief Executive Officer, or CEO, one and a half times his base salary) and (ii) COBRA continuation coverage at a rate equal to the rate paid by active employees during the twelve months following the termination (eighteen months in the case of the CEO). In the event of an involuntary termination either three months prior to or twelve months (eighteen months in the case of the CEO) following a change in control (as defined in the Executive Severance Agreements), such executive would be entitled to (i) severance pay in the amount of one times (and in the case of the CEO, one and a half times) his base salary, (ii) such executive’s maximum target incentive compensation for such year (and in the case of the CEO, one a half times such target), excluding any eligible amounts of equity compensation, (iii) COBRA continuation coverage at a rate equal to the rate paid by active employees during the twelve months following the termination (eighteen months in the case of the CEO) and (iv) the immediate vesting of all restricted stock or stock options held by such executive.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The following table sets forth information regarding our executive officers and directors as of February 29, 2016:

Name	Age	Position
Michael T. Prior	51	President, Chief Executive Officer and Director
Justin D. Benincasa	53	Chief Financial Officer
Barry C. Fougere	51	Senior Vice President, Business Operations
William F. Kreisher	53	Senior Vice President, Corporate Development
Leonard Q. Slap	56	Senior Vice President, General Counsel and Secretary
Cornelius B. Prior, Jr.	82	Chairman
Martin L. Budd	75	Director
Michael T. Flynn	67	Director
Liane J. Pelletier	58	Director
Charles J. Roesslein	67	Director

Executive Officers

Michael T. Prior has been our President and Chief Executive Officer since December 2005 and an officer of the Company since June 2003. He was elected to the Board in May 2008. Previous to joining the Company, Mr. Prior was a partner with Q Advisors LLC, a Denver based investment banking and financial advisory firm focused on the technology and telecommunications sectors. Mr. Prior began his career as a corporate attorney with Cleary Gottlieb Steen & Hamilton LP in London and New York. He received a B.A. degree from Vassar College and a J.D. degree summa cum laude from Brooklyn Law School. Mr. Prior currently serves on the Board of Directors of the Competitive Carriers Association. In 2008, Mr. Prior was named Entrepreneur of the Year for the New England Region by Ernst & Young LLP and One of America's Best CEOs by DeMarche Associates, Inc.

Justin D. Benincasa is our Chief Financial Officer. Prior to joining us in May 2006, Mr. Benincasa was a Principal at Windover Development, LLC since 2004. From 1998 to 2004, he was Executive Vice President of Finance and Administration at American Tower Corporation, a leading wireless and broadcast communications infrastructure company, where he managed finance and accounting, treasury, IT, tax, lease administration and property management. Prior to that, he was Vice President and Corporate Controller at American Radio Systems Corporation and held accounting and finance positions at American Cablesystems Corporation. Mr. Benincasa holds an M.B.A. degree from Bentley University and a B.A. degree from the University of Massachusetts.

Barry C. Fougere is our Senior Vice President, Business Operations. Prior to joining us in 2014, Mr. Fougere served as a Partner in multiple advisory services firms (A.T.Kearney, Heidrick & Struggles, Cambridge Strategic Management Group and Sunapee Advisors,) where he focused on telecommunications, high tech, and other technology-enabled client companies. Mr. Fougere has also served as Chief Executive Officer of several smaller information- and technology-intensive companies (Colubris Networks, BigBelly Solar and BroadStar Energy Solutions). Mr. Fougere serves on the Boards of a number of industry and nonprofit organizations, including the Massachusetts Technology Leadership Council. He holds an M.B.A. degree from the Kellogg School and an M.E.M. degree from the McCormick School of Northwestern University, an M.S. degree in mechanical engineering from Rensselaer Polytechnic Institute and a B.S. degree in mechanical engineering from Worcester Polytechnic Institute.

William F. Kreisher is our Senior Vice President, Corporate Development. Prior to joining us in 2007, Mr. Kreisher was Vice President—Corporate Development at Cingular Wireless (now AT&T Mobility) since 2004. He was part of the corporate development team at Cingular since its formation and spent five years at Bell South before that as a Director of Finance, the acting Chief Financial Officer at its broadband and video division, and as a senior manager in its mergers and acquisitions group. Mr. Kreisher is a more than twenty-five year veteran of the telecommunications industry, having also worked with MCI Telecommunications and Equant. Mr. Kreisher holds a Masters in Business Administration from Fordham University and a Bachelor of Arts degree from the Catholic University of America.

Leonard Q. Slap is our Senior Vice President and General Counsel. Prior to joining us in May 2010, Mr. Slap was a partner at the law firm of Edwards Angell Palmer & Dodge LLP, where for twenty-five years he represented investors and companies in a variety of U.S. and international business transactions, including venture capital and private equity investments, mergers and acquisitions, debt financings and workouts. Mr. Slap focused on transactions involving U.S. and international communications businesses, including broadcast, wireline, wireless broadband telecommunications, information technology and other media. Mr. Slap received a B.S. degree, *magna cum laude*, from Boston College and a J.D. degree, with honors, from George Washington University School of Law.

Non-Employee Directors

Cornelius B. Prior, Jr. is the Chairman of our Board of Directors. He served as our Chief Executive Officer and Chairman of the Board from 1998 through December 2005, at which time he retired as Chief Executive Officer. Mr. Prior has served as the Chairman of CANTO (the Caribbean Association of National Telecommunication Organizations) and presently is the Chairman of CCAA (Caribbean and Central American Action). He was a managing director and stockholder of Kidder, Peabody & Co. Incorporated, where he directed the Telecommunications Finance Group. A former Naval Officer and Fulbright Scholar, Mr. Prior started his career as an attorney with Sullivan & Cromwell in New York. He is a Trustee of Holy Cross College and former member of the Visiting Committee to Harvard Law School. He resides in St. Thomas, US Virgin Islands, where he is Chairman of the Forum, a not-for-profit arts organization, and Honorary Trustee of the Antilles School. He is also a Director of the Kneissel Music School in Blue Hill, Maine and a director of the University of North Carolina Medical School Ophthalmology Research Institute. He is the father of Michael T. Prior, our President and Chief Executive Officer. Mr. Prior earned his legal degree from the Harvard Law School.

Martin L. Budd has been a director of ours since May 2007, and is the Chair of our Compensation Committee and a member of our Audit and Nominating Committees. He retired as a partner of the law firm of Day, Berry and Howard LLP (now Day Pitney LLP) effective December 31, 2006. Mr. Budd chaired that firm’s Business Law Department and its Business Section and had particular expertise in federal securities laws, merger and acquisition transactions and strategic joint ventures. Mr. Budd is chairman of the Connecticut Appleseed Center for Law and Justice and has served on the Legal Advisory Board of the National Association of Securities Dealers. He is a member of the National Executive Committee of the Anti-Defamation League and is the former chairman, and currently serves as a member of, the Board of Trustees of the Hartford Seminary. Mr. Budd earned his legal degree from the Harvard Law School.

Michael T. Flynn has been a director of ours since June 2010 and is a member of our Audit and Compensation Committees. He is currently a director of Airspan Networks, Inc., a provider of wireless broadband equipment and CALIX, Inc., a manufacturer of broadband equipment. Mr. Flynn has forty years of experience in the telecommunications wireline and wireless businesses, and spent ten years as an officer at Alltel Corporation prior to his retirement in 2004. He also previously served as an officer of Southwestern Bell Telephone Co. and its parent SBC Communications from 1987 to 1994. Mr. Flynn has previously served on the board of directors of WebEx Communications, Inc., a provider of internet collaboration services, Equity Media Holding Corporation, an owner and operator of television stations throughout the United States, iLinc Communications, Inc., a provider of SaS web collaboration and GENBAND, a worldwide leader of next generation network systems. Mr. Flynn received a Bachelor of Science degree in Industrial Engineering from Texas A&M University and attended the Dartmouth Institute and the Harvard Graduate School of Business’ Advanced Management Program.

Liane J. Pelletier has been a director of ours since June 2012, and is the Chair of our Nominating Committee. Ms. Pelletier has over twenty-five years of experience in the telecommunications industry. From October 2003 through April 2011, she served as the Chief Executive Officer and Chairman of Alaska Communications Systems and prior to that time, served as the former Senior Vice President of Corporate Strategy and Business Development for Sprint Corporation. Ms. Pelletier earned her M.S. in Management at the Sloan School of Business at the Massachusetts Institute of Technology and a B.A. in Economics, magna cum laude, from Wellesley College. Ms. Pelletier currently serves on the Board of Directors of Expeditors International and as President of the National Association of Corporate Directors ("NACD"), Northwest Chapter. Ms. Pelletier is a NACD Board Leadership Fellow.

Charles J. Roesslein has been a director of ours since April 2002 and is the Chair of our Audit Committee and a member of our Compensation and Nominating Committees. He has been a director of National Instruments Corporation since July 2000 and was the Co-Founder and Chief Executive Officer of Austin Tele-Services Partners, LP, a telecommunications provider, from 2004 to January 2016. He is a retired officer of SBC Communications. Mr. Roesslein previously served as Chairman of the Board of Directors, President and Chief Executive Officer of Prodigy Communications Corporation from June of 2000 until December of 2000. He served as President and Chief Executive Officer of SBC-CATV from October 1999 until May 2000, and as President and Chief Executive Officer of SBC Technology Resources from August 1997 to October 1999.

Additional information required by this Item 10 regarding our directors and executive officers will be set forth in our Definitive Proxy Statement for the 2016 Annual Meeting of Stockholders (or "2016 Proxy Statement") under "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference. Required information regarding our audit committee financial experts and identification of the audit committee of our Board of Directors will be set forth in our 2016 Proxy Statement under "Corporate Governance" and is incorporated herein by reference.

Information regarding our Code of Ethics applicable to our principal executive officer, our principal financial officer, our controller and other senior financial officers appears in Item 1 of this Report under the caption "Business—Available Information."

ITEM 11. EXECUTIVE COMPENSATION

Information required by this Item 11 regarding executive and director compensation will be set forth in our 2016 Proxy Statement under "Executive Officer Compensation" and "Director Compensation" and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this Item 12 regarding security ownership of certain beneficial owners, directors and executive officers will be set forth in our 2016 Proxy Statement under "Security Ownership of Certain Beneficial Owners and Management" and is incorporated herein by reference.

Information required by this Item 12 regarding our equity compensation plans will be set forth in our 2016 Proxy Statement under "Executive Officer Compensation—Securities Authorized for Issuance Under Equity Compensation Plans" and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this Item 13 regarding certain relationships and related transactions will be set forth in our 2016 Proxy Statement under "Related Person Transactions" and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this Item 14 regarding auditor fees and services will be set forth in our 2016 Proxy Statement under "Independent Auditor" and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Report:

(1) *Financial Statements.* See Index to Consolidated Financial Statements, which appears on page F-1 hereof. The financial statements listed in the accompanying Index to Consolidated Financial Statements are filed herewith in response to this Item 15.

(2) *Schedule II.* Valuation and Qualifying Accounts.

(3) *Exhibits.* See Index to Exhibits. The exhibits listed in the Index to Exhibits immediately preceding the exhibits are filed herewith in response to this Item 15.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in Beverly, Massachusetts on the 29th day of February, 2016.

Atlantic Tele-Network, Inc.
By: /s/ Michael T. Prior

Michael T. Prior
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934 this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 29th day of February, 2016.

Signature	Title
/s/ Michael T. Prior Michael T. Prior	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Justin D. Benincasa Justin D. Benincasa	Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ Cornelius B. Prior, Jr. Cornelius B. Prior, Jr.	Chairman
/s/ Martin L. Budd Martin L. Budd	Director
/s/ Michael T. Flynn Michael T. Flynn	Director
/s/ Liane J. Pelletier Liane J. Pelletier	Director
/s/ Charles J. Roesslein Charles J. Roesslein	Director

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE
December 31, 2013, 2014 and 2015

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Report of Independent Registered Public Accounting Firm

To Board of Directors and Stockholders of
Atlantic Tele-Network, Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Atlantic Tele-Network, Inc. and its subsidiaries at December 31, 2015 and December 31 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for the classification of deferred taxes in the consolidated balance sheet in 2015.

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Boston, Massachusetts
February 29, 2016

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2014 and 2015

(In Thousands, Except Share Data)

	December 31,	
	2014	2015
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 326,216	$ 392,045
Restricted cash	39,703	824
Accounts receivable, net of allowances of $11.3 million and $9.3 million, respectively	52,873	39,020
Materials and supplies	10,546	8,220
Deferred income taxes	2,588	—
Prepayments and other current assets	19,273	28,383
Assets of discontinued operations	175	—
Total current assets	451,374	468,492
Fixed Assets:		
Property, plant and equipment	763,417	807,247
Less accumulated depreciation	(393,835)	(433,744)
Net fixed assets	369,582	373,503
Telecommunication licenses, net	44,090	43,468
Goodwill	45,077	45,077
Trade name license, net	417	417
Customer relationships, net	1,496	1,081
Restricted cash	5,475	5,477
Other assets	7,519	7,489
Total assets	$ 925,030	$ 945,004
LIABILITIES AND EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 6,083	$ 6,284
Accounts payable and accrued liabilities	61,737	44,137
Dividends payable	4,631	5,142
Accrued taxes	5,667	9,181
Advance payments and deposits	7,898	9,459
Deferred income taxes	213	—
Other current liabilities	16,593	10,152
Liabilities of discontinued operations	1,247	—
Total current liabilities	104,069	84,355
Deferred income taxes	30,366	45,406
Other liabilities	19,619	26,944
Long-term debt, excluding current portion	32,794	26,575
Total liabilities	186,848	183,280
Commitments and contingencies (Note 15)		
Atlantic Tele-Network, Inc. Stockholders' Equity:		
Preferred stock, $0.01 par value per share; 10,000,000 shares authorized, none issued and outstanding	—	—
Common stock, $0.01 par value per share; 50,000,000 shares authorized; 16,647,334 and 16,828,576 shares issued, respectively, and 15,925,748 and 16,067,736 shares outstanding, respectively	166	168
Treasury stock, at cost; 721,586 and 760,840 shares, respectively	(15,549)	(18,254)
Additional paid-in capital	145,563	154,768
Retained earnings	549,963	547,321
Accumulated other comprehensive loss	(2,921)	(3,704)
Total Atlantic Tele-Network, Inc. stockholders' equity	677,222	680,299
Non-controlling interests	60,960	81,425
Total equity	738,182	761,724
Total liabilities and equity	$ 925,030	$ 945,004

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

For the Years Ended December 31, 2013, 2014 and 2015

(In Thousands, Except Per Share Data)

	December 31,		
	2013	2014	2015
REVENUE:			
U.S. wireless	$ 107,930	$ 153,040	$ 155,390
International wireless	91,432	88,650	81,652
Wireline	84,585	85,284	86,485
Renewable energy	—	—	21,040
Equipment and other	8,888	9,373	10,802
Total revenue	292,835	336,347	355,369
OPERATING EXPENSES *(excluding depreciation and amortization unless otherwise indicated)***:**			
Termination and access fees	70,159	77,888	81,928
Engineering and operations	27,913	30,954	37,244
Sales and marketing	18,226	21,664	21,466
Equipment expense	13,013	13,338	14,997
General and administrative	49,066	52,734	59,890
Transaction-related charges	2,712	2,959	7,182
Depreciation and amortization	48,737	51,234	56,890
Gain on disposition of long-lived assets	(1,076)	—	(2,823)
Total operating expenses	228,750	250,771	276,774
Income from operations	64,085	85,576	78,595
OTHER INCOME (EXPENSE)			
Interest income	852	788	588
Interest expense	(12,785)	(1,208)	(3,180)
Loss on interest rate derivative contracts	(5,408)	—	—
Loss on deconsolidation of subsidiary	—	—	(19,937)
Other income , net	(271)	1,012	135
Other income (expense), net	(17,612)	592	(22,394)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	46,473	86,168	56,201
Income taxes	9,536	28,148	24,137
INCOME FROM CONTINUING OPERATIONS	36,937	58,020	32,064
INCOME FROM DISCONTINUED OPERATIONS:			
Income from discontinued operations, net of tax	5,166	—	—
Gain on sale of discontinued operations, net of tax	307,102	1,102	1,092
Income from discontinued operations, net of tax	312,268	1,102	1,092
NET INCOME	349,205	59,122	33,156
Net income attributable to non-controlling interests, net of tax:			
Continuing operations	(7,989)	(10,970)	(16,216)
Discontinued operations	(601)	—	—
Disposal gain on sale of discontinued operations	(28,899)	—	—
Net income attributable to non-controlling interests, net of tax:	(37,489)	(10,970)	(16,216)
NET INCOME ATTRIBUTABLE TO ATLANTIC TELE-NETWORK, INC. STOCKHOLDERS	$ 311,716	$ 48,152	$ 16,940
NET INCOME PER WEIGHTED AVERAGE BASIC SHARE ATTRIBUTABLE TO ATLANTIC TELE-NETWORK, INC. STOCKHOLDERS:			
Continuing operations	$ 1.84	$ 2.96	$ 0.99
Discontinued operations:			
Discontinued operations	$ 0.29	$ —	$ —
Gain on sale of discontinued operations	17.72	0.07	$ 0.07
Total discontinued operations	$ 18.01	$ 0.07	$ 0.07
Total	$ 19.85	$ 3.03	$ 1.06
NET INCOME PER WEIGHTED AVERAGE DILUTED SHARE ATTRIBUTABLE TO ATLANTIC TELE-NETWORK, INC. STOCKHOLDERS:			
Continuing operations	$ 1.83	$ 2.94	$ 0.98
Discontinued operations			
Discontinued operations	$ 0.29	$ —	$ —
Gain on sale of discontinued operations	17.59	0.07	$ 0.07
Total discontinued operations	$ 17.88	$ 0.07	$ 0.07
Total	$ 19.71	$ 3.01	$ 1.05
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic	15,704	15,898	16,022
Diluted	15,817	16,013	16,142
DIVIDENDS PER SHARE APPLICABLE TO COMMON STOCK	$ 1.04	$ 1.12	$ 1.22

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2013, 2014, and 2015

(in thousands)

	December 31,		
	2013	2014	2015
Net income	$ 349,205	$ 59,122	$ 33,156
Other comprehensive income:			
Foreign currency translation adjustment	(259)	4	26
Projected pension benefit obligation, net of tax expense of $0.2 million, $0.6 million and $0.7 million	(631)	(724)	(809)
Unrealized gain on interest rate swap, net of tax (benefit) of $(3.6) million	6,985	—	—
Other comprehensive income (loss), net of tax	6,095	(720)	(783)
Comprehensive income	355,300	58,402	32,373
Less: Comprehensive income attributable to non-controlling interests	(37,489)	(10,970)	(16,216)
Comprehensive income attributable to Atlantic Tele-Network, Inc.	$ 317,811	$ 47,432	$ 16,157

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

For the Years Ended December 31, 2013, 2014, and 2015

(In Thousands, Except Share Data)

					Accumulated	Total		
		Treasury	Additional		Other	ATNI	Non-	
	Common	Stock,	Paid In	Retained	Comprehensive	Stockholders'	Controlling	Total
	Stock	at cost	Capital	Earnings	Income/(Loss)	Equity	Interests	Equity
Balance, December 31, 2012	$ 160	$ (5,286)	$ 123,253	$ 224,316	$ (8,297)	$ 334,146	$ 60,094	$ 394,240
Issuance of 100,902 restricted shares of common stock	—	—	—	—	—	—	—	—
Issuance of 303,536 shares of common stock upon exercise of stock options	4	—	9,298	—	—	9,302	—	9,302
Purchase of 163,222 shares of common stock	—	(8,103)	—	—	—	(8,103)	—	(8,103)
Stock-based compensation	—	—	4,454	—	—	4,454	—	4,454
Dividends declared on common stock	—	—	—	(16,381)	—	(16,381)	(27,832)	(44,213)
Tax benefit from stock options exercised	—	—	2,101	—	—	2,101	—	2,101
Non-controlling interest in equity acquired	—	—	—	—	—	—	407	407
Investments made by minority shareholders	—	—	—	—	—	—	(13,633)	(13,633)
Comprehensive income:								
Net income	—	—	—	311,716	—	311,716	37,489	349,205
Other comprehensive income, net of tax of $2,316	—	—	—	—	6,095	6,095	—	6,095
Total comprehensive income						317,811	37,489	355,300
Balance, December 31, 2013	164	(13,389)	139,106	519,651	(2,202)	643,330	56,525	699,855
Issuance of 109,318 restricted shares of common stock	—	—	—	—	—	—	—	—
Issuance of 43,034 shares of common stock upon exercise of stock options	2	—	1,621	—	—	1,623	—	1,623
Purchase of 34,293 shares of common stock	—	(2,160)	—	—	—	(2,160)	—	(2,160)
Stock-based compensation	—	—	4,324	—	—	4,324	—	4,324
Dividends declared on common stock	—	—	—	(17,840)	—	(17,840)	(16,331)	(34,171)
Excess tax benefits from share-based compensation	—	—	512	—	—	513	—	513
Investments made by minority shareholders	—	—	—	—	—	—	9,796	9,796
Comprehensive income:								
Net income	—	—	—	48,152	—	48,152	10,970	59,122
Other comprehensive loss, net of tax of $641	—	—	—	—	(719)	(720)	—	(720)
Total comprehensive income	—	—	—	—	—	47,432	10,970	58,402
Balance, December 31, 2014	166	(15,549)	145,563	549,963	(2,921)	677,222	60,960	738,182
Issuance of 93,864 restricted shares of common stock	1	—	—	—	—	1	—	1
Issuance of 87,378 shares of common stock upon exercise of stock options	1	—	2,808	—	—	2,809	—	2,809
Purchase of 37,567 shares of common stock	—	(2,705)	—	—	—	(2,705)	—	(2,705)
Stock-based compensation	—	—	4,974	—	—	4,974	—	4,974
Dividends declared on common stock	—	—	—	(19,582)	—	(19,582)	(16,715)	(36,297)
Excess tax benefits from share-based compensation	—	—	1,423	—	—	1,423	—	1,423
Investments made by minority shareholders	—	—	—	—	—	—	951	951
Deconsolidation of subsidiary	—	—	—	—	—	—	20,013	20,013
Comprehensive income:								
Net income	—	—	—	16,940	—	16,940	16,216	33,156
Other comprehensive loss, net of tax of $717	—	—	—	—	(783)	(783)	—	(783)
Total comprehensive income	—	—	—	—	—	16,157	16,216	32,373
Balance, December 31, 2015	$ 168	$ (18,254)	$ 154,768	$ 547,321	$ (3,704)	$ 680,299	$ 81,425	$ 761,724

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2013, 2014 and 2015

(In Thousands)

	December 31,		
	2013	2014	2015
Cash flows from operating activities:			
Net income	$ 349,205	$ 59,122	$ 33,156
Adjustments to reconcile net income to net cash flows provided by operating activities:			
Depreciation and amortization	48,737	51,234	56,890
Provision for doubtful accounts	1,163	1,676	1,199
Amortization and write off of debt discount and debt issuance costs	6,681	114	458
Stock-based compensation	4,454	4,323	4,975
Loss on interest rate derivative contracts	5,408	—	—
Deferred income taxes	(4,849)	(113)	17,869
Income from discontinued operations, net of tax	(5,166)	—	—
Gain on disposition of long-lived assets	(1,076)	—	(2,823)
Gain on sale of discontinued operations	(307,102)	(1,102)	(1,092)
Loss on deconsolidation of subsidiary	—	—	19,937
Changes in operating assets and liabilities, excluding the effects of acquisitions:			
Accounts receivable, net	2,233	(15,264)	11,744
Materials and supplies, prepayments, and other current assets	(17,117)	(4,817)	(1,094)
Income tax receivable	14,251	(2,620)	—
Accounts payable and accrued liabilities, advance payments and deposits and other current liabilities	10,472	7,629	(2,385)
Accrued taxes	(242,696)	(15,650)	9,740
Other	4,006	(1,833)	(9,494)
Net cash provided by (used in) operating activities of continuing operations	(131,396)	82,699	139,080
Net cash provided by (used in) operating activities of discontinued operations	19,394	(4,719)	158
Net cash provided by (used in) operating activities	(112,002)	77,980	139,238
Cash flows from investing activities:			
Capital expenditures	(69,316)	(58,300)	(64,753)
Acquisition of business	—	(50,361)	(11,968)
Restricted cash acquired from acquisition of businesses	—	(5,884)	—
Net proceeds from sale of assets	—	1,371	—
Change in restricted cash	—	38,707	38,877
Proceeds from disposition of long-lived assets	1,500	—	5,873
Net cash used in investing activities of continuing operations	(67,816)	(74,467)	(31,971)
Net cash provided by investing activities of discontinued operations	710,934	—	—
Net cash provided by (used in) investing activities	643,118	(74,467)	(31,971)
Cash flows from financing activities:			
Dividends paid on common stock	(12,096)	(17,488)	(19,070)
Distribution to minority stockholders	(26,155)	(16,331)	(16,514)
Payment of debt issuance costs	(12)	(1,945)	(892)
Proceeds from stock option exercises	2,669	1,129	1,998
Principal repayments of term loan	(272,137)	—	(6,017)
Purchase of common stock	(1,473)	(1,665)	(1,893)
Investments made by minority shareholders in consolidated affiliates	408	2,500	950
Repurchase of non-controlling interests	—	(104)	—
Net cash used in financing activities of continuing operations	(308,796)	(33,904)	(41,438)
Net cash used in financing activities of discontinued operations	(1,678)	—	—
Net cash used in financing activities	(310,474)	(33,904)	(41,438)
Effect of foreign currency exchange rates on cash and cash equivalents	(682)	—	—
Net change in cash and cash equivalents	219,960	(30,391)	65,829
Cash and cash equivalents, beginning of period	136,647	356,607	326,216
Cash and cash equivalents, end of period	$ 356,607	$ 326,216	$ 392,045
Supplemental cash flow information:			
Interest paid	$ 4,857	$ 2,930	$ 2,724
Taxes paid	$ 256,819	$ 48,349	$ 9,636
Dividends declared, not paid	$ 4,285	$ 4,618	$ 5,141

The accompanying notes are an integral part of these consolidated financial statements.

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS OPERATIONS

The Company is a holding company that, through its operating subsidiaries, (i) provides wireless and wireline telecommunications services in North America, Bermuda and the Caribbean, (ii) owns and operates commercial distributed generation solar power systems in the United States, and (iii) owns and operates terrestrial and submarine fiber optic transport systems in the United States and the Caribbean, respectively.

The Company offers the following principal services:

- ***Wireless.*** In the United States, the Company offers wholesale wireless voice and data roaming services to national, regional, local and selected international wireless carriers in rural markets located principally in the Southwest and Midwest United States. The Company also offers wireless voice and data services to retail customers in Bermuda, Guyana, and in other smaller markets in the Caribbean and the United States.

- ***Wireline.*** The Company's local telephone and data services include its operations in Guyana and the mainland United States. The Company is the exclusive licensed provider of domestic wireline local and long-distance telephone services in Guyana and international voice and data communications into and out of Guyana. The Company also offers facilities-based integrated voice and data communications services and wholesale transport services to enterprise and residential customers in New England, primarily Vermont, and in New York State. In addition, the Company offers wholesale long- distance voice services to telecommunications carriers.

- ***Renewable Energy.*** In the United States, the Company provides distributed generation solar power to corporate, utility and municipal customers in Massachusetts, California and New Jersey.

The following chart summarizes the operating activities of the Company's principal subsidiaries, the segments in which it reports its revenue and the markets it served as of December 31, 2015:

Services	Segment	Markets	Tradenames
Wireless	U.S. Wireless	United States (rural markets)	Commnet, Choice
	Island Wireless	Aruba, Bermuda, U.S. Virgin Islands	Mio, CellOne, Islandcom (through March 23, 2015), Choice
	International Integrated Telephony	Guyana	Cellink
Wireline	International Integrated Telephony	Guyana	GT&T
	U.S. Wireline	United States (New England and New York State)	Sovernet, ION, Essextel
Renewable Energy	Renewable Energy	United States (Massachusetts, California, and New Jersey)	Ahana Renewables

The Company is actively evaluating potential acquisitions, investment opportunities and other strategic transactions, both domestic and international, that meet its return on investment and other criteria. The Company provides management, technical, financial, regulatory, and marketing services to its subsidiaries and typically receives a management fee equal to a percentage of their respective revenue. Management fees from subsidiaries are eliminated in consolidation. For information about the Company's business segments and geographical information about its revenue, operating income and long-lived assets, see Note 17 to the Consolidated Financial Statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the accounts of the Company, its majority-owned subsidiaries and certain entities, which are consolidated in accordance with the provisions of the Financial Accounting Standards Board ("FASB") authoritative guidance on the consolidation of variable interest entities since it is determined that the Company is the primary beneficiary of these entities.

Certain reclassifications have been made in the prior period financial statements to conform the Company's consolidated income statements to how management analyzes its operations in the current period. These changes did not impact operating income. For the year ended December 31, 2013 the aggregate impact of the changes included an increase to termination and access fees of $14.4 million, a decrease to engineering and operations expenses of $11.0 million, an increase to sales and marketing expenses of $0.5 million, an increase to equipment expense of $0.1 million, and a decrease to general and administrative expenses of $4.0 million. For the year ended December 31, 2014 the aggregate impact of the changes included an increase to termination and access fees of $13.7 million, a decrease to engineering and operations expenses of $9.3 million, an increase to sales and marketing expenses of $0.7 million and a decrease to general and administrative expenses of $5.1 million.

On September 20, 2013, the Federal Communications Commission announced its approval of the previously announced proposed sale of the Company's U.S. retail wireless business operated under the Alltel name to AT&T for approximately $780.0 million in cash plus $16.8 million in working capital. The Company previously reported the operations of this business within its U.S. Wireless segment. As a result of that approval, the Company completed the sale of certain U.S. retail wireless assets on that date and recorded a gain of approximately $307.1 million during the year ended December 31, 2013. During the years ended December 31, 2014 and 2015, the Company recorded additional gains of $1.1 million relating to changes in certain estimates.

The operations of the Alltel business, which were previously included in the Company's U.S. Wireless segment, have been classified as discontinued operations in all periods presented. The gain on the sale of the Alltel business is also included in discontinued operations. See Note 4 for additional information. Unless indicated otherwise, the information in the Notes to the Consolidated Financial Statements relates only to our continuing operations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. The most significant estimates relate to the allowance for doubtful accounts, useful lives of the Company's fixed and finite-lived intangible assets, allocation of purchase price to assets acquired and liabilities assumed in purchase business combinations, fair value of indefinite-lived intangible assets, goodwill, the gain on sale of discontinued operations and income taxes. Actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all investments with an original maturity of three months or less at date of purchase to be cash equivalents. The Company places its cash and temporary investments with banks and other institutions that it believes have a high credit quality. At December 31, 2015, the Company had deposits with banks in excess of FDIC insured limits and $50.7 million of its cash is on deposit with non-insured institutions such as corporate money market issuers and cash held in foreign banks. The Company's cash and cash equivalents are not subject to any restrictions (see Note 9). As of December 31, 2014 and 2015, the Company held $1.8 million and $3.8 million, respectively, of its cash in Guyana dollars. While there are risks associated with the conversion of Guyana dollars to U.S. dollars due to limited liquidity in the Guyana foreign currency markets, to date it has not prevented the Company from converting Guyana dollars into U.S. dollars within a given three month period or from converting at a price that reasonably approximates the reported exchange rate.

Restricted Cash

Substantially all of the Company’s restricted cash balances were acquired as a part of the acquisition of Ahana Renewables as described in Note 3. The restricted cash is held in escrow and serves as collateral for Ahana Renewables’ debt in order to meet future debt service obligations and other operating obligations of the solar facilities.

Allowance for Doubtful Accounts

The Company maintains an allowance for doubtful accounts for the estimated probable losses on uncollectible accounts receivable. The allowance is based upon a number of factors including the credit worthiness of customers, the Company’s historical experience with customers, the age of the receivable and current market and economic conditions. Such factors are reviewed and updated by the Company on a quarterly basis. Uncollectible amounts are charged against the allowance account.

Materials and Supplies

Materials and supplies primarily include handsets, customer premise equipment, cables and poles and are recorded at the lower of cost or market cost being determined on the basis of specific identification and market determined using replacement cost.

Fixed Assets

The Company’s fixed assets are recorded at cost and depreciated using the straight-line method generally between 3 and 39 years. Expenditures for major renewals and betterments that extend the useful lives of fixed assets are capitalized. Repairs and replacements of minor items of property are charged to maintenance expense as incurred. The cost of fixed assets in service and under construction includes an allocation of indirect costs applicable to construction. Grants received for the construction of assets are recognized as a reduction of the cost of fixed assets, a reduction of depreciation expense over the useful lives of the assets and as a reduction of capital expenditures in the statements of cash flows.

The fair value of a liability for an asset retirement obligation is recorded in the period in which it is incurred if a reasonable estimate of fair value can be made. In periods subsequent to initial measurement, period-to-period changes in the liability for an asset retirement obligation resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows are recognized. The increase in the carrying value of the associated long-lived asset is depreciated over the corresponding estimated economic life. The consolidated balance sheets include accruals of $2.7 million and $3.0 million as of December 31, 2014 and 2015, respectively, for estimated costs associated with asset retirement obligations.

In accordance with the authoritative guidance for the accounting for the impairment or disposal of long-lived assets, the Company evaluates the carrying value of long-lived assets, including property and equipment, in relation to the operating performance and future undiscounted cash flows of the underlying business whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss exists when estimated undiscounted cash flows attributable to an asset are less than its carrying amount. If an asset is deemed to be impaired, the amount of the impairment loss recognized represents the excess of the asset’s carrying value as compared to its estimated fair value, based on management’s assumptions and projections.

Management’s estimate of the future cash flows attributable to its long-lived assets and the fair value of its businesses involve significant uncertainty. Those estimates are based on management’s assumptions of future results, growth trends and industry conditions. If those estimates are not met, the Company could have additional impairment charges in the future, and the amounts may be material.

The Company determined that there was no impairment of its fixed assets in any of the three years ended December 31, 2015.

Goodwill and Indefinite-Lived Intangible Assets

Goodwill is the amount by which the cost of acquired net assets exceeded the fair value of those net assets on the date of acquisition. The Company allocates goodwill to reporting units at the time of acquisition and bases that allocation on which reporting units will benefit from the acquired assets and liabilities. Reporting units are defined as operating segments or one level below an operating segment, referred to as a component. The Company has determined that its reporting units are components of its multiple operating segments. The Company assesses goodwill for impairment on an annual basis in the fourth quarter or more frequently when events and circumstances occur indicating that the recorded goodwill may be impaired. If the book value of a reporting unit exceeds its fair value, the implied fair value of goodwill is compared with the carrying amount of goodwill. If the carrying amount of goodwill exceeds the implied fair value, an impairment loss is recorded equal to that excess.

A significant majority of the Company’s telecommunications licenses are not amortized and are carried at their historical costs. The Company believes that telecommunications licenses generally have an indefinite life based on the historical ability to renew such licenses, that such renewals may be obtained indefinitely and at little cost, and that the related technology used is not expected to be replaced in the foreseeable future. The Company has elected to perform its annual testing of its telecommunications licenses in the fourth quarter of each fiscal year, or more often if events or circumstances indicate that there may be impairment. If the value of these assets were impaired by some factor, such as an adverse change in the subsidiary’s operating market, the Company may be required to record an impairment charge. The impairment test consists of a comparison of the fair value of telecommunications licenses with their carrying amount on a license by license basis and as a part of the test the Company assesses the appropriateness of the application of the indefinite-lived assertion.

As of December 31, 2014 and 2015, the Company performed its annual impairment assessment of its goodwill and indefinite-lived intangible assets (telecommunications licenses) and determined that no impairment charge was required. See Note 8 for further details.

Intangible Assets

Intangible assets resulting from the acquisitions of entities accounted for using the purchase method of accounting are estimated by management based on the fair value of assets acquired. These include acquired customer relationships and trade names.

Customer relationships are amortized over their estimated lives of 12 years, which are based on the pattern in which economic benefit of the customer relationship is estimated to be realized.

Interest Rate Derivatives

As required by the authoritative guidance on accounting for derivative instruments and hedging activities, the Company recorded all derivatives on the balance sheet at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability, or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. The Company may enter into derivative contracts that are intended to economically hedge certain of its risk, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

Risk Management Objective of Using Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company managed economic risks related to interest rates primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company entered into derivative financial instruments to manage exposures that arose from business activities that resulted in the payment of future known and uncertain cash amounts, the value of which were determined by interest rates. The Company's derivative financial instruments were used to manage differences in the amount, timing, and duration of its known or expected cash payments principally related to the Company's borrowings. As a result of the repayment of its variable rate debt on September 20, 2013, the Company terminated its derivative financial instruments during 2013. See Note 9 for further details.

Debt

Debt is measured at amortized cost. Debt discounts, representing the difference between the proceeds and the principal amount of debt, are amortized as interest expense in the consolidated income statements over the period of the debt on a straight-line basis, which approximates the effective interest method. Debt issuance costs are capitalized as part of other assets in the consolidated balance sheet and are amortized as interest expense in the consolidated income statements over the period of the debt on a straight-line basis, which approximates the effective interest method. Except for interest costs incurred for the construction of a qualifying asset which are capitalized during the period the assets are prepared for their intended use, interest costs are expensed.

Non-Controlling Interests

The non-controlling interests in the accompanying consolidated balance sheets reflect the original investments by the minority stockholders in GT&T, Commnet's consolidated subsidiaries, Bermuda Digital Communications, Islandcom, Sovernet and its consolidated subsidiaries and Ahana Renewables, along with their proportional share of the earnings or losses, net of any distributions.

Changes in Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss), by component, were as follows (in thousands):

	Projected Pension Benefit Obligation	Translation Adjustment	Total
Balance at December 31, 2013	$ (1,949)	$ (253)	$ (2,202)
Adjust funded status of pension plan, net of tax of $0.6 million	(723)	—	(723)
Foreign currency translation adjustment	—	4	4
Balance at December 31, 2014	(2,672)	(249)	(2,921)
Adjust funded status of pension plan, net of tax of $0.7 million	(809)	—	(809)
Foreign currency translation adjustment	—	26	26
Balance at December 31, 2015	$ (3,481)	$ (223)	$ (3,704)

Revenue Recognition- Telecommunications

Service revenues are primarily derived from providing access to and usage of the Company's networks and facilities. Access revenues from postpaid customers are generally billed one month in advance and are recognized over the period that the corresponding service is rendered to customers. Revenues derived from usage of the Company's networks, including airtime, roaming, long-distance and Universal Service Fund revenues, are recognized when the services are provided and are included in unbilled revenues until billed to the customer. Prepaid airtime sold to customers is recorded as deferred revenue prior to the commencement of services and is recognized when the airtime is used or expires. The Company offers enhanced services including caller identification, call waiting, call forwarding, three-way calling, voice mail, and text and picture messaging, as well as downloadable wireless data applications, including ringtones, music, games, and other informational content. Generally, these enhanced features generate additional service revenues through monthly subscription fees or increased usage through utilization of the features. Other optional services such as equipment protection plans may also be provided for a monthly fee and are either sold separately or bundled and included in packaged rate plans. Revenues from enhanced features and optional services are recognized when earned. Access and usage-based services are billed throughout the month based on the bill cycle assigned to a particular customer. As a result of billing cycle cut-off times, management must estimate service revenues earned but not yet billed at the end of each reporting period.

Sales of communications products including wireless handsets and accessories represent a separate earnings process and are recognized when the products are delivered to and accepted by customers. The Company accounts for transactions involving both the activation of service and the sale of equipment in accordance with the authoritative guidance for the accounting for revenue arrangements with multiple deliverables. Fees assessed to communications customers to activate service are not a separate unit of accounting and are allocated to the delivered item (equipment) and recognized as product sales to the extent that the aggregate proceeds received from the customer for the equipment and activation fee do not exceed the relative fair value of the equipment.

Wholesale revenues are those revenues generated from providing voice or data services to the customers of other wireless carriers principally through “roaming” agreements, and the revenue is recognized over the period that the service is rendered to customers.

Sales and use and state excise taxes collected from customers that are remitted to the governmental authorities are reported on a net basis and excluded from the revenues and sales.

Revenue Recognition-Renewable Energy

Revenue from the Company’s Renewable Energy segment is generated from the sale of electricity through long-term power purchase agreements (“PPA’s”) with various customers, or hosts, that range from 10 to 25 years. The Company, which is required to sell all generated power to the hosts, recognizes revenue from the PPA’s as electricity is generated and sold at contractual rates as defined within the respective PPA.

The Company’s Renewable Energy segment also generates revenue from the sale of Solar Renewable Energy Credits (“SRECs”). Revenue is recognized as SRECs are sold through long-term purchase agreeements at the contractual rate specified in the agreement.

Accounting for Grants

The Company has received funding from the U.S. Government and its agencies under Stimulus and Universal Service Fund programs. These funding programs are generally designed to fund telecommunications infrastructure expansion into rural or underserved areas of the United States. The funding programs are evaluated to determine if they represent funding related to capital expenditures (capital grants) or operating activities (income grants).

Funding received from Stimulus programs is on a cost-reimbursement basis for capital expenditures incurred by the Company to expand its network and is considered a capital grant. Accordingly, reimbursements for eligible expenditures under the Stimulus programs are recorded as a reduction to property, plant and equipment on the Company’s consolidated balance sheets, an investing cash inflow and a future reduction in depreciation expense in the consolidated income statements. The depreciable period for the grant is commensurate with the related assets which typically range from 5 to 20 years. As of December 31, 2015, the Company has spent $99.3 million in capital expenditures of which $73.9 million has been or will be funded by the Stimulus programs. Accordingly, funding received for capital expenditures from the Stimulus Programs is recorded as a reduction to property, plant and equipment on the Company’s consolidated balance sheets, an investing cash inflow within capital expenditures and a future reduction in depreciation expense in the consolidated income statements. Funding received for operating costs is recorded as a reduction to the Company’s operating expenses in its consolidated statements of income and an operating cash inflow.

Funding received from Universal Service Fund programs is received over time for operating the Company’s network in certain rural geographical areas and is considered an income grant. Accordingly, such funding is recognized as operating cash inflows. Once services are provided, revenue is recognized in the Company’s consolidated income statements. During the year ended December 31, 2014 and December 31, 2015 the Company received approximately $3.9 million and $7.9 million, respectively, from the Universal Service Fund programs. Of these amounts, $1.3 million for the years ended December 31, 2014 and December 31, 2015 were to support our U.S. Wireless business relating to high-cost areas.

Funding received from the Mobility Fund, as further described in Note 11, is for the use of both capital expenditures and operating costs incurred by the Company. Accordingly, funding received for capital expenditures from the Mobility Fund is recorded as a reduction to property, plant and equipment on the Company’s consolidated balance sheets, an investing cash inflow within capital expenditures and a future reduction in depreciation expense in the consolidated income statements. Funding received for operating costs is recorded as a reduction to the Company’s operating expenses in its consolidated income statements and an operating cash inflow.

Compliance with grant requirements is reviewed as of December 31, of each year to ensure that conditions related to grants have been met and there is reasonable assurance that the Company will be able to retain the grant proceeds and to ensure that any contingencies that may arise from not meeting the conditions are appropriately recognized.

Income Taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that the Company believes these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize our deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions in accordance with ASC 740 on the basis of a two-step process whereby (1) the Company determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related authority. It is possible that the ultimate resolution of these uncertain matters may be greater or less than the amount that the Company estimated. If payment of these amounts proves to be unnecessary, the reversal of the liabilities would result in tax benefits being recognized in the period in which it is determined that the liabilities are no longer necessary. If the estimate of tax liabilities proves to be more than the ultimate assessment, a further charge to expense would result.

The Company recognizes interest and penalties related to unrecognized tax benefits within the income tax expense line in the accompanying consolidated statements of operations. Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheets.

The Company does not provide for United States income taxes on earnings of foreign subsidiaries as such earnings are considered to be indefinitely reinvested.

As of December 31, 2014, the Company had deferred taxes that were classified as current and noncurrent assets and liabilities. The Company elected to prospectively adopt ASU 2015-17 as of December 31, 2015, thus reclassifying $3.9 million of current deferred tax assets and $0.2 million of current deferred tax liabilities to noncurrent on the accompanying consolidated December 31, 2015 balance sheet. The prior reporting period was not retrospectively adjusted. The adoption of this guidance had no impact on the Company's consolidated results of income and comprehensive income.

Credit Concentrations and Significant Customers

The Company has been historically dependent on a limited amount of customers for its wholesale roaming business. The following table indicates the percentage of revenues generated from a single customer that exceeds 10% of the Company's consolidated revenue in any of the past three years:

Customer	2013	2014	2015
Verizon	13 %	16 %	19 %
AT&T	18 %	26 %	17 %

No other customer accounted for more than 10% of consolidated revenue in any of the past three years.

The following table indicates the percentage of accounts receivable, from customers that exceed 10% of the Company's consolidated accounts receivable, net of allowances, as of December 31, 2014 and 2015:

Customer	2014	2015
AT&T	47 %	17 %
Verizon	7 %	13 %

Foreign Currency Gains and Losses

With regard to the Company's Guyana operations, for which the Guyana dollar is the functional currency, foreign currency transaction gains and losses are included in determining net income. At each balance sheet date, balances denominated in foreign currencies are adjusted to reflect the current exchange rate. Beginning in 2013, the value of the Guyana Dollar increased from approximately G$205 to one U.S. Dollar to approximately G$210 to one U.S. Dollar. Accordingly, the Company recognized a nominal foreign currency loss during the year ended December 31, 2013 and $1.1 million gain on foreign currency exchanges during the year ended December 31, 2014. As of December 31, 2015 the exchange rate remained at G$210 to one U.S. Dollar.

Fair Value of Financial Instruments

In accordance with the provisions of fair value accounting, a fair value measurement assumes that a transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability and defines fair value based upon an exit price model.

The fair value measurement guidance establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The guidance describes three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset and liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 assets and liabilities include money market funds, debt and equity securities and derivative contracts that are traded in an active exchange market.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes corporate obligations and non-exchange traded derivative contracts.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments and intangible assets that have been impaired whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Assets and liabilities of the Company measured at fair value on a recurring basis as of December 31, 2014 and 2015 are summarized as follows:

	December 31, 2014		
Description	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Certificates of deposit	$ —	$ 363	$ 363
Money market funds	$ 1,493	$ —	$ 1,493
Total assets measured at fair value	$ 1,493	$ 363	$ 1,856

	December 31, 2015		
Description	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Certificates of deposit	$ —	$ 377	$ 377
Money market funds	$ 76,263	$ —	$ 76,263
Total assets measured at fair value	$ 76,263	$ 377	$ 76,640

Certificate of Deposit

As of December 31, 2014 and December 31, 2015, this asset class consisted of a time deposit at a financial institution denominated in U.S. dollars. The asset class is classified within Level 2 of the fair value hierarchy because the fair value was based on observable market data.

Money Market Funds

As of December 31, 2014 and December 31, 2015, this asset class consisted of a money market portfolio that comprises Federal government and U.S. Treasury securities. The asset class is classified within Level 1 of the fair value hierarchy because its underlying investments are valued using quoted market prices in active markets for identical assets

Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. When deemed appropriate, the Company manages economic risks related to interest rates primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company entered into derivative financial instruments to manage exposures that arose from business activities that resulted in the payment of future known and uncertain cash amounts, the value of which were determined by interest rates. The Company's derivative financial instruments were used to manage differences in the amount, timing, and duration of its known or expected cash payments principally related to the Company's borrowings. The principal market in which the Company executes its foreign currency contracts is the institutional market in an over-the-counter environment with a relatively high level of price transparency. The market participants usually are large commercial banks.

As a result of the repayment of its variable rate debt on September 20, 2013, the Company terminated its interest rate derivatives.

Other Fair Value Disclosures

The carrying amounts of cash and cash equivalents, accounts receivable, and accounts payable and accrued expenses approximate their fair values because of the relatively short-term maturities of these financial instruments.

The fair value of long-term debt is estimated using Level 2 inputs. At December 31, 2015, the fair value of long-term debt, including the current portion, was equal to its carrying amount of $32,860. At December 31, 2014, the fair value of the long-term debt, including the current portion, was equal to its carrying amount of $38,877.

Net Income Per Share

Basic net income per share is computed by dividing net income attributable to the Company's stockholders by the weighted-average number of common shares outstanding during the period and does not include any other potentially dilutive securities. Diluted net income per share gives effect to all potentially dilutive securities using the treasury stock method.

The reconciliation from basic to diluted weighted average common shares outstanding is as follows (in thousands):

	Year ended December 31,		
	2013	2014	2015
Basic weighted-average common shares outstanding	15,704	15,898	16,022
Stock options	113	115	120
Diluted weighted-average common shares outstanding	15,817	16,013	16,142

The following notes the number of potential common shares not included in the above calculation because the effects of such were anti-dilutive (in thousands of shares):

	For the Year Ended December 31,		
	2013	2014	2015
Stock options	61	—	2
Total	61	—	2

Stock-Based Compensation

The Company applies the fair value recognition provisions of the authoritative guidance for the accounting for stock-based compensation and is expensing the fair value of the grants of options to purchase common stock over their vesting period of four years. Relating to grants of options, the Company recognized $1.4 million, $0.9 million and $0.4 million of non-cash, share-based compensation expense during 2013, 2014 and 2015, respectively. See Note 12 for assumptions used to calculate the fair value of the options granted.

The Company also issued 100,902 restricted shares of common stock in 2013; 109,318 restricted shares of common stock in 2014 and 93,864 restricted shares of common stock in 2015. These shares are being charged to income based upon their fair values over their vesting period of four years. Non-cash equity-based compensation expense, related to the vesting of restricted shares issued was $3.1 million, $3.4 million and $4.3 million in 2013, 2014 and 2015, respectively.

In connection with the Ahana Acquisition, the Company issued shares of Ahana Renewables to Ahana Renewables' management and recorded $0.3 million of stock based compensation during 2015.

Stock-based compensation expense is recognized within general and administrative expenses within the consolidated income statements.

Recent Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-08, “Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity.” ASU 2014- 08 provides guidance on determining when disposals can be presented as discontinued operations. ASU 2014- 08 requires that only disposals representing a strategic shift in operations should be presented as discontinued operations. A strategic shift may include a disposal of a major line of business, major equity method investment or a major part of an entity. Additionally, ASU 2014- 08 requires expanded disclosures regarding discontinued operations. This standard was effective prospectively for reporting periods beginning after December 15, 2014. See note 5 for a discussion of the Company’s sale of certain assets and liabilities of its Turks and Caicos business.

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers”, which provides a single, comprehensive revenue recognition model for all contracts with customers. The revenue standard is based on the principle that revenue should be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard may be applied retrospectively to each prior period presented or retrospectively with the cumulative effect recognized as of the date of initial application. On July 9, 2015, the FASB approved the deferral of the new standard's effective date by one year. The new standard is now effective for annual reporting periods beginning after December 15, 2017. The FASB will permit companies to adopt the new standard early, but not before the original effective date of annual reporting periods beginning after December 15, 2016. The Company is currently evaluating the adoption method options and the impact of the new guidance on our consolidated financial statements.

In April 2015, the FASB issued ASU 2015-03, "Simplifying the Presentation of Debt Issuance Costs", which amends the presentation of debt issuance costs on the consolidated balance sheet. Under the new guidance, debt issuance costs are presented as a direct deduction from the carrying amount of the debt liability rather than as an asset. The new guidance is effective retrospectively for fiscal periods starting after December 15, 2015 and early adoption is permitted. The Company expect to adopt ASU 2015-03 on January 1, 2016 and have determined that its adoption will not have a material impact on its consolidated financial statements and related disclosures at that time.

In April 2015, the FASB issued ASU 2015-05, "Customer's Accounting for Fees Paid in a Cloud Computing Arrangement", which provides guidance about whether a cloud computing arrangement includes software and how to account for that software license. The new guidance does not change the accounting for a customer's accounting for service contracts. The standard is effective beginning January 1, 2017, with early adoption permitted, and may be applied prospectively or retrospectively. The Company does not expect ASU 2015-05 to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2015, the FASB issued ASU 2015-16, "Simplifying the Accounting for Measurement-Period Adjustments", which provides updated guidance related to simplifying the accounting for measurement period adjustments related to business combinations. The amended guidance eliminates the requirement to retrospectively account for adjustments made during the measurement period. The standard is effective beginning January 1, 2016, with early adoption permitted. We do not expect ASU 2015-16 to have a material impact on our consolidated financial position, results of operations or cash flows.

In February 2016, the FASB issued ASU 2016-2, "Leases (Topic 842)", which provides comprehensive lease accounting guidance. The standard requires entities to recognize lease assets and liabilities on the balance sheet as well as disclosure of key information about leasing arrangements. ASU 2016-2 will become effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact of the new guidance on our consolidated financial statements.

3. ACQUISITIONS

Pending Acquisitions

Caribbean Asset Holdings LLC

On September 30, 2015, the Company entered into an agreement to acquire all of the membership interests of Caribbean Asset Holdings LLC, the holding company for the Innovative group of companies operating cable TV, Internet and landline services primarily in the U.S. Virgin Islands ("Innovative"), from the National Rural Utilities Cooperative Finance Corporation ("CFC"). The Company will purchase the Innovative operations for a purchase price of approximately $145 million, subject to certain purchase price adjustments (the "Innovative Transaction"). In connection with the purchase, we have the option to finance up to $60 million of the purchase price with a loan from an affiliate of CFC, the Rural Telephone Finance Cooperative ("RTFC") on the terms and conditions set forth in a commitment letter and rate lock option letter executed by RTFC filed herewith as Exhibits 99.1 and 99.2, respectively. We expect to fund the remaining $85.0 million of the purchase price, plus any amounts not financed, in cash. With the purchase, the Company's current operations in the U.S. Virgin Islands under the "Choice" name will be combined with Innovative to deliver residential and business subscribers a full range of telecommunications and media services.

The Innovative Transaction is subject to customary closing terms and conditions and the receipt of approvals from the Federal Communications Commission and regulatory authorities in the U.S. and British Virgin Islands and St. Maarten. The Company currently expects to complete the proposed transaction in mid-2016.

KeyTech Limited

On October 5, 2015, the Company entered into an agreement with KeyTech Limited (“KeyTech”), a publicly held Bermuda company listed on the Bermuda Stock Exchange (“BSX”) that provides broadband and cable television services and other telecommunications services to residential and enterprise customers under the “Logic” name in Bermuda and the Cayman Islands, in which the Company will acquire a controlling interest in KeyTech as part of a proposed business combination of KeyTech with the Company’s subsidiary providing wireless services under the “CellOne” name in Bermuda. As part of the proposed transaction, the Company will contribute its current ownership interest of approximately 43% in CellOne and approximately $42 million in cash in exchange for a 51% ownership interest in KeyTech. On a combined basis, the Company and KeyTech currently own approximately 85% of CellOne. As part of the proposed transaction, CellOne will be merged with and into a company within the KeyTech group and the approximate 15% interest in CellOne held, in the aggregate, by CellOne’s minority shareholders will be converted into the right to receive common shares in KeyTech. Following the transaction, CellOne will be indirectly wholly owned by KeyTech and KeyTech will continue to be listed on the BSX. A portion of the cash proceeds that KeyTech will receive upon closing will be used to fund a one-time special dividend to KeyTech's existing shareholders and to retire KeyTech's subordinated debt. The Company currently consolidates the operations of CellOne and, upon closing of the proposed transaction, will consolidate the results of KeyTech, in its financial statements.

The proposed transaction is subject to customary closing terms and conditions, including, among others, the receipt of approval from the Bermuda Regulatory Authority, the Federal Communications Commission, and the Information and Communications Technology Authority of the Cayman Islands and the consent of the Bermuda Stock Exchange to certain transaction matters. KeyTech shareholders approved the proposed transaction by affirmative vote on October 20, 2015. The Company is working towards completing the proposed transaction by the end of the first quarter 2016.

Completed Acquisition

On December 24, 2014, the Company acquired substantially all of the assets of Green Lake Capital, LLC and certain of its affiliates (collectively, "Green Lake"), an owner and operator of commercial distributed generation solar power systems in Massachusetts, California and New Jersey (the "Ahana Acquisition"). The Company acquired these assets as part of a total transaction valued at approximately $117.7 million which is comprised of approximately $66.3 million of cash consideration a $12.5 million reimbursement of cash and restricted cash held by Green Lake on the date of acquisition and the assumption of $38.9 million of debt. The acquisition was performed through the Company's newly formed subsidiary, Ahana Renewables, LLC ("Ahana Renewables"). Certain subsidiaries of Ahana Renewables have been partially capitalized by a third-party tax equity investor who maintains a non-controlling interest in these subsidiaries. The tax equity investor’s interest in these subsidiaries changes at a certain date (the "Flip Date"), which is the later of a) the five-year anniversary of the placed in service date for the solar assets owned by the subsidiary or, b) the date that the tax equity investor receives a certain return on their original investment in that subsidiary. These dates typically occur at approximately 2 - 4 years from the Ahana Acquisition date. The profits and losses of these subsidiaries will be allocated to the tax equity investors and to the Company using the Hypothetical Liquidation Book Value method. The Hypothetical Liquidation Book Value Method is used to calculate the non-controlling interests' share of income for each period by measuring the difference in funds that would flow to the non-controlling interests in a hypothetical liquidation event at the beginning of the period compared to the end of a period (adjusted for capital distributions). The method assumes that the proceeds on liquidation approximate book value and then the proceeds are allocated to the Company and non-controlling interests based on the liquidation provisions of the solar facility operating agreement. A positive difference during the period represents non-controlling interests' share of income and a decrease represents a loss. Ahana Renewables has the option to buy-out the non-controlling interests.

The Ahana Acquisition was accounted for using the purchase method, and Ahana Renewables' results of operations since December 24, 2014 have been included in the Company's new Renewable Energy segment as reported in Note 17. The total purchase consideration of $78.8 million cash was allocated to the assets acquired and liabilities assumed at their estimated fair values as of the date of acquisition as determined by management. The table below represents the preliminary assessment of the total acquisition cost to the net assets of Ahana Renewables based on their acquisition date fair values:

Total consideration	$ 78,782
Purchase price allocation:	
Cash	$ 6,571
Other current assets	2,011
Property, plant and equipment	111,446
Restricted cash	5,884
Current liabilities	(853)
Long-Term debt	(38,877)
Non-controlling interests	(7,400)
Net assets acquired	$ 78,782

The non-controlling interests were valued using an income approach which included the estimated cash flows to the non-controlling interests in the form of distributions and buy-outs. The cash flows were tax affected using a weighted average tax rate of 40% and were discounted at a rate of 11.75% to determine their acquisition date fair value.

The acquired property, plant and equipment is comprised of the commercial distributed solar power systems and was valued using an income approach. The assets were assigned an economic life of 25 years, and expected income from the assets was based forecasted production and the related sale of energy and solar renewable energy credits, forecasted operating expenses, net working capital requirements and tax expense from cash flows and benefits from depreciation of the acquired assets. Cash flows were discounted at an approximate 8% discount rate to determine the property, plant and equipment acquisition date fair value.

For the years ended December 31, 2014 and 2015, the Ahana Acquisition accounted for $0.4 million and $21.0 million of the Company's revenue, respectively, and $2.5 million and $4.0 million of the Company's transaction-related charges pertaining to legal, accounting and consulting services.

4. DISCONTINUED OPERATIONS—SALE OF U.S. RETAIL WIRELESS BUSINESS

On September 20, 2013, the Federal Communications Commission announced its approval of the previously announced proposed sale of the Company’s U.S. retail wireless business operated under the Alltel name to AT&T Mobility LLC for approximately $780.0 million in cash plus $16.8 million in working capital. The Company previously reported the operations of this business within its U.S. Wireless segment. As a result of that approval, the Company completed the sale of certain U.S. retail wireless assets on that date and recorded a gain in 2013 of approximately $307.1 million calculated as follows (in thousands):

Proceeds:		
Received		$ 702,000
Escrowed		78,000
Working capital		16,828
Adjusted proceeds		796,828
Less: Net assets sold or impaired:		
Assets sold or impaired:		
Current assets	51,597	
Property, plant and equipment, net	190,970	
Telecommunications licenses	50,553	
Other intangible assets	37,434	
Other assets	13,202	
Liabilities sold:		
Current liabilities	(40,674)	
Other liabilities	(22,796)	
Net assets sold or impaired		280,286
Less: Transaction related costs		(13,517)
Pre-tax gain		503,025
Less: Income taxes at effective rate		195,923
Net gain on sale		$ 307,102

During 2014 and 2015, the Company recognized an additional $1.1 million of gain relating to changes in certain estimates.

The $796.8 million in cash proceeds included $78.0 million of cash held in a general indemnity escrow account. The Company recorded $39.0 million of the indemnity escrow as restricted cash within current assets in its consolidated balance sheet as of December 31, 2014. In March 2015, the $39.0 million indemnity escrow was released to the Company.

The Alltel trade name was not sold to AT&T Mobility LLC. Due to trade name assignment restrictions, and no planned use through continuing operations, the trade name was fully impaired. As a result, an impairment of $11.9 million was recorded as a part of the disposal and included in the 2013 net gain calculation.

Upon the sale, the Company recorded $28.9 million for the minority shareholders' interests in the sold operation which was based on the estimated final distribution to the minority shareholders. In 2013, 2014 and 2015, $18.9 million, $5.8 million and $4.1 million, respectively, was distributed to minority shareholders. The Company has included $4.5 million and $0.4 million in non-controlling interests on its December 31, 2014 and 2015 balance sheets, respectively.

The Company has reclassified the assets, which include prepayments and other current assets, and liabilities, which include accounts payable and accrued liabilities, of its Alltel operations to assets of discontinued operations and liabilities of discontinued operations within its December 31, 2014 balance sheets.

Revenues and income from discontinued operations related to the Alltel business for the years ended December 31, 2013 was as follows (in thousands):

	Year Ended December 31,
	2013
Revenue from discontinued operations	$ 299,519
Income from discontinued operations, net of tax expense of $2,512	5,166

5. LOSS ON DECONSOLIDATION OF SUBSIDIARY

During March 2015, the Company sold, to an unrelated party, certain assets and liabilities of its Turks and Caicos business in its Island Wireless segment. As a result, the Company recorded a loss of approximately $19.9 million arising from the deconsolidation of non-controlling interests of $20.0 million and a gain of $0.1 million arising from an excess of sales proceeds over the carrying value of net assets disposed of. The disposition is included within other income (expense) and does not relate to a strategic shift in the Company's operations. As a result, the subsidiary's historical results and financial position are presented within continuing operations.

6. ACCOUNTS RECEIVABLE:

As of December 31, 2014 and 2015, accounts receivable consist of the following (in thousands):

	2014	2015
Retail	$ 21,367	$ 23,805
Wholesale	41,245	24,341
Other	1,605	168
Accounts receivable	64,217	48,314
Less: allowance for doubtful accounts	(11,344)	(9,294)
Total accounts receivable, net	$ 52,873	$ 39,020

7. FIXED ASSETS:

As of December 31, 2014 and 2015, property, plant and equipment consisted of the following (in thousands):

	Useful Life (in Years)	2014	2015
Telecommunications equipment and towers	5 -15	$ 514,814	$ 553,237
Solar assets	20-23	111,446	111,446
Office and computer equipment	3 -10	46,757	54,665
Buildings	15-39	18,079	18,540
Transportation vehicles	3 -10	7,589	8,882
Leasehold improvements	Shorter of useful life or lease term	11,494	11,592
Land	—	1,146	1,198
Furniture and fixtures	5 -10	8,110	6,584
Total property, plant and equipment		719,435	766,144
Construction in progress		43,982	41,103
Total property, plant and equipment		763,417	807,247
Less: Accumulated depreciation		(393,835)	(433,744)
Net fixed assets		$ 369,582	373,503

Depreciation and amortization of fixed assets, using the straight-line method over the assets' estimated useful life, for the years ended December 31, 2013, 2014 and 2015 was $48.3 million, $50.3 million and $55.9 million, respectively.

For the years ended December 31, 2013, 2014 and 2015, amounts of capital expenditures were offset by grants of $31.6 million, $2.3 million and $2.6 million, respectively.

8. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The Company tests goodwill for impairment on an annual basis, which has been determined to be as of December 31 of each fiscal year. The Company also tests goodwill between annual tests if an event occurs or circumstances change that indicate that the fair value of a reporting unit may be below its carrying value.

The Company employs both qualitative and quantitative tests of its goodwill. During 2015, the Company performed a qualitative assessment on goodwill to determine whether a quantitative assessment was necessary and determined there were no indicators of potential impairment. In 2014, the Company performed a qualitative assessment for some of the Company's reporting units and determined there were no indicators of impairment. For the other reporting units in 2014, goodwill was evaluated using a quantitative model. The quantitative test for goodwill impairment is determined using a two-step process. The first step involves a comparison of the estimated fair value of a reporting unit to its carrying amount, including goodwill. In performing the first step, the Company determines the fair value of a reporting unit using a discounted cash flow ("DCF") analysis. Determining fair value requires the exercise of significant judgment, including judgments about appropriate discount rates, perpetual growth rates, and the amount and timing of expected future cash flows. Discount rates are based on a weighted-average cost of capital ("WACC"), which represents the average rate a business must pay its providers of debt and equity. The cash flows employed in the DCF analysis were derived from internal earnings and forecasts and external market forecasts. If the estimated fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is not impaired and the second step of the impairment test is not necessary. If the carrying amount of a reporting unit exceeds its estimated fair value, then the second step of the goodwill impairment test must be performed.

The second step of our quantitative test for goodwill impairment compares the implied fair value of the reporting unit's goodwill with its carrying amount of goodwill to measure the amount of impairment loss, if any. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination, whereby the estimated fair value of the reporting unit is allocated to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

The Company performed its annual impairment assessments of its goodwill as of December 31, 2014 and December 31, 2015 and determined that no impairment charges were required, as the fair value of each reporting unit exceeded its book value. Accordingly, there were no changes in the carrying amounts of goodwill during these years.

Telecommunications Licenses

The Company tests those telecommunications licenses that are indefinite lived for impairment on an annual basis, which has been determined to be as of December 31st of each fiscal year. The Company also tests telecommunication licenses that are indefinite lived between annual tests if an event occurs or circumstances change that indicate that the fair value of a reporting unit may be below its carrying value.

The Company performed a qualitative assessment for its annual impairment assessment of substantially all of its indefinite lived telecommunications licenses as of December 31, 2014 and 2015 and determined that there were no indications of potential impairments.

The changes in the carrying amount of the Company's telecommunications licenses, by operating segment, for the three years ended December 31, 2015 were as follows (in thousands):

	U.S. Wireless	U.S. Wireline	Island Wireless	Consolidated
Balance at December 31, 2013	$19,888	$ 31	$19,768	$ 39,687
Acquired licenses	5,025	—	—	5,025
Amortization	—	—	(622)	(622)
Balance at December 31, 2014	$24,913	$ 31	$19,146	$ 44,090
Amortization	—	—	(622)	(622)
Balance at December 31, 2015	$24,913	$ 31	$18,524	$ 43,468

The licenses acquired during 2014 were acquired in all cash transactions from various parties and related to licenses expected to be available for use into perpetuity. The Company's Island Wireless segment is amortizing one of its telecommunications licenses through its expiration date of June 2020.

Customer Relationships

The customer relationships, all of which are included in the Island Wireless segment, are being amortized on an accelerated basis, over the expected period during which their economic benefits are to be realized. The Company recorded $0.4 million of amortization related to customer relationships during each of the three years ended December 31, 2015.

Future amortization of customer relationships, in our Island Wireless segment, is as follows (in thousands):

	Future Amortization
2016	$ 309
2017	276
2018	200
2019	145
2020	111
Thereafter	40
Total	$ 1,081

9. LONG-TERM DEBT

On September 20, 2013, the Company repaid, in full, all of its then outstanding term loans under its Credit Facility. The Company incurred nominal fees for the breakage of the term loans and recorded approximately $4.7 million in interest expense during the year ended December 31, 2013 related to the accelerated amortization of deferred financing costs associated with the term loans.

Amounts the Company borrowed under the term loans bore interest through September 20, 2013 at a rate equal to, at its option, either (i) LIBOR plus an applicable margin ranging between 2.00% to 4.00% or (ii) a base rate plus an applicable ranging from 1.00% to 3.00%. The base rate was equal to the higher of (i) 1.50% plus the higher of (x) the one-week LIBOR and (y) the one-month LIBOR; or (ii) the prime rate (as defined in the Credit Facility). The applicable margin was determined based on the ratio of the Company's indebtedness (as defined in the Credit Facility) to its EBITDA (as defined in the Amended Credit Facility).

Amounts borrowed under the revolver loan bore interest at a rate equal to, at the Company's option, either (i) LIBOR plus an applicable margin ranging between 2.00% to 3.50% or (ii) a base rate plus an applicable ranging from 1.00% to 2.50% (or, in the case of amounts borrowed under the swing-line sub- facility, an applicable margin ranging from 0.50% to 2.00%). The Company also paid a fee ranging from 0.25% to 0.50% of the average daily unused portion of the revolver loan over each calendar quarter, which fee was payable in arrears on the last day of each calendar quarter.

On December 19, 2014, the Company amended and restated its credit facility with CoBank, ACB and a syndicate of other lenders to provide for a $225 million revolving credit facility (the ”Amended Credit Facility”) that includes (i) up to $10 million under the Amended Credit Facility for standby or trade letters of credit, (ii) up to $25 million under the Amended Credit Facility for letters of credit that are necessary or desirable to qualify for disbursements from the FCC’s mobility fund and (iii) up to $10 million under a swingline sub-facility.

Amounts the Company may borrow under the Amended Credit Facility bear interest at a rate equal to, at its option, either (i) the London Interbank Offered Rate (LIBOR) plus an applicable margin ranging between 1.50% to 1.75% or (ii) a base rate plus an applicable margin ranging from 0.50% to 0.75%. Swingline loans will bear interest at the base rate plus the applicable margin for base rate loans. The base rate is equal to the higher of (i) 1.00% plus the higher of (x) the one-week LIBOR and (y) the one-month LIBOR; (ii) the federal funds effective rate (as defined in the Amended Credit Facility) plus 0.50% per annum; and (iii) the prime rate (as defined in the Amended Credit Facility). The applicable margin is determined based on the ratio (as further defined in the Amended Credit Facility) of the Company’s indebtedness to EBITDA. Under the terms of the Amended Credit Facility, the Company must also pay a fee ranging from 0.175% to 0.250% of the average daily unused portion of the Amended Credit Facility over each calendar quarter.

The Amended Credit Facility contains customary representations, warranties and covenants, including a financial covenant that imposes a maximum ratio of indebtedness to EBITDA as well as covenants by the Company limiting additional indebtedness, liens, guaranties, mergers and consolidations, substantial asset sales, investments and loans, sale and leasebacks, transactions with affiliates and fundamental changes. In addition, the Amended Credit Facility contains a financial covenant by us that imposes a maximum ratio of indebtedness to EBITDA. As of December 31, 2015, the Company was in compliance with all of the financial covenants of the Amended Credit Facility.

As of December 31, 2015, the Company had no borrowings under the Amended Credit Facility and approximately $10.6 million of outstanding letters of credit.

Acquisition of Green Lake Capital, LLC

In connection with the Ahana Acquisition on December 24, 2014, the Company assumed $38.9 million in long-term debt (the “Ahana Debt”). The Ahana Debt includes multiple loan agreements with banks that bear interest at rates between 4.5% and 6.0 %, mature at various times between 2018 and 2023 and are secured by certain solar facilities. Repayment of the Ahana Debt with the banks is made on a monthly basis until maturity.

The Ahana Debt also includes a loan from Public Service Electric & Gas (PSE&G). The note payable to PSE&G bears interest at 11.3%, matures in 2027, and is secured by certain solar facilities. Repayment of the Ahana Debt with PSE&G can be made in either cash or SRECs, at the Company’s discretion, with the value of the SRECs being fixed at the time of the loan’s closing.

As of December 31, 2015, $32.9 million of the Ahana Debt remained outstanding.

10. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company’s objective in using interest rate derivatives was to add stability to interest expense and to manage its exposure to the interest rate movements of its variable-rate debt. To accomplish this objective, the Company primarily used interest rate derivatives as part of its interest rate risk management strategy. Interest rate derivatives designated as cash flow hedges involved the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The effective portion of changes in the fair value of interest rate derivatives designated and that qualified as cash flow hedges was recorded in accumulated other comprehensive income and was subsequently reclassified into earnings in the period that the hedged forecasted transaction affected earnings.

As a result of the repayment of its variable-rate debt on September 20, 2013, the Company terminated its interest rate derivatives and paid $5.4 million, the net fair value of those derivatives, to its counterparties. The Company recognized this amount as an expense during the year ended December 31, 2013 and as a separate line in the consolidated income statements.

Amounts previously reported in accumulated other comprehensive income related to the interest rate derivatives were reclassified to "Loss on interest rate derivative contracts" as of the date of the prepayment of the Company's outstanding term notes.

The table below presents the effect of the Company's derivative financial instruments on the consolidated income statements for the year ended December 31, 2013 (in thousands):

Year ended December 31,	Derivative in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in Other Comprehensive Income on Derivative (Effective Portion)	Location of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated Other Comprehensive Income into Income (Effective Portion)
2013	Interest Rate Swap	$ 6,255	Interest expense	$ 764

11. GOVERNMENT GRANTS

The Company has received funding from the U.S. Government and its agencies under Stimulus and Universal Services Fund programs. These are generally designed to fund telecommunications infrastructure expansion into rural or underserved areas of the United States. The fund programs are evaluated to determine if they represent funding related to capital expenditures (capital grants) or operating activities (income grants).

Stimulus Grants

We were awarded several federal stimulus grants in 2009 and 2010 by the U.S. Government under provisions of the American Recovery and Reinvestment Act of 2009 intended to stimulate the deployment of broadband infrastructure and services to rural, unserved and underserved areas. As of December 31, 2015, we have spent (i) $35.8 million in capital expenditures (of which $27.5 million has been funded by the federal stimulus grant) in connection with our build of ten new segments of fiber-optic, middle-mile broadband infrastructure in upstate New York and parts of Pennsylvania and Vermont; (ii) $7.6 million in capital expenditures (of which $5.3 million has been funded by the federal stimulus grant) in connection with our last-mile broadband infrastructure buildout in the Navajo Nation across Arizona, New Mexico and Utah; and (iii) $47.9 million in capital expenditures (of which $33.0 million has been funded by the federal stimulus grant) in connection with our fiber-optic middle mile network buildout to provide broadband and transport services to over 340 community anchor institutions in Vermont. The results of our New York and Vermont stimulus projects are included in our "U.S. Wireline" segment and the results of our Navajo stimulus project are included in our "U.S. Wireless" segment. The New York and Navajo stimulus projects were completed during 2013. The Vermont stimulus project was completed during 2014.

Mobility Fund

As part of the Federal Communications Commission's ("FCC") reform of its Universal Service Fund ("USF") program, which previously provided support to carriers seeking to offer telecommunications services in high-cost areas and to low-income households, the FCC created two new funds, including the Mobility Fund, a one-time award meant to support wireless coverage in underserved geographic areas in the United States. In August 2013 and October 2014, the

Company received FCC final approvals for $21.7 million and $2.4 million, respectively, of Mobility Fund support to its wholesale wireless business (the “Mobility Funds”), to expand voice and broadband networks in certain geographic areas in order to offer either 3G or 4G coverage. As part of the receipt of the Mobility Funds, the Company committed to comply with certain additional FCC construction and other requirements. A portion of these funds will be used to offset network capital costs and a portion is used to offset the costs of supporting the networks for a period of five years from award date. In connection with the Company’s application for the Mobility Funds, the Company has issued approximately $10.6 million in letters of credit to the Universal Service Administrative Company (“USAC”) to secure these obligations. If the Company fails to comply with any of the terms and conditions upon which the Mobility Funds were granted, or if it loses eligibility for the Mobility Funds, USAC will be entitled to draw the entire amount of the letter of credit applicable to the affected project plus penalties and may disqualify the Company from the receipt of additional Mobility Fund support.

The Company began the construction of its Mobility Funds projects during the third quarter of 2013 and their results are included in the Company’s “U.S. Wireless” segment. As of December 31, 2015, the Company has received approximately $8.1 million in Mobility Funds. Of these funds, $1.0 million was recorded as an offset to operating expenses, $3.4 million was recorded as an offset to the cost of the property, plant, and equipment associated with these projects and, consequentially, a reduction of future depreciation expense and $4.6 million is recorded within other current liabilities while the remaining $0.1 million of future operating costs is recorded within other long-term liabilities in the Company’s consolidated balance sheet as of December 31, 2015. The balance sheet presentation is based on the timing of the expected usage of the funds which will reduce future operations expenses.

12. EQUITY

Common Stock

The Company has paid quarterly dividends on its common stock since January 1999.

Treasury Stock

During the years ended December 31, 2013, 2014 and 2015, the Company repurchased the following shares from employees to satisfy tax withholding and stock options exercise obligations incurred in connection with the vesting of restricted stock awards and the exercise of stock options:

		Aggregate	
	Shares	Cost	Average
Year ended December 31,	Repurchased	(in thousands)	Repurchase Price
2013	163,222	$ 8,103	$ 49.64
2014	34,293	2,160	63.01
2015	37,567	2,705	72.01

Stock-Based Compensation

The Company has 2,000,000 shares reserved for the grant of stock options, restricted stock, restricted stock units, stock equivalents and awards of shares of common stock that are not subject to restrictions or forfeiture.

Stock Options

Stock options have a term of ten years and vest annually and ratably over a period of four years.

The following table summarizes stock option activity for the years ended December 31, 2014 and 2015:

	Year Ended December 31, 2014			
	Number of Options	Weighted Avg. Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2014	401,287	$ 36.63		
Exercised	(43,034)	37.68		
Forfeited—Unvested	(7,000)	34.22		
Outstanding at December 31, 2014	351,253	36.55	5.0	$ 10,901,529
Vested and expected to vest at December 31, 2014	351,142	36.56	5.0	$ 10,987,590
Exercisable at December 31, 2014	290,128	36.81	4.6	$ 8,929,815

	Year Ended December 31, 2015			
	Number of Options	Weighted Avg. Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2015	351,253	$ 36.55		
Granted	5,000	71.43		
Exercised	(87,378)	32.14		
Forfeited—Unvested	—	—		
Outstanding at December 31, 2015	268,875	38.64	4.7	$ 10,646,006
Vested and expected to vest at December 31, 2015	268,011	38.53	4.7	$ 10,640,134
Exercisable at December 31, 2015	248,875	38.05	4.5	$ 9,998,956

The unvested options as of December 31, 2015 represent $0.2 million in unamortized stock-based compensation which will be recognized over a weighted average term of 2.61 years.

The following table summarizes information relating to options granted and exercised during the years ended December 31, 2013, 2014 and 2015 (in thousands, except fair value of options granted data):

	2013	2014	2015
Weighted-average fair value of options granted	$ N/A	$ N/A	$ 30.70
Aggregate intrinsic value of options exercised	6,111	1,098	3,488
Cash proceeds received upon exercise of options	2,669	1,621	1,999
Excess tax benefits from share-based compensation	2,101	513	1,423

The aggregate intrinsic value represents the total pre-tax intrinsic value (the difference between our closing common stock price on December 31st and the exercise price, multiplied by the number of the in-the-money stock options) that would have been received by the stock option holders had all stock options holders exercised their stock options on December 31st. The amount of aggregate intrinsic value will change based on the fair market value of our common stock.

The Company did not grant any options during 2013 or 2014. The estimated fair value of the options granted during 2015 were determined using a Black Scholes option pricing model, based on the following weighted average assumptions:

	Options Granted in 2015
Risk-free interest rate	1.55 %
Expected dividend yield	1.76 %
Expected life	6.25 years
Expected volatility	51.85 %

The Company recognized $1.4 million, $0.9 million and $0.4 million, respectively, of stock compensation expense relating to the granted options during 2013, 2014 and 2015, respectively.

Restricted Stock

Restricted stock issued under the 2008 Equity Investment Plan vest ratably over four years.

The following table summarizes restricted stock activity during the year ended December 31, 2014:

	Shares	Weighted Avg. Fair Value
Unvested as of January 1, 2014	154,519	$ 44.04
Granted	109,318	64.73
Forfeited	(8,500)	51.44
Vested and issued	(60,194)	44.61
Unvested as of December 31, 2014	195,143	$ 55.13

The following table summarizes restricted stock activity during the year ended December 31, 2015:

	Shares	Weighted Avg. Fair Value
Unvested as of January 1, 2015	195,143	$ 55.13
Granted	93,864	66.26
Forfeited	(1,687)	65.18
Vested and issued	(68,919)	52.70
Unvested as of December 31, 2015	218,401	$ 60.60

In connection with the grant of restricted shares, the Company recognized $3.1 million, $3.4 million and $4.3 million of compensation expense within its income statements for the years ended December 31, 2013, 2014 and 2015, respectively.

The unvested shares as of December 31, 2015 represent $9.4 million in unamortized stock based compensation which will be recognized over a weighted average period of 2.6 years.

13. INCOME TAXES

The components of income before income taxes for the years ended December 31, 2013, 2014 and 2015 are as follows (in thousands):

	2013	2014	2015
Domestic	$13,697	$57,767	$50,563
Foreign	32,776	28,401	5,638
Total	$46,473	$86,168	$56,201

The following is a reconciliation from the tax computed at statutory income tax rates to the Company's income tax expense for the years ended December 31, 2013, 2014, and 2015 (in thousands):

	2013	2014	2015
Tax computed at statutory U.S. federal income tax rates	$ 16,270	$ 30,160	$ 19,652
Non-controlling interest	(2,750)	(1,229)	(2,807)
Income taxes in excess (below) statutory U.S. tax rates:			
Guyana	701	(284)	379
Bermuda and Turks & Caicos	(3,203)	(4,712)	1,704
Turks & Caicos intercompany note receivable write-down	(8,572)	—	—
Foreign tax reserve	2,081	2,095	2,468
State taxes	400	1,252	935
Change in valuation allowance	(476)	(2,548)	(5,949)
Foreign tax credit expiration	1,820	2,999	6,396
Other, net	3,265	415	1,359
Income tax expense	$ 9,536	$ 28,148	$ 24,137

The components of income tax expense (benefit) for the years ended December 31, 2013, 2014 and 2015 are as follows (in thousands):

	2013	2014	2015
Current:			
United States—Federal	$ 1,703	$14,761	$ (1,308)
United States—State	895	1,347	(383)
Foreign	11,787	12,153	7,959
Total current income tax expense	$14,385	$28,261	$ 6,268
Deferred:			
United States—Federal	$ (5,273)	$ 5,205	$16,760
United States—State	169	466	1,636
Foreign	255	(5,784)	(527)
Total deferred income tax expense (benefit)	(4,849)	(113)	17,869
Consolidated:			
United States—Federal	$ (3,570)	$19,966	$15,452
United States—State	1,064	1,813	1,253
Foreign	12,042	6,369	7,432
Total income tax expense	$ 9,536	$28,148	$24,137

The significant components of deferred tax assets and liabilities are as follows as of December 31, 2014 and 2015 (in thousands):

	2014	2015
Deferred tax assets:		
Receivables reserve	$ 1,321	$ 702
Temporary differences not currently deductible for tax	8,001	7,236
Deferred compensation	2,019	2,135
Foreign tax credit carryforwards	10,576	4,180
Pension	436	1,153
Net operating losses	4,171	4,463
Valuation allowance	(13,763)	(7,814)
Total deferred tax asset	12,761	12,055
Deferred tax liabilities:		
Property, plant and equipment, net	$ 27,681	$ 43,718
Intangible assets, net	12,021	13,743
Tax on foreign earnings	1,050	—
Total deferred tax liabilities	40,752	57,461
Net deferred tax liabilities	$ 27,991	$ 45,406

Deferred tax assets and liabilities are reflected in the accompanying consolidated balance sheets as follows (in thousands):

	2014	2015
Deferred tax assets:		
Current	$ 2,588	$ —
Long term	—	—
Total deferred tax asset	$ 2,588	$ —
Deferred tax liabilities:		
Current	$ 213	$ —
Long term	30,366	45,406
Total deferred tax liabilities	$30,579	$45,406
Net deferred tax liabilities	$27,991	$45,406

As of December 31, 2015, the Company adopted ASU 2015-17 which requires deferred tax liabilities and assets to be classified as non- current in a classified balance sheet.

As of December 31, 2015, the Company estimated that it had gross state and foreign net operating loss (“NOL”) carryforwards of $40.7 million and $8.6 million respectively. The state NOL’s will expire at various dates between 2016 and 2036. The foreign NOL consists of $5.5 million from Aruba, which will expire between 2016 and 2019. The remaining foreign NOL is from Guyana and has no expiration. The Company assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing NOL deferred tax assets. A significant piece of negative evidence evaluated was the cumulative loss incurred by certain state and foreign reporting jurisdictions over the three-year period ended December 31, 2014. On the basis of this evaluation, the Company believed it was more likely than not that the benefit from these state and foreign NOL carryforwards would not be realized. In recognition of this risk at December 31, 2014, the Company provided a valuation allowance of $1.7 million and $1.4 million for the state and foreign NOL carryforwards, respectively. At December 31, 2015 our state and foreign NOL carryforward valuation allowance was $2.0 million and $1.7 million, respectively.

As of December 31, 2014, the Company had $10.5 million of foreign tax credits. During the year ended December 31, 2015, $6.3 million of foreign tax credit carryforwards expired. The remaining amount will expire in 2016. Similar to prior years, the Company examined its projected mix of foreign source and U.S. source earnings and concluded it is more likely than not that it will not generate sufficient foreign source income to utilize its existing foreign tax credits prior to their expiration date. As a result, the Company has continued to maintain a full valuation allowance against these credits through December 31, 2015.

The Company has approximately $156.9 million of undistributed earnings of its foreign subsidiaries that as of December 31, 2015 are considered to be indefinitely reinvested and accordingly, no U.S. federal or state income taxes have been provided thereon. Determination of the amount of unrecognized deferred U.S. income tax liability is not practical because of the complexities associated with its hypothetical calculation.

The Company had net unrecognized tax benefits (including interest and penalty) of $14.0 million as of December 31, 2013, $16.5 million as of December 31, 2014 and $18.9 million as of December 31, 2015. The net increase of the reserve during the year ended December 31, 2015 was attributable to additions to uncertain tax positions taken in the current and prior years.

The following shows the activity related to unrecognized tax benefits during the three years ended December 31, 2015 (in thousands):

Gross unrecognized tax benefits at December 31, 2012	10,336
Increase in uncertain tax positions	4,137
Lapse in statute of limitations	—
Gross unrecognized tax benefits at December 31, 2013	14,050
Increase in uncertain tax positions	1,675
Lapse in statute of limitations	(226)
Settlements	—
Gross unrecognized uncertain tax benefits at December 31, 2014	15,499
Increase in uncertain tax positions	1,717
Lapse in statute of limitations	—
Settlements	—
Gross unrecognized uncertain tax benefits at December 31, 2015	$ 17,216

The Company's accounting policy is to classify interest and penalties related to income tax matters as part of income tax expense. The accrued amounts for interest and penalties are $1.7 million as of December 31, 2015, and $1.0 million as of December 31, 2014, and $0.4 million as of December 31, 2013.

All $18.9 million of unrecognized tax benefits (including interest and penalty) would affect the effective tax rate if recognized.

The Company and its subsidiaries file income tax returns in the U.S. and in various state and local jurisdictions. The statute of limitations related to the consolidated U.S. federal income tax return is closed for all tax years up to and including 2011. The expiration of the statute of limitations related to the various state income tax returns that the Company and subsidiaries file varies by state. The Company does not expect that the amount of unrecognized tax benefits relating to U.S. tax matters will change significantly within the next 12 months.

The Company also files an income tax return in Guyana. See Note 15 relating to certain tax matters pertaining to those filings. There is no expected settlement date of those matters and upon settlement, which might not occur in the near future, the payment may vary significantly from the amounts currently recorded. The Company will continue to update amounts recorded as new developments arise.

14. RETIREMENT PLANS

The Company has a noncontributory defined benefit pension plan for eligible employees of GT&T who meet certain age and employment criteria. Company contributions to fund the plan are intended to provide not only for benefits attributed for service to date but also for those expected to be earned in the future. The Company's funding policy is to contribute to the plan such amounts as are actuarially determined to meet funding requirements. The benefits are based on the participants' average salary or hourly wages during the last three years of employment and credited service years.

The weighted-average rates assumed in the actuarial calculations for the pension plan are as follows as of December 31, 2013, 2014 and 2015:

	2013	2014	2015
Discount rate	5.75 %	5.75 %	5.75 %
Annual salary increase	7.50 %	6.50 %	6.50 %
Expected long-term return on plan assets	7.00 %	7.00 %	6.50 %

The expected long-term rate of return on pension plan assets was determined based on several factors including input from pension investment consultants, projected long-term returns of equity and bond indices in Guyana and elsewhere, including the United States, and historical returns over the life of the related obligations of the fund. The Company, in conjunction with its pension investment consultants, reviews its asset allocation periodically and rebalances its investments when appropriate in an effort to earn the expected long-term returns. The Company will continue to evaluate its long-term rate of return assumptions at least annually and will adjust them as necessary.

Changes during the year in the projected benefit obligations and in the fair value of plan assets are as follows for 2014 and 2015 (in thousands):

	2014	2015
Projected benefit obligations:		
Balance at beginning of year:	$ 12,237	$ 14,093
Service cost	612	652
Interest cost	720	766
Benefits and settlements paid	(623)	(1,329)
Actuarial gain	1,129	218
Exchange rate adjustment	18	-
Balance at end of year	$ 14,093	$ 14,400
Plan net assets:		
Balance at beginning of year:	$ 12,673	$ 13,165
Actual return on plan assets	267	110
Company contributions	832	-
Benefits and settlements paid	(623)	(1,329)
Exchange rate adjustment	16	-
Balance at end of year	$ 13,165	$ 11,946
Under funded status of plan	$ (928)	$ (2,454)

The Company's investment policy for its pension assets is to have a reasonably balanced investment approach, with a long-term bias toward debt investments. The Company's strategy allocates plan assets among equity, debt and other assets in both Guyana and the United States to achieve long-term returns without significant risk to principal. The fund is prohibited under Guyana law from investing in the equity, debt or other securities of the employer, its subsidiaries or associates of the employer or any company of which the employer is a subsidiary or an associate. Furthermore, the plan must invest between 70% - 80% of its total plan assets within Guyana.

The fair values for the pension plan's net assets, by asset category, at December 31, 2015 are as follows (in thousands):

Asset Category	Total	Level 1	Level 2	Level 3
Cash, cash equivalents, money markets and other	$ 9,730	$ 7,950	$ 1,780	$ —
Equity securities	1,760	1,760	—	—
Fixed income securities	456	456	—	—
Total	$ 11,946	$ 10,166	$ 1,780	$ —

The plan's weighted-average asset allocations at December 31, 2014 and 2015, by asset category are as follows:

	2014	2015
Cash, cash equivalents, money markets and other	80.0 %	81.5 %
Equity securities	13.0	14.7
Fixed income securities	7.0	3.8
Total	100 %	100 %

Amounts recognized on the Company's consolidated balance sheets consist of (in thousands):

	As of December 31,	
	2014	2015
Other Liabilities	$ 928	$ 2,454
Accumulated other comprehensive loss, net of tax	(2,672)	(3,481)

Amounts recognized in accumulated other comprehensive loss consist of (in thousands):

	2014	2015
Net actuarial loss	$ (3,148)	$ (5,836)
Accumulated other comprehensive loss, pre-tax	$ (3,148)	$ (5,836)
Accumulated other comprehensive loss, net of tax	$ (2,672)	$ (3,481)

Components of the plan's net periodic pension cost are as follows for the years ended December 31, 2013, 2014 and 2015 (in thousands):

	2013	2014	2015
Service cost	$ 543	$ 612	$ 652
Interest cost	665	720	766
Expected return on plan assets	(949)	(848)	(813)
Amortization of unrecognized net actuarial loss	150	218	245
Net periodic pension cost	$ 409	$ 702	$ 850

For the year ended December 31, 2016, the Company expects to contribute approximately $586 to its pension plan.

The following estimated pension benefits, which reflect expected future service, as appropriate, are expected to be paid over the next ten years as indicated below (in thousands):

Fiscal Year	Pension Benefits
2016	$ 643
2017	667
2018	757
2019	614
2020	800
2021 - 2025	5,286
	$ 8,767

15. COMMITMENTS AND CONTINGENCIES

The Company and its subsidiaries are subject to certain regulatory and legal proceedings and other claims arising in the ordinary course of business, some of which involve claims for damages and taxes that are substantial in amount. The Company believes that, except for the items discussed below, for which the Company is currently unable to predict the final outcome, the disposition of proceedings currently pending will not have a material adverse effect on the Company's financial position or results of operations.

The Company had previously amended its Amended Credit Facility to provide for an additional $55 million letter of credit sub-facility to its revolver loan to be available for issuance in connection with the Company's Mobility Fund Grant obligations. On June 17, 2013, the Company issued approximately $29.8 million in letters of credit to the Universal Service Administrative Company to secure a portion of the pending awards of approximately $68.8 million of Mobility Fund Grants to certain of its subsidiaries. In connection with the Company's sale of its Alltel business on September 20, 2013, it notified the FCC and USAC that it would no longer be eligible to perform under the terms and conditions of the Alltel Mobility Funds. At that time, USAC chose not to draw any amounts under our letter of credit securing the Alltel Mobility Funds and the Company terminated $19.9 million in letters of credit on November 14, 2013. See Note 11 for further information about the Mobility Fund. As of December 31, 2013 the Company had approximately $9.9 million in letters of credit payable to USAC outstanding to cover its Mobility Fund obligations and there were no draw downs against these letters of credit. The letters of credit accrue a fee at a rate of 1.75% per annum on the outstanding amounts. If the Company fails to comply with certain terms and conditions upon which the Mobility Fund Grants are to be granted, or if it loses eligibility for Mobility Fund support, USAC will be entitled to draw the entire amount of the letter of credit applicable to the affected project including penalties. The results of the Company's Mobility Fund projects, once initiated, will be included in the Company's "U.S. Wireless" segment.

Currently, the Company's Guyana subsidiary, GT&T, holds a license to provide domestic fixed services and international voice and data services in Guyana on an exclusive basis until December 2030. Since 2001, the Government of Guyana has stated its intention to introduce additional competition into Guyana's telecommunications sector. Since that time, the Company and GT&T have met on several occasions with officials of the Government of Guyana to discuss potential modifications of GT&T's exclusivity and other rights under the existing agreement and license. In 2012, the Government of Guyana introduced draft legislation in Parliament that, if enacted, would have the effect of terminating the Company's exclusive license rights by permitting other telecommunications carriers to receive licenses to provide domestic fixed services and international voice and data services in Guyana. Along with the draft legislation, the Government also released drafts of new regulations and licenses (collectively, the "Draft Laws"). These Draft Laws would also introduce material changes to many other features of Guyana's existing telecommunications regulatory regime. While little or no substantive actions were taken on the Draft Laws since 2012, the Company cannot predict when or if the proposed legislation will be adopted by Parliament or, if adopted and then signed into law by the President, the manner in which it would be implemented by the Minister of Telecommunications and the PUC. Although the Company believes that it would be entitled to damages or other compensation for any involuntary termination of its contractual exclusivity rights, it cannot guarantee that the Company would prevail in a proceeding to enforce its rights or that its actions would effectively halt any unilateral action by the Government.

Historically, GT&T has been subject to other litigation proceedings and disputes in Guyana that, while not conclusively resolved, to the Company's knowledge have not been the subject of discussions or other significant activity in the last five years. It is possible, but not likely, that these disputes, as discussed below, may be revived. The Company believes that none of these additional proceedings would, in the event of an adverse outcome, have a material impact on the Company's consolidated financial position, results of operation or liquidity.

In a letter dated September 8, 2006, the National Frequency Management Unit ("NFMU") agreed that total spectrum fees in Guyana should not increase for the years 2006 and 2007. However, that letter implied that spectrum fees in 2008 and onward may be increased beyond the amount GT&T agreed to with the Government. GT&T has objected to the NFMU's proposed action and reiterated its position that an increase in fees prior to development of an acceptable methodology would violate the Government's prior agreement. In 2011, GT&T paid the NFMU $2.6 million representing payments in full for 2008, 2009 and 2010. However, by letter dated November 23, 2011, the NFMU stated that it did not concur with GT&T's inference that the amount was payment in full for the specified years as it was their continued opinion that the final calculation for GSM spectrum fees was not agreed upon and was still an outstanding issue. By further letter dated November 24, 2011, the NFMU further rejected a proposal that was previously submitted jointly by GT&T and Digicel which outlined a recommended methodology for the calculation of these fees. The NFMU stated that it would prepare its own recommendation which it would send to the Minister of Telecoms for decision of the matter. GT&T paid additional spectrum fees in 2012 according to the methodology used for its 2011 payments, and have reserved amounts payable for 2013 and 2014 according to this methodology. There have been no further discussions on this subject and GT&T has not had the opportunity to review any recommendation made to the Minister.

In November 2007, Caribbean Telecommunications Limited ("CTL") filed a complaint in the U.S. District Court for the District of New Jersey against GT&T and ATN claiming breach of an interconnection agreement for domestic cellular services in Guyana and related claims. CTL asserted over $200 million in damages. GT&T and ATN moved to dismiss the complaint on procedural and jurisdictional grounds. On January 26, 2009, the court granted the motions to dismiss the complaint on the grounds asserted. On November 7, 2009 and again on April 4, 2013, CTL filed a similar claim against GT&T and the PUC in the High Court of Guyana. The Company believes these claims are without merit and are duplicative of a previous claim filed by CTL in Guyana that was dismissed. There has been no action on these matters since the April 2013 filing.

On May 8, 2009, Digicel filed a lawsuit in Guyana challenging the legality of GT&T's exclusive license rights under Guyana's constitution. Digicel initially filed this lawsuit against the Attorney General of Guyana in the High Court. On May 13, 2009, GT&T petitioned to intervene in the suit in order to oppose Digicel's claims and that petition was granted on May 18, 2009. GT&T filed an answer to the charge on June 22, 2009 and the case is pending. The Company believes that any legal challenge to GT&T's exclusive license rights granted in 1990 is without merit and the Company intends to vigorously defend against such a legal challenge.

On February 17, 2010, GT&T filed a lawsuit in the High Court of Guyana asserting that, despite its denials, Digicel is engaged in international bypass in violation of GT&T's exclusive license rights, the interconnection agreement between the parties, and the laws of Guyana. GT&T is seeking, among other things, injunctive relief to stop the illegal bypass activity, actual damages in excess of US$9 million and punitive damages of approximately US$5 million. Digicel filed counterclaims alleging that GT&T has violated the terms of the interconnection agreement and Guyana laws. GT&T intends to vigorously prosecute this suit.

GT&T is also involved in several legal claims regarding its tax filings with the Guyana Revenue Authority dating back to 1991 regarding the deductibility of intercompany advisory fees as well as other tax assessments. Should GT&T be held liable for any of the disputed tax assessments, totaling $32.4 million, the Company believes that the Government of Guyana would then be obligated to reimburse GT&T for any amounts necessary to ensure that GT&T's return on investment was no less than 15% per annum for the relevant periods. The Company believes that some adverse outcome is probable and has accordingly accrued $5.0 million as of December 31, 2015 for these matters

The term of the Company's telecommunications license to operate in Aruba expired on January 15, 2014. The government of Aruba informed the Company earlier in January 2014 that a renewed license would be issued only upon payment by the Company of a fee in the amount of Afl 7.2 million (or approximately US$4 million). The Company is continuing to operate as it is actively contesting the assessment of such fee.

Lease Commitments and Other Obligations

The Company leases approximately 2.6 million square feet for its operations centers, administrative offices and retail stores as well as certain tower sites under non-cancelable operating leases. The Company's obligations for payments under these leases are as follows at December 31, 2015 (in thousands):

2016	25,046
2017	21,919
2018	16,754
2019	10,080
2020	6,999
Thereafter	13,560
Total obligations under operating leases	$ 94,358

Rent expense for the years ended December 31, 2013, 2014 and 2015 was $12.7 million, $15.0 million and $17.0 million, respectively.

16. RELATED-PARTY TRANSACTIONS

In October 2014, the Company's U.S. Virgin Islands business, Choice Communications, LLC ("Choice"), entered into a tower lease with Tropical Tower Ltd ("Tropical Tower"), an entity 90% owned by Cornelius B. Prior, Jr., the Chairman of the Company's Board of Directors. When aggregated with amounts that Choice currently pays to Tropical Tower for an existing tower lease entered into in April 2012, Choice will pay approximately $117,000 per year in rental payments to Tropical Tower. Each tower lease has an initial term of five years, with two additional five year renewal periods and has provisions for an increase in rent by 5% each year. Our Audit Committee reviewed the specific structure and terms of the October 2014 lease, as negotiated by Choice management, and unanimously approved the arrangement described above in accordance with the terms of our Related Person Transaction Policy.

17. SEGMENT REPORTING

For the year ended December 31, 2013, the Company had four reportable segments for separate disclosure in accordance with the FASB's authoritative guidance on disclosures about segments of an enterprise. Those four segments were: i) U.S. Wireless, which generates all of its revenues in and has all of its assets located in the United States, ii) International Integrated Telephony, which generates all of its revenues in and has all of its assets located in Guyana, iii) Island Wireless, which generates a majority of its revenues in, and has a majority of its assets located in, Bermuda and which also generates revenues in and has assets located in the U.S. Virgin Islands, Aruba and Turks and Caicos and iv) U.S. Wireline, which generates all of its revenues in and has all of its assets located in the United States. With the Ahana Acquisition on December 24, 2014, the Company added a fifth reportable segment, Renewable Energy, which generates all of its revenues in and has all of its assets located in the United States. Segment presentation for 2013 was not impacted by the change in segments in 2014. The segment presentation in 2015 is unchanged from 2014. The operating segments are managed separately because each offers different services and serves different markets.

The following tables provide information for each operating segment (in thousands):

	For the Year Ended December 31, 2013						
		International					
	U.S.	Integrated	Island	U.S.	Renewable	Reconciling	
	Wireless	Telephony	Wireless	Wireline	Energy	Items	Consolidated
Revenue							
U.S. Wireless	$ 107,930	$ —	$ —	$ —	$ —	$ —	$ 107,930
International Wireless	—	30,334	61,098	—	—	—	91,432
Wireline	610	61,475	—	22,500	—	—	84,585
Equipment and Other	465	1,637	6,555	231	—	—	8,888
Total Revenue	109,005	93,446	67,653	22,731	—	—	292,835
Depreciation and amortization	14,308	17,975	10,305	3,182	—	2,967	48,737
Non-cash stock-based compensation	—	—	—	—	—	4,454	4,454
Operating income (loss)	54,867	27,662	8,610	(1,076)	—	(25,978)	64,085

	For the Year Ended December 31, 2014						
		International					
	U.S.	Integrated	Island	U.S.	Renewable	Reconciling	
	Wireless	Telephony	Wireless	Wireline	Energy	Items	Consolidated
Revenue							
U.S. Wireless	$ 153,040	$ —	$ —	$ —	$ —	$ —	$ 153,040
International Wireless	—	26,819	61,831	—	—	—	88,650
Wireline	609	59,129	—	25,546	—	—	85,284
Equipment and Other	943	984	6,744	253	449	—	9,373
Total Revenue	154,592	86,932	68,575	25,799	449	—	336,347
Depreciation and amortization	14,345	17,408	10,671	4,725	105	3,980	51,234
Non-cash stock-based compensation	—	—	—	—	—	4,323	4,323
Operating income (loss)	89,187	19,628	9,046	(3,668)	(2,218)	(26,399)	85,576

	For the Year Ended December 31, 2015						
		International					
	U.S.	Integrated	Island	U.S.	Renewable	Reconciling	
	Wireless	Telephony	Wireless	Wireline	Energy	Items	Consolidated
Revenue							
U.S. Wireless	$ 155,390	$ —	$ —	$ —	$ —	$ —	$ 155,390
International Wireless	—	25,706	55,946	—	—	—	81,652
Wireline	613	61,244	—	24,628	—	—	86,485
Renewable energy	—	—	—	—	21,040	—	21,040
Equipment and Other	2,125	1,943	6,504	230	—	—	10,802
Total Revenue	158,128	88,893	62,450	24,858	21,040	—	355,369
Depreciation and amortization	17,605	16,470	8,413	4,635	4,820	4,947	56,890
Non-cash stock-based compensation	—	—	—	—	267	4,708	4,975
Operating income (loss)	78,357	15,738	12,462	(3,898)	6,720	(30,784)	78,595

	U.S. Wireless	International Integrated Telephony	Island Wireless	U.S. Wireline	Renewable Energy	Reconciling Items	Consolidated
December 31, 2014							
Net fixed assets	$ 79,910	$ 108,972	$ 26,590	$ 28,113	$ 111,342	$ 14,655	$ 369,582
Goodwill	32,148	—	5,438	7,491	—	—	45,077
Total assets	188,377	202,171	74,563	42,446	130,124	287,349 (1)	925,030
December 31, 2015							
Net fixed assets	$ 89,466	$ 110,063	$ 23,199	$ 30,130	$ 106,560	$ 14,085	$ 373,503
Goodwill	32,148	—	5,438	7,491	—	—	45,077
Total assets	182,669	207,023	71,747	45,038	122,788	315,740	945,004

(1) Includes $175 of assets associated with our discontinued operations as of December 31, 2014.

	Capital Expenditures						
Year ended December 31,	U.S. Wireless	International Integrated Telephony	Island Wireless	U.S. Wireline	Renewable Energy	Reconciling Items	Consolidated
2014	$ 33,446	$ 10,646	$ 6,064	$ 4,680	$ —	$ 3,464	$ 58,300
2015	29,741	14,549	8,255	7,847	38	4,323	64,753

Reconciling items refer to corporate overhead matters and consolidating adjustments.

18. QUARTERLY FINANCIAL DATA (UNAUDITED)

Following is a summary of the Company's quarterly results of operations for the years ended December 31, 2014 and 2015 (in thousands):

	2014 Consolidated for the Three Months Ended			
	March 31	June 30	September 30	December 31
Total revenue	$ 75,174	$ 83,269	$ 89,393	$ 88,511
Operating expenses	58,926	61,662	61,235	68,948
Income from operations	16,248	21,607	28,158	19,563
Other income (expense), net	(295)	53	325	509
Income from continuing operations before income taxes	15,953	21,660	28,483	20,072
Income taxes	5,552	7,338	9,569	5,689
Income from continuing operations	10,401	14,322	18,914	14,383
Income from discontinued operations:				
Income (loss) from discontinued operations, net of tax	—	—	—	—
Gain on sale of discontinued operations, net of tax	—	—	—	1,102
Income from discontinued operations, net of tax	—	—	—	1,102
Net income	10,401	14,322	18,914	15,485
Net income attributable to non-controlling interests, net of tax:				
Continuing operations	(2,560)	(2,809)	(2,747)	(2,854)
Discontinued operations	—	—	—	—
Disposal of discontinued operations	—	—	—	—
	(2,560)	(2,809)	(2,747)	(2,854)
Net income attributable to Atlantic Tele-Network, Inc. stockholders	7,841	11,513	16,167	12,631
Net income per weighted average basic share attributable to Atlantic Tele-Network, Inc. stockholders				
Continuing operations	0.50	0.72	1.02	0.72
Discontinued operations:				
Discontinued operations	—	—	—	—
Gain on sale of discontinued operations	—	—	—	0.07
Total discontinued operations	—	—	—	0.07
Total	0.50	0.72	1.02	0.79
Net income per weighted average diluted share attributable to Atlantic Tele-Network, Inc. stockholders				
Continuing operations	0.49	0.72	1.01	0.72
Discontinued operations:				
Discontinued operations	—	—	—	
Gain on Sale of discontinued operations	—	—	—	0.07
Total discontinued operations	—	—	—	0.07
Total	0.49	0.72	1.01	0.79

	2015 Consolidated for the Three Months Ended			
	March 31	June 30	September 30	December 31
Total revenue	$ 85,345	$ 90,326	$ 96,782	$ 82,916
Operating expenses	66,187	61,594	74,258	74,735
Income from operations	19,158	28,732	22,524	8,181
Other income (expense), net	(20,528)	(706)	(742)	(418)
Income (Loss)from continuing operations before income taxes	(1,370)	28,026	21,782	7,763
Income taxes	(487)	13,008	10,134	1,482
Income (Loss) from continuing operations	(883)	15,018	11,648	6,281
Income from discontinued operations:				
Gain on sale of discontinued operations, net of tax	389	—	—	702
Income from discontinued operations, net of tax	390	—	—	702
Net income	(493)	15,018	11,648	6,983
Net income attributable to non-controlling interests, net of tax:				
Continuing operations	(2,777)	(5,568)	(5,072)	(2,799)
Discontinued operations	—	—	—	—
Disposal of discontinued operations	—	—	—	—
	(3,270)	9,450	6,576	4,184
Net income attributable to Atlantic Tele-Network, Inc. stockholders				
Net income per weighted average basic share attributable to Atlantic Tele-Network, Inc. stockholders				
Continuing operations	(0.18)	0.59	0.41	0.17
Discontinued operations:				
Discontinued operations	0.07	—	—	—
Gain on sale of discontinued operations	—	—	—	—
Total discontinued operations	0.07	—	—	—
Total	(0.11)	0.59	0.41	0.17
Net income per weighted average diluted share attributable to Atlantic Tele-Network, Inc. stockholders				
Continuing operations	(0.18)	0.59	0.41	0.16
Discontinued operations:				
Discontinued operations	0.07	—	—	—
Gain on Sale of discontinued operations	—	—	—	—
Total discontinued operations	0.07	—	—	—
Total	(0.11)	0.59	0.41	0.16

During the year ended December 31, 2014, the Company recognized approximately $0.8 million in general and administrative expenses to correct for an understatement of transactional tax liabilities generated primarily in the three months ended March 31, 2014 and $1.1 million in other income to correct for an understatement of foreign exchange gains generated in period during 2013.

During the three months ended December 31, 2015, the Company recognized an approximate $0.7million benefit to correct for tax basis differences and expense recognition related to prior periods. Of these errors, $0.7 million primarily related to the three months ended September 30, 2015 and $0.1 million related to the year ended December 31, 2014. The Company determined that the impact of the correction of these errors was not material to the current or any prior period financial statements.

19. SUBSEQUENT EVENTS

On January 11, 2016, the Company entered into an Amendment, Consent and Confirmation Agreement (the “Amendment”) to its Amended Credit Facility, providing for lender consent to, among other actions, (i) the contribution by the Company of all of its equity interests in ATN Bermuda Holdings, Ltd. to ATN Overseas Holdings, Ltd. in connection with the KeyTech Transaction, and subject to the closing of the KeyTech Transaction, a one-time, non-pro rata cash distribution by KeyTech Limited in an aggregate amount not to exceed $13.0 million to certain of KeyTech Limited’s shareholders; and (ii) the incurrence by certain subsidiaries of the Company of secured debt in an aggregate principal amount not to exceed $60.0 million in connection with the Innovative Transaction.

The Amendment also increases the amount the Company is permitted to invest in “unrestricted” subsidiaries of the Company, which are not subject to the covenants of the Amended Credit Facility, from $275.0 million to $400.0 million (as such increased amount shall be reduced from time to time by the aggregate amount of certain dividend payments to the Company’s stockholders).The Amendment also provides for the incurrence by the Company of incremental term loan facilities, when combined with increases to revolving loan commitments under the Amended Credit Facility, in an aggregate amount not to exceed $200.0 million which facilities shall be subject to certain conditions, including pro forma compliance with the total net leverage ratio financial covenant under the Amended Credit Facility.

SCHEDULE II

ATLANTIC TELE-NETWORK, INC. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

(Amounts in Thousands)

	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions	Balance at End of Year
YEAR ENDED, December 31, 2013				
Description:				
Valuation allowance on foreign tax credit carryforwards	$ 15,396	$ —	$ 1,820	$ 13,576
Valuation allowance on foreign net operating losses	898	712	—	1,610
Valuation allowance on state net operating losses	494	632	—	1,126
Allowance for doubtful accounts	7,904	1,462	361	9,005
	$ 24,692	$ 2,806	$ 2,181	$ 25,317
YEAR ENDED, December 31, 2014				
Description:				
Valuation allowance on foreign tax credit carryforwards	$ 13,576	$ —	$ 2,999	$ 10,577
Valuation allowance on foreign net operating losses	1,610	—	110	1,500
Valuation allowance on state net operating losses	1,126	561	—	1,687
Allowance for doubtful accounts	9,005	2,417	80	11,342
	$ 25,317	$ 2,978	$ 3,189	$ 25,106
YEAR ENDED, December 31, 2015				
Description:				
Valuation allowance on foreign tax credit carryforwards	$ 10,577	$ —	$ 6,397	$ 4,180
Valuation allowance on foreign net operating losses	1,500	172	—	1,672
Valuation allowance on state net operating losses	1,687	275	—	1,962
Allowance for doubtful accounts	11,342	857	2,906	9,293
	$ 25,106	$ 1,304	$ 9,303	$ 17,107

EXHIBIT INDEX
to Form 10-K for the Year Ended December 31, 2015

2.1 Purchase Agreement, dated January 21, 2013, by and among AT&T Mobility LLC, Atlantic Tele- Network, Inc. and Allied Wireless Communications Corporation. (incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K (File No. 001-12593) filed on January 24, 2013).

2.2 Membership Interest Purchase Agreement, dated as of December 24, 2014, by and among Ahana Operations, LLC, Green Lake Capital, LLC, Walsin Lihwa Corp. and the Companies named therein (incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K (File No. 001-12593) filed on December 29, 2014).

2.3 Purchase Agreement, effective as of September 30, 2015, by and among Caribbean Asset Holdings, LLC, National Rural Utilities Cooperative Finance Corporation, ATN VI Holdings, LLC and Atlantic Tele-Network, Inc. (incorporated by reference to Exhibit 2.1 to the Company’s Quarterly Report on Form 10-Q (File No. 001-12593) for the quarterly period ended September 30, 2015 filed on November 9, 2015).

2.4 Transaction Agreement, dated as of October 5, 2015, by and among Atlantic Tele-Network, Inc., ATN Caribbean Holdings, Ltd., ATN Bermuda Holdings Ltd., KeyTech Limited and Chancery Holdings Limited (incorporated by reference to Exhibit 2.2 to the Company’s Current Report on Form 8-K (File No. 001-12593) filed on October 6, 2015).

3.1 Restated Certificate of Incorporation of Atlantic Tele- Network, Inc. (incorporated by reference to Exhibit 4.1 to the Company’s Registration Statement on Form S-8 (File No. 333-62416) filed on June 6, 2001).

3.2 Certificate of Amendment to the Restated Certificate of Incorporation of Atlantic Tele-Network, Inc., as filed with the Delaware Secretary of State on August 14, 2006 (incorporated by reference to Exhibit 3.2 to the Company’s Quarterly Report on Form 10-Q (File No. 001-12593) for the quarterly period ended June 30, 2006 filed on August 14, 2006).

3.3 By-Laws of Atlantic Tele-Network, Inc., as amended and restated on September 12, 2013 (incorporated by reference to Exhibit 3.1 to the Company’s Quarterly Report on Form 10-Q (File No. 001- 12593) for the quarterly period ended September 30, 2013 filed on November 12, 2013).

10.1* Atlantic Tele-Network, Inc. 1998 Stock Option Plan (as amended May 24, 2007 incorporated by reference to Appendix A to the Company’s Proxy Statement on Schedule 14A (File No. 001-12593) filed on April 30, 2007).

10.2* Director’s Remuneration Plan as amended as of November 2, 1999 (incorporated by reference to Exhibit 4.7 to the Company’s Registration Statement on Form S-8 (File No. 333-62416) filed on June 6, 2001).

10.3* Form of Incentive Stock Option Agreement under 1998 Stock Option Plan (incorporated by reference to Exhibit 4.8 to the Company’s Registration Statement on Form S-8 (File No. 333-62416) filed on June 6, 2001).

10.4* 2005 Restricted Stock and Incentive Plan (incorporated by reference to Exhibit 4.5 to the Company’s Registration Statement on Form S-8 (File No. 333-62416) filed on May 24, 2005).

10.5* Atlantic Tele-Network, Inc. 2008 Equity Incentive Plan, as amended and restated (incorporated by reference to Appendix C of the Definitive Proxy Statement on Schedule 14A (File No. 001-12593) filed on May 2, 2011).

10.6* Form of Notice of Grant of Restricted Stock and Restricted Stock Agreement under 2008 Equity Incentive Plan (Non-Employee Directors) (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K (File No. 001-12593) filed on May 21, 2008).

10.7* Form of Notice of Grant of Restricted Stock and Restricted Stock Agreement under 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company’s Current Report on Form 8-K (File No. 001- 12593) filed on May 21, 2008).

10.8* Form of Notice of Grant of Incentive Stock Option and Option Agreement under 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company’s Current Report on Form 8-K (File No. 001- 12593) filed on May 21, 2008).

10.9*	Form of Notice of Grant of Nonqualified Stock Option and Option Agreement under 2008 Equity Incentive Plan (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K (File No. 001- 12593) filed on May 21, 2008).
10.10*	Deferred Compensation Plan for Select Employees of Atlantic Tele- Network, Inc. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-12593) filed on January 6, 2009).
10.11	Third Amended and Restated Agreement dated as of May 18, 2012 by and among Atlantic Tele-Network, Inc., as Borrower, CoBank, ACB, as Administrative Agent, Lead Arranger, Swingline Lender, an Issuing Lender and a Lender, the Guarantors named therein, and the other Lenders named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-12593) filed on May 21, 2012).
10.12	First Amendment to Third Amended and Restated Agreement dated as of October 29, 2012 by and among Atlantic Tele-Network, Inc., as Borrower, CoBank, ACB, as Administrative Agent, Lead Arranger, Swingline Lender, an Issuing Lender and a Lender, the Guarantors named therein, and the other Lenders named therein (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q (File No. 001-12593) filed on November 9, 2012).
10.13	Consent to Third Amended and Restated Agreement dated as of February 28, 2013, by and among the Company, as Borrower, CoBank, ACB, as Administrative Agent, Lead Arranger, Swingline Lender, an Issuing Lender and a Lender, the Guarantors named therein, and the other Lenders named therein (incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K (File No. 001-12593) for the year ended December 31, 2012 filed on March 18, 2013).
10.14	Fourth Amended and Restated Credit Agreement dated as of December 19, 2014 by and among the Company, as Borrower, CoBank, ACB, as Administrative Agent, Lead Arranger, Swingline Lender, an Issuing Lender and a Lender, Fifth Third Bank, as a Joint Lead Arranger, MUFG Union Bank, N.A., as a Joint Lead Arranger and an Issuing Lender, the Guarantors named therein and the other Lenders named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-12593) filed on December 23, 2014).
10.15	Amendment, Consent and Confirmation Agreement, dated January 11, 2016, by and among Atlantic Tele-Network, Inc., as Borrower, CoBank, ACB, as Administrative Agent, and the Guarantors and other Lenders named therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 001-12593) filed on January 15, 2016).
10.16	Amendment to the Agreement between the Government of the Co-Operative Republic of Guyana and Atlantic Tele-Network, Inc., dated November 2, 2012 (incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K (File No. 001-12593) for the year ended December 31, 2012 filed on March 18, 2013).
10.17	Allied Wireless Communications Corporation 2011 Equity Incentive Plan (incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K (File No. 001-12593) for the year ended December 31, 2010 filed on March 16, 2011).
10.18	Form of Restricted Stock Grant Agreement under Allied Wireless Communications Corporation 2011 Equity Incentive Plan (incorporated by reference to Exhibit 10.18 to the Company's Annual Report on Form 10-K (File No. 001-12593) for the year ended December 31, 2010 filed on March 16, 2011).
10.19	Form of Option Agreement under Allied Wireless Communications Corporation 2011 Equity Incentive Plan (incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K (File No. 001-12593) for the year ended December 31, 2010 filed on March 16, 2011).
10.20 *	Form of Severance Agreement executed between the Company and Mssrs. Benincasa, Slap and Kreisher, dated as of February 26, 2016 (filed herewith).
10.21 *	Severance Agreement between the Company and Mr. Michael Prior, dated as of February 26, 2016 (filed herewith).
21**	Subsidiaries of Atlantic Tele-Network, Inc.
23.1**	Consent of Independent Registered Public Accounting Firm—PricewaterhouseCoopers LLP.

31.1**	Certification of Principal Executive Officer pursuant to Rule 13a- 14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Rule 302 of the Sarbanes-Oxley Act of 2002.
31.2**	Certification of Principal Financial Officer pursuant to Rule 13a- 14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Rule 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1**	Commitment Letter, dated September 24, 2015, from Rural Telephone Finance Cooperative to ATN VI Holdings, LLC.
99.2**	Rate Lock Option Letter, dated September 30, 2015, between Rural Telephone Finance Cooperative and ATN VI Holdings, LLC.
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema Document
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF**	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase Document

* Management contract or compensatory plan or arrangement.

** Filed herewith.

Exhibit 10.20

EXECUTIVE SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT (this "Agreement"), dated as of February 26, 2016 (the "Effective Date"), is made and entered by and between Atlantic Tele-Network, Inc., a Delaware corporation (the "Company"), and [●] (the "Executive").

WITNESSETH:

WHEREAS, the Executive serves as the [●] of the Company and is expected to continue to contribute to the short- and long-term profitability, growth, and financial strength of the Company;

WHEREAS, the Board (as defined below) has determined that appropriate steps should be taken to encourage and reinforce the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction; and

WHEREAS, in consideration of the Executive's employment with the Company, the Company desires to provide the Executive with certain compensation and benefits set forth in this Agreement in the event the Executive's employment with the Company is terminated by the Company for a reason related to, or unrelated to, a Change in Control (as defined below) of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, the Company and the Executive agree as follows:

1. Certain Defined Terms. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement:

(a) "Base Pay" means the Executive's annual base salary rate, exclusive of bonuses, commissions and other Incentive Pay, as in effect on the Termination Date.

(b) "Board" means the Board of Directors of the Company.

(c) "Cause" means a determination by the Company's Chief Executive Officer (in the case of a Non-Change in Control Involuntary Termination) or by the Board (in the case of a Change in Control Involuntary Termination) that the Executive has committed any of the following acts; provided that, with respect to clause (i) only, the Executive shall not have cured such failure and resumed performing Executive's job duties in all material respects within thirty (30) days of the Chief Executive Officer or the Board (as determined above) providing Executive with written notice of the condition (specifying with reasonable particularity the condition):

i. refusal or material failure to perform job duties and responsibilities (other than by reason of serious physical or mental illness, injury, or medical condition);

ii. failure or refusal to comply in any material respect with material Company policies or lawful directives of the Board;

iii. material breach of any contract or agreement between the Executive and the Company (including but not limited to this Agreement and any confidentiality, restrictive covenant, assignment of inventions agreement or similar agreement between you and the Company), or material breach of any statutory duty, fiduciary duty or any other obligation that Executive owes to the Company;

iv. commission of an act of fraud, theft, embezzlement or other unlawful act against the Company or involving its property or assets;

v. engaging in unprofessional, unethical or other intentional acts that materially discredit the Company or are materially detrimental to the reputation, character or standing of the Company, provided that, if such act or engagement is not willful misconduct and is curable (as determined in the good faith discretion of the Board), Executive will be given the opportunity to cure as provided above; or

vi. indictment or conviction or plea of *nolo contendere* or guilty plea with respect to any felony or crime of moral turpitude.

(d) “Change in Control” means:

i. any person, entity or group (within the meaning of Section 13(2)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) acquires beneficial ownership of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur solely because the level of beneficial ownership held by any such person, entity or group (the “Subject Person”) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the beneficial owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities beneficially owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

ii. there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not beneficially own, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction, or (B) more than 50% of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;

iii. there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries to an entity, more than 50% of the combined voting power of the voting securities of which are beneficially owned by stockholders of the Company in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

iv. individuals who, on the date of this Agreement, are members of the Board (the “Incumbent Board”) cease, during any 12-month period, for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Agreement, be considered as a member of the Incumbent Board.

To the extent required for compliance with , in no event will a Change in Control be deemed to have occurred if such transaction is not also a “change in the ownership of” or a “change in the effective control of” or a “change in the ownership of a substantial portion of the assets of” the Company as determined under (without regard to any alternative definition thereunder).

(e) “Change in Control Involuntary Termination” means the termination of the Executive’s employment by the Company within the period beginning three months before, and ending twelve months following, a Change in Control, for any reason other than Cause, the Executive’s death or the Executive’s Disability. For purposes of the preceding sentence, a Good Reason Termination shall be considered to be a “termination of the Executive’s employment by the Company”.

(f) “COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(g) “Code” means the Internal Revenue Code of 1986, as amended.

(h) “Disability” means the Executive becomes permanently disabled within the meaning of, and begins actually to receive disability benefits pursuant to Social Security Disability Income or the long-term disability plan in effect for, or applicable to, the Executive.

(i) “Equity Compensation” means any stock option, stock appreciation, stock purchase, restricted stock, restricted stock unit, long term incentive cash bonus award or any other kind of equity-based plan, program, arrangement or grant regardless of whether the form of distribution is in stock or cash.

(j) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(k) "Good Reason Termination" shall mean a termination of the Executive's employment initiated by the Executive as a result of the occurrence of any of the following without the Executive's prior written consent:

i. A material reduction in the Executive's duties, title or responsibilities;

ii. A material reduction in the Executive's annual base salary, except that an aggregate reduction in annual base salary of up to ten percent (10%) that is instituted as a result of a broad-based reduction in base salaries for the Company's executives as a whole shall not be considered to constitute a basis for a Good Reason Termination;

iii. A relocation of the Executive's principal place of employment to a location more than fifty (50) miles from the Executive's prior principal place of employment (unless such relocation does not increase the Executive's commute by more than twenty (20) miles), except that required travel on the Company's business (to an extent substantially consistent with the Executive's prior business travel obligations for the Company) shall not be considered to constitute a basis for a Good Reason Termination; or

iv. The failure by the Company to obtain an agreement from any successor to the Company to assume and agree to perform the obligations under this Agreement.

A Good Reason Termination must be initiated, in a writing to the Company, by the Executive within sixty (60) days following the initial instance of the condition giving rise to the Good Reason Termination. The Company shall have thirty (30) days in which to cure the condition otherwise giving rise to the Good Reason Termination. In the event that the Company does not cure the condition, then the Good Reason Termination shall be effective as of the end of the thirty (30) day cure period. In the event that the Company does cure the condition (as determined in the reasonable discretion of the Board, with respect subparagraphs (i) and (ii)) otherwise giving rise to the Good Reason Termination, then no termination of employment shall occur.

(l) "Incentive Pay" means the maximum bonus or similar incentive compensation opportunity as established by the Company for which the Executive was eligible for the year during which the Termination Date occurs (and if no such maximum bonus or similar compensation opportunity has been established by the Company for the year during which the Termination Date occurs, then "Incentive Pay" means the maximum bonus or similar incentive compensation opportunity for which the Executive was eligible for the most recent year prior to the year during which the Termination Date occurs for which such bonus or similar incentive compensation opportunity was established). For purposes of this definition, "Incentive Pay" does not include any Equity Compensation, or any amounts specifically designated by the parties as amounts other than Incentive Pay.

(m) "Non-Change in Control Involuntary Termination" means the termination of the Executive's employment by the Company (other than a Change in Control Involuntary Termination) for any reason other than Cause, the Executive's death or the Executive's Disability. For purposes of the preceding sentence, a Good Reason Termination shall be considered to be a "termination of the Executive's employment by the Company".

(n) "Restricted Territory" means the counties, towns, cities or states of any country in which the Company operates or does business.

(o) "Severance Period" means the twelve (12) month period after the Executive's Termination Date.

(p) "Subsidiary" means any Company controlled affiliate.

(q) "Termination Date" means the last day of the Executive's employment with the Company.

(r) "Termination of Employment" means, except as provided in the following sentence, the termination of the Executive's active employment relationship with the Company on account of a Non-Change in Control Involuntary Termination or a Change in Control Involuntary Termination. For purposes of the non-solicitation provision of Section 7 of the Agreement, the term "Termination of Employment" shall mean the termination of the Executive's employment relationship with the Company for any reason, including, but not limited to, the Executive's Non-Change in Control Involuntary Termination, Change in Control Involuntary Termination, voluntary termination, termination on account of Disability, or termination by the Company for Cause.

2. Termination Not in Connection with a Change in Control.

(a) Non-Change in Control Involuntary Termination. In the event the Executive's employment is terminated on account of a Non-Change in Control Involuntary Termination, the Executive shall be entitled to the benefits provided in subsection (b) of this Section 2.

(b) Compensation and Benefits Upon a Non-Change in Control Involuntary Termination. Subject to the provisions of Section 5 hereof, in the event a termination described in subsection (a) of this Section 2 occurs, the Company shall pay and provide to the Executive after his Termination Date:

i. One (1) times Base Pay. Unless a different payment stream is required pursuant to Section 10(c) of this Agreement, such Base Pay shall be paid in cash to the Executive in equal installments over the Severance Period consistent with the Company's normal payroll practices, starting as of the first pay period following the Termination Date.

ii. During the Severance Period, provided the Executive timely elects (and remains eligible for) COBRA continuation coverage under the Company's group health plan, the Executive shall only be required to pay active employee rates, as in effect from time to time. At the conclusion of the Severance Period, the Executive shall be eligible to continue his/her coverage, pursuant to COBRA, and shall be responsible for the entire COBRA premium for the remainder of the applicable COBRA continuation period.

iii. The Executive shall receive any other amounts earned, accrued or owing but not yet paid to the Executive as of his Termination Date, payable in a lump sum no later than sixty (60) days following the Termination Date, and any other benefits accrued or earned in accordance with the terms of any applicable benefit plans and programs of the Company.

iv. All Equity Compensation that is not vested on the Termination Date shall terminate or shall be forfeited to the Company by the Executive, effective as of the Termination Date, except as may be determined otherwise pursuant to the written terms of such Equity Compensation plan or grant agreement (it being the intent that the Executive shall be able to exercise vested options in accord with their option agreements).

3. Termination Associated With a Change in Control.

(a) Change in Control Involuntary Termination. In the event the Executive's employment is terminated on account of a Change in Control Involuntary Termination, the Executive shall be entitled to the benefits provided in subsection (b) of this Section 3.

(b) Compensation and Benefits Upon a Change in Control Involuntary Termination. Subject to the provisions of Section 5 hereof, in the event a termination described in subsection (a) of this Section 3 occurs, the Company shall pay and provide to the Executive after his Termination Date:

i. Lump sum cash payment equal to one (1) times Base Pay. Unless the payment is delayed pursuant to Section 10(c) of this Agreement, this lump sum cash payment shall be paid to the Executive within sixty (60) days after the Executive's Termination Date.

ii. Lump sum cash payment equal to one (1) times the Executive's Incentive Pay for the year in which the Termination of Employment occurs. Unless the payment is delayed pursuant to Section 10(c) of this Agreement, this lump sum payment shall be paid to the Executive within sixty (60) days after the Executive's Termination Date.

iii. During the Severance Period, provided the Executive timely elects (and remains eligible for) COBRA continuation coverage under the Company's group health plan, the Executive shall only be required to pay active employee rates, as in effect from time to time. At the conclusion of the Severance Period, the Executive shall be eligible to continue his/her coverage, pursuant to COBRA, and shall be responsible for the entire COBRA premium for the remainder of the applicable COBRA continuation period.

iv. The Executive shall receive any other amounts earned, accrued or owing but not yet paid to the Executive as of his Termination Date, payable in a lump sum no later than sixty (60) days following the Termination Date, and any benefits accrued or earned in accordance with the terms of any applicable benefit plans and programs of the Company.

v. Notwithstanding any provision to the contrary in any applicable plan, program or agreement, or any contrary provision in this Agreement, in the event of a Change in Control Involuntary Termination, all Equity Compensation held by the Executive on the Termination Date will become fully vested and/or exercisable, as the case may be, and all stock options held by the Executive shall remain exercisable, notwithstanding anything in any other agreement governing such options, for the longer of (i) a period of twelve (12) months after the Executive's Termination Date, or (ii) the period set forth in the award agreement covering the option; provided, however, that in no event will the option be exercisable beyond its original term (if such date is earlier than provided herein). If, at the time of a Change in Control, the Executive holds any Equity Compensation the vesting of which was made contingent upon the attainment of performance goals with respect to a performance period, upon the occurrence of a Change in Control, notwithstanding the terms of any such award (or any plan under which the award is made), the performance goals with respect to each such award shall be deemed attained at the target level.

4. Termination of Employment on Account of Disability, Cause or Death. Notwithstanding anything in this Agreement to the contrary, if the Executive's employment terminates on account of Disability, the Executive shall be entitled to receive disability benefits under any disability program maintained by the Company that covers the Executive (subject, in all respects, to the terms of such plan), and the Executive shall not be considered to have terminated employment under this Agreement and shall not receive benefits pursuant to Sections 2 and 3 hereof. If the Executive's employment terminates on account of Cause or because of his death, the Executive shall not be considered to have terminated employment under this Agreement and shall not receive benefits pursuant to Sections 2 and 3 hereof.

5. Release. Notwithstanding the foregoing, no payments shall be made or benefits provided under this Agreement unless the Executive executes, and does not revoke, the Company's standard written release, substantially in the form as attached hereto as Appendix A (the "Release"), of any and all claims against the Company and all related parties with respect to all matters arising out of the Executive's employment by the Company (other than entitlements under the terms of this Agreement or under any other plans or programs of the Company in which the Executive participated and under which the Executive has accrued or become entitled to a benefit) or a termination thereof. The Executive understands and agrees that he has twenty-one (21) days to consider the Release. In the event that the Release is not executed and delivered to the Company on or before the twenty-second (22nd) day following delivery of the Release to the Executive, then no payments shall be made to the Executive under this Agreement, other than amounts to which he or she is entitled to receive as a matter of law or contract.

6. Confidentiality. The Executive hereby covenants and agrees that he will not disclose to any person not employed by the Company, or use in connection with engaging in competition with the Company, any confidential or proprietary information (as defined below) of the Company. For purposes of this Agreement, the term "confidential or proprietary information" will include all information of any nature and in any form that is owned by the Company and that is not publicly available (other than by the Executive's breach of this Section 6) or generally known to persons engaged in businesses similar or related to those of the Company. Confidential or proprietary information will include, without limitation, the Company's financial matters, customers, employees, industry contracts, strategic business plans, product development (or other proprietary product data), marketing plans, consulting solutions and processes, and all other secrets and all other information of a confidential or proprietary nature. For purposes of the preceding two sentences, the term "Company" will

also include any Subsidiary. The Executive understands and acknowledges that the above list is not exhaustive, and that confidential or proprietary information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used. The Executive understands and agrees that any confidential or proprietary information developed by the Executive in the course of his/her employment by the Company shall be subject to the terms and conditions of this Agreement as if the Company furnished the same confidential or proprietary information to the Executive in the first instance. The foregoing obligations imposed by this Section 6 will not apply (i) in the course of the business of and for the benefit of the Company as required in the performance of any of the Executive's duties to the Company (with the prior consent of an authorized officer acting on behalf of the Company in each instance), (ii) if such confidential or proprietary information has become, through no fault of the Executive, generally known to the public, or (iii) if the Executive is required by law to make disclosure (after giving the Company notice and an opportunity to contest such requirement).

Nothing in this Section 6 is intended to nor shall it limit or prohibit Executive, or waive any right on his or her part, to initiate or engage in communication with, respond to any inquiry from, or otherwise provide information to, any federal or state regulatory, self-regulatory, or enforcement agency or authority regarding possible violations of federal law or regulation including under the whistleblower provisions of federal law or regulation.

7. Covenants Not to Compete and Not to Solicit. In the event of the Executive's Termination of Employment, the Company's obligations to provide severance pay as provided in Sections 2 and 3 shall be expressly conditioned upon the Executive's covenants not to compete and not to solicit as provided herein. In the event the Executive breaches his/her obligations to the Company as provided herein, the Company's obligations to make severance payments to the Executive pursuant to Sections 2 and 3 shall cease, without prejudice to any other remedies that may be available to the Company.

(a) Covenant Not to Compete. Because of the Company's legitimate business interest as described herein and the good and valuable consideration offered to the Executive, for the remainder of the Executive's employment with the Company and for the twelve (12) months thereafter, the Executive agrees and covenants not to engage in any Competitive Activity within any geographic regions in which the Company then engages in its business activities. For purposes of this non-compete clause, "Competitive Activity" means to, directly or indirectly, in whole or in part, engage in, provide services to or otherwise participate in, whether as an employee, employer, owner, operator, manager, advisor, consultant, agent, partner, director, stockholder, officer, or any other similar capacity, any entity engaged in a business that is competitive with the business of the Company. Without limiting the foregoing, Competitive Activity also includes activity that may require or inevitably require disclosure of trade secrets, or confidential or proprietary information. Nothing herein shall prohibit the Executive from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation.

(b) Non-solicitation of Employees. The Executive understands and acknowledges that the Company has expended and continues to expend significant time and expense in recruiting and training its employees and that the loss of employees would cause significant and irreparable harm to the Company. The Executive agrees and covenants not to directly or indirectly solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Company during the remainder of the Executive's employment with the Company and for the twelve (12) months thereafter.

(c) Non-solicitation of Customers. The Executive understands and acknowledges that the Company has expended and continues to expend significant time and expense in developing customer relationships, customer information and goodwill, and that because of the Executive's experience with and relationship to the Company, the Executive has had access to and learned about much or all of the Company's customer information. For purposes of this clause, "customer information" includes, but is not limited to, names, phone numbers, addresses, e-mail addresses, order history, order preferences, chain of command, pricing information and other information identifying facts and circumstances specific to the customer. The Executive understands and acknowledges that loss of this customer relationship and/or goodwill will cause significant and irreparable harm to the Company.

The Executive agrees and covenants, during the remainder of the Executive's employment with the Company and for the twelve (12) months thereafter, not to directly or indirectly solicit, contact (including but not limited to e-mail, regular mail, express mail, telephone, fax, and instant message), attempt to contact or meet with the Company's current, former or prospective customers for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company.

(d) Interpretation. The covenants contained in this Section 7 are intended to be construed as a series of separate covenants, one for each county, town, city and state or other political subdivision of a Restricted Territory. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in the preceding subsections. If, in any judicial proceeding, the court shall refuse to enforce any of the separate covenants (or any part thereof) deemed included in such subsections, then such unenforceable covenant (or such part) shall be deemed to be eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced.

(e) Reasonableness. In the event that the provisions of this Section 7 shall ever be deemed to exceed the time, scope or geographic limitations permitted by applicable laws, then such provisions shall be reformed to the maximum time, scope or geographic limitations, as the case may be, permitted by applicable laws.

8. Employment Rights. Nothing expressed or implied in this Agreement will create any right or duty on the part of the Company or the Executive to have the Executive remain in the employment of the Company or any Subsidiary prior to or following any Change in Control or otherwise.

9. Remedies. In the event of a breach or threatened breach by the Executive of any of the provisions of this Agreement, the Executive hereby consents and agrees that the Company shall be entitled, in addition to other available remedies, to a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief. Should the Executive fail to abide by any of the terms of this Agreement, including the covenants contained in Section 7 hereof, or if the Executive revokes the Release within the seven-day revocation period, the Company may, in addition to any other remedies it may have, reclaim any amounts paid to the Executive under the provisions of this Agreement or terminate any benefits or payments that are later due under this Agreement, without waiving the Release provided herein.

In the event that the Executive's employment is terminated for Cause, under Section 1(c)(vi), and the prosecution of such matter is discontinued without any action, or any such prosecution results in a not guilty finding, then forty-five (45) days following such discontinuation or finding (provided that Executive shall have provided (and not revoked) a fully executed and effective General Release and Waiver of Claims), the Company shall pay to the Executive the difference between (i) what he or she would have received if such termination of employment had been classified as a Change in Control Involuntary Termination or a Non-Change in Control Involuntary Termination (whichever would have been applicable, based upon the timing of the Executive's termination of employment), and (ii) whatever severance benefits (if any) were actually provided to the Executive in connection therewith, plus three percent (3%) simple interest.

10. Certain Tax Matters.

(a) Withholding. The Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any applicable law, regulation or ruling.

(b) Code Section 280G Contingent Cutback. Notwithstanding any provision of this Plan to the contrary, in the event that the payments and other benefits payable under this Plan or otherwise payable to an Executive under any other plan, program, arrangement or agreement maintained by the Company or one of its affiliates (i) would constitute an "excess parachute payment" (as defined under Code Section 280G) and (ii) would be subject to the excise tax imposed by Section 4999 of the Code, then such payments and other benefits shall be payable either (x) in full or (y) in a reduced amount that would result in no portion of such payments and other benefits being subject to the excise tax imposed under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state, and local income taxes and the excise tax imposed by Section 4999 of the Code, results in the receipt by such Executive on an after-tax basis, of the greatest amount of severance benefits under this Plan or otherwise, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code.

The determination of whether it is necessary to decrease a payment or benefit to be paid under this Plan must be made in good faith by a nationally recognized certified public accounting firm (the "Accounting Firm") selected by the Company. This determination will be conclusive and binding upon the Executive and the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity, or group effecting the Change in Control, the Company shall appoint another nationally recognized certified public accounting firm to make the determination required under this Plan. The Company shall bear all fees of the Accounting Firm. If a reduction is necessary, the Executive will have the right to designate the particular payment or benefit to be reduced or eliminated so that no portion of the payment or benefit to be paid to the Executive will be an excess parachute payment subject to the deduction limits under Section 280G of the Code and the excise tax under Section 4999 of the Code. However, no payment of "deferred compensation" (as defined under Treasury Regulation Section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-1(b)(3) through (b)(12)) may be reduced to the extent that a reduction can be made to any payment or benefit that is not "deferred compensation."

(c) Code Section 409A Compliance. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A) or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A.

The parties intend that the provisions of this Agreement will operate in a manner that will avoid adverse federal income tax consequences under section 409A of the Code. If a payment under this Agreement to the Executive is subject to the requirements of section 409A of the Code, the Executive hereby acknowledges and agrees that the

Company may take any actions deemed necessary in its sole discretion to avoid adverse federal income tax consequences under section 409A of the Code and that such action may be taken without the consent of the Executive, including, but not limited to, delaying the commencement of any payment under this Agreement for six (6) months from the Executive's Termination Date if it is determined that as of such Termination Date, the Executive is a "specified employee" and such amounts are deemed to be "deferred compensation" subject to the requirements of section 409A of the Code.

Notwithstanding the foregoing, the Company makes no representations or warranty that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

11. Term of Agreement. This Agreement shall continue in full force and effect for five (5) years following the Effective Date; provided, however, that if a Change in Control occurs during the term of the Agreement, or if the Executive's employment is terminated during the term of this Agreement, then this Agreement shall remain in effect until all of the obligations of the parties hereunder are satisfied or have expired. The parties may, but are not required to, agree to extend the term of this Agreement at any time, pursuant to a written agreement to that effect.

12. Successors and Binding Agreement.

(a) This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement).

(b) This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees. This Agreement will supersede the provisions of any employment or other agreement between the Executive and the Company that relate to any matter that is also the subject of this Agreement, and such provisions in such other agreements will be null and void.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b). Without limiting the generality or effect of the foregoing, the Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by the Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 12(c), the Company will have no liability to pay any amount so attempted to be assigned, transferred or delegated.

13. Notices. All notices under this Agreement must be given in writing by personal delivery or United States registered or certified mail, return receipt requested, at the addresses indicated in this Agreement, or any other address designated in writing by either party.

Notice to the Company:

Atlantic Tele-Network, Inc.
600 Cummings Center
Beverly, MA 01915
Attention: Chief Executive Officer

Notice to the Executive:

[EXECUTIVE'S ADDRESS AND CONTACT INFORMATION]

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the substantive laws of the State of Delaware**,** without giving effect to the principles of conflict of laws of such State.

15. Severability. If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held by a court of competent jurisdiction to be invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstances will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. Mandatory Binding Arbitration. The parties agree that any dispute, controversy or claim arising out of or related to this Agreement (other than with respect to matters arising under Sections 6 or 7 hereof), including the validity of this arbitration clause, or any breach of this Agreement shall be submitted to and decided by binding arbitration in Boston, Massachusetts. Arbitration shall be administered by a single arbitrator under the rules of the American Arbitration Association, or any other similar association mutually agreed to by the parties. Any arbitral award determination shall be final and binding upon the parties and may be entered as a judgment in a court of competent jurisdiction.

17. Miscellaneous.

(a) Except as provided in subparagraph (b) below, no provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement.

(b) Notwithstanding any contrary provision of this Agreement, the Company may modify benefits otherwise payable or to be provided under this Agreement without obtaining the Executive's consent to such modification to the extent that the Company determines in its sole discretion that such modification is necessary or appropriate in order to effect compliance with applicable law or regulatory requirements.

(c) Any reference in this Agreement to a provision of a statute, rule or regulation will also include any successor provision thereto.

(d) References to Sections are to references to Sections of this Agreement.

18. Survival. Notwithstanding any provision of this Agreement to the contrary, the parties' respective rights and obligations under Sections 2, 3, 6, and 7 will survive any termination or expiration of this Agreement or the termination of the Executive's employment for any reason whatsoever.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same agreement.

20. Entire Agreement. Unless specifically provided herein, this Agreement contains all the understandings and representations between the Executive and the Company pertaining to the Termination of Employment and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

21. Acknowledgment of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT HE/SHE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT HE/SHE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF HIS/HER CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

ATLANTIC TELE-NETWORK, INC.

By ________________________________

Name: [NAME OF AUTHORIZED OFFICER]

Title: [TITLE OF AUTHORIZED OFFICER]

EXECUTIVE

Signature: ____________________________

Print Name: ___________________________

Exhibit 10.21

EXECUTIVE SEVERANCE AGREEMENT

THIS SEVERANCE AGREEMENT (this "Agreement"), dated as of February 26, 2016 (the "Effective Date"), is made and entered by and between Atlantic Tele-Network, Inc., a Delaware corporation (the "Company"), and Michael T. Prior (the "Executive").

WITNESSETH:

WHEREAS, the Executive serves as the President and Chief Executive Officer of the Company and is expected to continue to contribute to the short- and long-term profitability, growth, and financial strength of the Company;

WHEREAS, the Board (as defined below) has determined that appropriate steps should be taken to encourage and reinforce the continued attention and dedication of members of the Company's management, including the Executive, to their assigned duties without distraction; and

WHEREAS, in consideration of the Executive's employment with the Company, the Company desires to provide the Executive with certain compensation and benefits set forth in this Agreement in the event the Executive's employment with the Company is terminated by the Company for a reason related to, or unrelated to, a Change in Control (as defined below) of the Company.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, the Company and the Executive agree as follows:

1. Certain Defined Terms. In addition to terms defined elsewhere herein, the following terms have the following meanings when used in this Agreement:

(a) "Base Pay" means the Executive's annual base salary rate, exclusive of bonuses, commissions and other Incentive Pay, as in effect on the Termination Date.

(b) "Board" means the Board of Directors of the Company.

(c) "Cause" means a determination by the Board that the Executive has committed any of the following acts; provided that, with respect to clause (i) only, the Executive shall not have cured such failure and resumed performing Executive's job duties in all material respects within thirty (30) days of the Board providing Executive with written notice of the condition (specifying with reasonable particularity the condition):

i. refusal or material failure to perform job duties and responsibilities (other than by reason of serious physical or mental illness, injury, or medical condition);

ii. failure or refusal to comply in any material respect with material Company policies or lawful directives of the Board;

iii. material breach of any contract or agreement between the Executive and the Company (including but not limited to this Agreement and any confidentiality, restrictive covenant, assignment of inventions agreement or similar agreement between you and the Company), or material breach of any statutory duty, fiduciary duty or any other obligation that Executive owes to the Company;

iv. commission of an act of fraud, theft, embezzlement or other unlawful act against the Company or involving its property or assets;

v. engaging in unprofessional, unethical or other intentional acts that materially discredit the Company or are materially detrimental to the reputation, character or standing of the Company, provided that, if such act or engagement is not willful misconduct and is curable (as determined in the good faith discretion of the Board), Executive will be given the opportunity to cure as provided above; or

vi. indictment or conviction or plea of *nolo contendere* or guilty plea with respect to any felony or crime of moral turpitude.

(d) “Change in Control” means:

i. any person, entity or group (within the meaning of Section 13(2)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) acquires beneficial ownership of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control will not be deemed to occur solely because the level of beneficial ownership held by any such person, entity or group (the “Subject Person”) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the beneficial owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities beneficially owned by the Subject Person over the designated percentage threshold, then a Change in Control will be deemed to occur;

ii. there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not beneficially own, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction, or (B) more than 50% of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;

iii. there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries to an entity, more than 50% of the combined voting power of the voting securities of which are beneficially owned by stockholders of the Company in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

iv. individuals who, on the date of this Agreement, are members of the Board (the "Incumbent Board") cease, during any 12-month period, for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Agreement, be considered as a member of the Incumbent Board.

To the extent required for compliance with , in no event will a Change in Control be deemed to have occurred if such transaction is not also a "change in the ownership of" or a "change in the effective control of" or a "change in the ownership of a substantial portion of the assets of" the Company as determined under (without regard to any alternative definition thereunder).

(e) "Change in Control Involuntary Termination" means the termination of the Executive's employment by the Company within the period beginning three months before, and ending twelve months following, a Change in Control, for any reason other than Cause, the Executive's death or the Executive's Disability. For purposes of the preceding sentence, a Good Reason Termination shall be considered to be a "termination of the Executive's employment by the Company".

(f) "COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(g) "Code" means the Internal Revenue Code of 1986, as amended.

(h) "Disability" means the Executive becomes permanently disabled within the meaning of, and begins actually to receive disability benefits pursuant to Social Security Disability Income or the long-term disability plan in effect for, or applicable to, the Executive.

(i) "Equity Compensation" means any stock option, stock appreciation, stock purchase, restricted stock, restricted stock unit, long term incentive cash bonus award or any other kind of equity-based plan, program, arrangement or grant regardless of whether the form of distribution is in stock or cash.

(j) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(k) "Good Reason Termination" shall mean a termination of the Executive's employment initiated by the Executive as a result of the occurrence of any of the following without the Executive's prior written consent:

i. A material reduction in the Executive's duties, title or responsibilities;

ii. A material reduction in the Executive's annual base salary, except that an aggregate reduction in annual base salary of up to ten percent (10%) that is instituted as a result of a broad-based reduction in base salaries for the Company's executives as a whole shall not be considered to constitute a basis for a Good Reason Termination;

iii. A relocation of the Executive's principal place of employment to a location more than fifty (50) miles from the Executive's prior principal place of employment (unless such relocation does not increase the Executive's commute by more than twenty (20) miles), except that required travel on the Company's business (to an extent substantially consistent with the Executive's prior business travel obligations for the Company) shall not be considered to constitute a basis for a Good Reason Termination; or

iv. The failure by the Company to obtain an agreement from any successor to the Company to assume and agree to perform the obligations under this Agreement.

A Good Reason Termination must be initiated, in a writing to the Company, by the Executive within sixty (60) days following the initial instance of the condition giving rise to the Good Reason Termination. The Company shall have thirty (30) days in which to cure the condition otherwise giving rise to the Good Reason Termination. In the event that the Company does not cure the condition, then the Good Reason Termination shall be effective as of the end of the thirty (30) day cure period. In the event that the Company does cure the condition (as determined in the reasonable discretion of the Board, with respect subparagraphs (i) and (ii)) otherwise giving rise to the Good Reason Termination, then no termination of employment shall occur.

(l) "Incentive Pay" means the maximum bonus or similar incentive compensation opportunity as established by the Company for which the Executive was eligible for the year during which the Termination Date occurs (and if no such maximum bonus or similar compensation opportunity has been established by the Company for the year during which the Termination Date occurs, then "Incentive Pay" means the maximum bonus or similar incentive compensation opportunity for which the Executive was eligible for the most recent year prior to the year during which the Termination Date occurs for which such bonus or similar incentive compensation opportunity was established). For purposes of this definition, "Incentive Pay" does not include any Equity Compensation, or any amounts specifically designated by the parties as amounts other than Incentive Pay.

(m) "Non-Change in Control Involuntary Termination" means the termination of the Executive's employment by the Company (other than a Change in Control Involuntary Termination) for any reason other than Cause, the Executive's death or the Executive's Disability. For purposes of the preceding sentence, a Good Reason Termination shall be considered to be a "termination of the Executive's employment by the Company".

(n) "Restricted Territory" means the counties, towns, cities or states of any country in which the Company operates or does business.

(o) "Severance Period" means the eighteen (18) month period after the Executive's Termination Date.

(p) "Subsidiary" means any Company controlled affiliate.

(q) "Termination Date" means the last day of the Executive's employment with the Company.

(r) "Termination of Employment" means, except as provided in the following sentence, the termination of the Executive's active employment relationship with the Company on account of a Non-Change in Control Involuntary Termination or a Change in Control Involuntary Termination. For purposes of the non-solicitation provision of Section 7 of the Agreement, the term "Termination of Employment" shall mean the termination of the Executive's employment relationship with the Company for any reason, including, but not limited to, the Executive's Non-Change in Control Involuntary Termination, Change in Control Involuntary Termination, voluntary termination, termination on account of Disability, or termination by the Company for Cause.

2. Termination Not in Connection with a Change in Control.

(a) Non-Change in Control Involuntary Termination. In the event the Executive's employment is terminated on account of a Non-Change in Control Involuntary Termination, the Executive shall be entitled to the benefits provided in subsection (b) of this Section 2.

(b) Compensation and Benefits Upon a Non-Change in Control Involuntary Termination. Subject to the provisions of Section 5 hereof, in the event a termination described in subsection (a) of this Section 2 occurs, the Company shall pay and provide to the Executive after his Termination Date:

i. One and one-half (1.5) times Base Pay. Unless a different payment stream is required pursuant to Section 10(c) of this Agreement, such Base Pay shall be paid in cash to the Executive in equal installments over the Severance Period consistent with the Company's normal payroll practices, starting as of the first pay period following the Termination Date.

ii. During the Severance Period, provided the Executive timely elects (and remains eligible for) COBRA continuation coverage under the Company's group health plan, the Executive shall only be required to pay active employee rates, as in effect from time to time. At the conclusion of the Severance Period, the Executive shall be eligible to continue his/her coverage, pursuant to COBRA, and shall be responsible for the entire COBRA premium for the remainder of the applicable COBRA continuation period.

iii. The Executive shall receive any other amounts earned, accrued or owing but not yet paid to the Executive as of his Termination Date, payable in a lump sum no later than sixty (60) days following the Termination Date, and any other benefits accrued or earned in accordance with the terms of any applicable benefit plans and programs of the Company.

iv. All Equity Compensation that is not vested on the Termination Date shall terminate or shall be forfeited to the Company by the Executive, effective as of the Termination Date, except as may be determined otherwise pursuant to the written terms of such Equity Compensation plan or grant agreement (it being the intent that the Executive shall be able to exercise vested options in accord with their option agreements).

3. Termination Associated With a Change in Control.

(a) Change in Control Involuntary Termination. In the event the Executive's employment is terminated on account of a Change in Control Involuntary Termination, the Executive shall be entitled to the benefits provided in subsection (b) of this Section 3.

(b) Compensation and Benefits Upon a Change in Control Involuntary Termination. Subject to the provisions of Section 5 hereof, in the event a termination described in subsection (a) of this Section 3 occurs, the Company shall pay and provide to the Executive after his Termination Date:

i. Lump sum cash payment equal to one and one-half (1.5) times Base Pay. Unless the payment is delayed pursuant to Section 10(c) of this Agreement, this lump sum cash payment shall be paid to the Executive within sixty (60) days after the Executive's Termination Date.

ii. Lump sum cash payment equal to one and one-half (1.5) times the Executive's Incentive Pay for the year in which the Termination of Employment occurs. Unless the payment is delayed pursuant to Section 10(c) of this Agreement, this lump sum payment shall be paid to the Executive within sixty (60) days after the Executive's Termination Date.

iii. During the Severance Period, provided the Executive timely elects (and remains eligible for) COBRA continuation coverage under the Company's group health plan, the Executive shall only be required to pay active employee rates, as in effect from time to time. At the conclusion of the Severance Period, the Executive shall be eligible to continue his/her coverage, pursuant to COBRA, and shall be responsible for the entire COBRA premium for the remainder of the applicable COBRA continuation period.

iv. The Executive shall receive any other amounts earned, accrued or owing but not yet paid to the Executive as of his Termination Date, payable in a lump sum no later than sixty (60) days following the Termination Date, and any benefits accrued or earned in accordance with the terms of any applicable benefit plans and programs of the Company.

v. Notwithstanding any provision to the contrary in any applicable plan, program or agreement, or any contrary provision in this Agreement, in the event of a Change in Control Involuntary Termination, all Equity Compensation held by the Executive on the Termination Date will become fully vested and/or exercisable, as the case may be, and all stock options held by the Executive shall remain exercisable, notwithstanding anything in any other agreement governing such options, for the longer of (i) a period of twelve (12) months after the Executive's Termination Date, or (ii) the period set forth in the award agreement covering the option; provided, however, that in no event will the option be exercisable beyond its original term (if such date is earlier than provided herein). If, at the time of a Change in Control, the Executive holds any Equity Compensation the vesting of which was made contingent upon the attainment of performance goals with respect to a performance period, upon the occurrence of a Change in Control, notwithstanding the terms of any such award (or any plan under which the award is made), the performance goals with respect to each such award shall be deemed attained at the target level.

4. Termination of Employment on Account of Disability, Cause or Death. Notwithstanding anything in this Agreement to the contrary, if the Executive's employment terminates on account of Disability, the Executive shall be entitled to receive disability benefits under any disability program maintained by the Company that covers the Executive (subject, in all respects, to the terms of such plan), and the Executive shall not be considered to have terminated employment under this Agreement and shall not receive benefits pursuant to Sections 2 and 3 hereof. If the Executive's employment terminates on account of Cause or because of his death, the Executive shall not be considered to have terminated employment under this Agreement and shall not receive benefits pursuant to Sections 2 and 3 hereof.

5. Release. Notwithstanding the foregoing, no payments shall be made or benefits provided under this Agreement unless the Executive executes, and does not revoke, the Company's standard written release, substantially in the form as attached hereto as Appendix A (the "Release"), of any and all claims against the Company and all related parties with respect to all matters arising out of the Executive's employment by the Company (other than entitlements under the terms of this Agreement or under any other plans or programs of the Company in which the Executive participated and under which the Executive has accrued or become entitled to a benefit) or a termination thereof. The Executive understands and agrees that he has twenty-one (21) days to consider the Release. In the event that the Release is not executed and delivered to the Company on or before the twenty-second (22nd) day following delivery of the Release to the Executive, then no payments shall be made to the Executive under this Agreement, other than amounts to which he or she is entitled to receive as a matter of law or contract.

6. Confidentiality. The Executive hereby covenants and agrees that he will not disclose to any person not employed by the Company, or use in connection with engaging in competition with the Company, any confidential or proprietary information (as defined below) of the Company. For purposes of this Agreement, the term "confidential or proprietary information" will include all information of any nature and in any form that is owned by the Company and that is not publicly available (other than by the Executive's breach of this Section 6) or generally known to persons engaged in businesses similar or related to those of the Company. Confidential or proprietary information will include, without limitation, the Company's financial matters, customers, employees, industry contracts, strategic business plans, product development (or other proprietary product data), marketing plans, consulting solutions and processes, and all other secrets and all other information of a confidential or proprietary nature. For purposes of the preceding two sentences, the term "Company" will

also include any Subsidiary. The Executive understands and acknowledges that the above list is not exhaustive, and that confidential or proprietary information also includes other information that is marked or otherwise identified as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used. The Executive understands and agrees that any confidential or proprietary information developed by the Executive in the course of his/her employment by the Company shall be subject to the terms and conditions of this Agreement as if the Company furnished the same confidential or proprietary information to the Executive in the first instance. The foregoing obligations imposed by this Section 6 will not apply (i) in the course of the business of and for the benefit of the Company as required in the performance of any of the Executive's duties to the Company (with the prior consent of an authorized officer acting on behalf of the Company in each instance), (ii) if such confidential or proprietary information has become, through no fault of the Executive, generally known to the public, or (iii) if the Executive is required by law to make disclosure (after giving the Company notice and an opportunity to contest such requirement).

Nothing in this Section 6 is intended to nor shall it limit or prohibit Executive, or waive any right on his or her part, to initiate or engage in communication with, respond to any inquiry from, or otherwise provide information to, any federal or state regulatory, self-regulatory, or enforcement agency or authority regarding possible violations of federal law or regulation including under the whistleblower provisions of federal law or regulation.

7. Covenants Not to Compete and Not to Solicit. In the event of the Executive's Termination of Employment, the Company's obligations to provide severance pay as provided in Sections 2 and 3 shall be expressly conditioned upon the Executive's covenants not to compete and not to solicit as provided herein. In the event the Executive breaches his/her obligations to the Company as provided herein, the Company's obligations to make severance payments to the Executive pursuant to Sections 2 and 3 shall cease, without prejudice to any other remedies that may be available to the Company.

(a) Covenant Not to Compete. Because of the Company's legitimate business interest as described herein and the good and valuable consideration offered to the Executive, for the remainder of the Executive's employment with the Company and for the twelve (12) months thereafter, the Executive agrees and covenants not to engage in any Competitive Activity within any geographic regions in which the Company then engages in its business activities. For purposes of this non-compete clause, "Competitive Activity" means to, directly or indirectly, in whole or in part, engage in, provide services to or otherwise participate in, whether as an employee, employer, owner, operator, manager, advisor, consultant, agent, partner, director, stockholder, officer, or any other similar capacity, any entity engaged in a business that is competitive with the business of the Company. Without limiting the foregoing, Competitive Activity also includes activity that may require or inevitably require disclosure of trade secrets, or confidential or proprietary information. Nothing herein shall prohibit the Executive from purchasing or owning less than five percent (5%) of the publicly traded securities of any corporation, provided that such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation.

(b) Non-solicitation of Employees. The Executive understands and acknowledges that the Company has expended and continues to expend significant time and expense in recruiting and training its employees and that the loss of employees would cause significant and irreparable harm to the Company. The Executive agrees and covenants not to directly or indirectly solicit, hire, recruit, attempt to hire or recruit, or induce the termination of employment of any employee of the Company during the remainder of the Executive's employment with the Company and for the twelve (12) months thereafter.

(c) Non-solicitation of Customers. The Executive understands and acknowledges that the Company has expended and continues to expend significant time and expense in developing customer relationships, customer information and goodwill, and that because of the Executive's experience with and relationship to the Company, the Executive has had access to and learned about much or all of the Company's customer information. For purposes of this clause, "customer information" includes, but is not limited to, names, phone numbers, addresses, e-mail addresses, order history, order preferences, chain of command, pricing information and other information identifying facts and circumstances specific to the customer. The Executive understands and acknowledges that loss of this customer relationship and/or goodwill will cause significant and irreparable harm to the Company.

The Executive agrees and covenants, during the remainder of the Executive's employment with the Company and for the twelve (12) months thereafter, not to directly or indirectly solicit, contact (including but not limited to e-mail, regular mail, express mail, telephone, fax, and instant message), attempt to contact or meet with the Company's current, former or prospective customers for purposes of offering or accepting goods or services similar to or competitive with those offered by the Company.

(d) Interpretation. The covenants contained in this Section 7 are intended to be construed as a series of separate covenants, one for each county, town, city and state or other political subdivision of a Restricted Territory. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenant contained in the preceding subsections. If, in any judicial proceeding, the court shall refuse to enforce any of the separate covenants (or any part thereof) deemed included in such subsections, then such unenforceable covenant (or such part) shall be deemed to be eliminated from this Agreement for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced.

(e) Reasonableness. In the event that the provisions of this Section 7 shall ever be deemed to exceed the time, scope or geographic limitations permitted by applicable laws, then such provisions shall be reformed to the maximum time, scope or geographic limitations, as the case may be, permitted by applicable laws.

8. Employment Rights. Nothing expressed or implied in this Agreement will create any right or duty on the part of the Company or the Executive to have the Executive remain in the employment of the Company or any Subsidiary prior to or following any Change in Control or otherwise.

9. Remedies. In the event of a breach or threatened breach by the Executive of any of the provisions of this Agreement, the Executive hereby consents and agrees that the Company shall be entitled, in addition to other available remedies, to a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall be in addition to, not in lieu of, legal remedies, monetary damages or other available forms of relief. Should the Executive fail to abide by any of the terms of this Agreement, including the covenants contained in Section 7 hereof, or if the Executive revokes the Release within the seven-day revocation period, the Company may, in addition to any other remedies it may have, reclaim any amounts paid to the Executive under the provisions of this Agreement or terminate any benefits or payments that are later due under this Agreement, without waiving the Release provided herein.

In the event that the Executive's employment is terminated for Cause, under Section 1(c)(vi), and the prosecution of such matter is discontinued without any action, or any such prosecution results in a not guilty finding, then forty-five (45) days following such discontinuation or finding (provided that Executive shall have provided (and not revoked) a fully executed and effective General Release and Waiver of Claims), the Company shall pay to the Executive the difference between (i) what he or she would have received if such termination of employment had been classified as a Change in Control Involuntary Termination or a Non-Change in Control Involuntary Termination (whichever would have been applicable, based upon the timing of the Executive's termination of employment), and (ii) whatever severance benefits (if any) were actually provided to the Executive in connection therewith, plus three percent (3%) simple interest.

10. Certain Tax Matters.

(a) Withholding. The Company may withhold from any amounts payable under this Agreement all federal, state, city or other taxes as the Company is required to withhold pursuant to any applicable law, regulation or ruling.

(b) Code Section 280G Contingent Cutback. Notwithstanding any provision of this Plan to the contrary, in the event that the payments and other benefits payable under this Plan or otherwise payable to an Executive under any other plan, program, arrangement or agreement maintained by the Company or one of its affiliates (i) would constitute an "excess parachute payment" (as defined under Code Section 280G) and (ii) would be subject to the excise tax imposed by Section 4999 of the Code, then such payments and other benefits shall be payable either (x) in full or (y) in a reduced amount that would result in no portion of such payments and other benefits being subject to the excise tax imposed under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state, and local income taxes and the excise tax imposed by Section 4999 of the Code, results in the receipt by such Executive on an after-tax basis, of the greatest amount of severance benefits under this Plan or otherwise, notwithstanding that all or some portion of such severance benefits may be taxable under Section 4999 of the Code.

The determination of whether it is necessary to decrease a payment or benefit to be paid under this Plan must be made in good faith by a nationally recognized certified public accounting firm (the "Accounting Firm") selected by the Company. This determination will be conclusive and binding upon the Executive and the Company. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity, or group effecting the Change in Control, the Company shall appoint another nationally recognized certified public accounting firm to make the determination required under this Plan. The Company shall bear all fees of the Accounting Firm. If a reduction is necessary, the Executive will have the right to designate the particular payment or benefit to be reduced or eliminated so that no portion of the payment or benefit to be paid to the Executive will be an excess parachute payment subject to the deduction limits under Section 280G of the Code and the excise tax under Section 4999 of the Code. However, no payment of "deferred compensation" (as defined under Treasury Regulation Section 1.409A-1(b)(1), after giving effect to the exemptions in Treasury Regulation Sections 1.409A-1(b)(3) through (b)(12)) may be reduced to the extent that a reduction can be made to any payment or benefit that is not "deferred compensation."

(c) Code Section 409A Compliance. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A) or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A.

The parties intend that the provisions of this Agreement will operate in a manner that will avoid adverse federal income tax consequences under section 409A of the Code. If a payment under this Agreement to the Executive is subject to the requirements of section 409A of the Code, the Executive hereby acknowledges and agrees that the

Company may take any actions deemed necessary in its sole discretion to avoid adverse federal income tax consequences under section 409A of the Code and that such action may be taken without the consent of the Executive, including, but not limited to, delaying the commencement of any payment under this Agreement for six (6) months from the Executive's Termination Date if it is determined that as of such Termination Date, the Executive is a "specified employee" and such amounts are deemed to be "deferred compensation" subject to the requirements of section 409A of the Code.

Notwithstanding the foregoing, the Company makes no representations or warranty that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

11. Term of Agreement. This Agreement shall continue in full force and effect for five (5) years following the Effective Date; provided, however, that if a Change in Control occurs during the term of the Agreement, or if the Executive's employment is terminated during the term of this Agreement, then this Agreement shall remain in effect until all of the obligations of the parties hereunder are satisfied or have expired. The parties may, but are not required to, agree to extend the term of this Agreement at any time, pursuant to a written agreement to that effect.

12. Successors and Binding Agreement.

(a) This Agreement will be binding upon and inure to the benefit of the Company and any successor to the Company, including without limitation any persons acquiring directly or indirectly all or substantially all of the business or assets of the Company whether by purchase, merger, consolidation, reorganization or otherwise (and such successor will thereafter be deemed the "Company" for the purposes of this Agreement).

(b) This Agreement will inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees and legatees. This Agreement will supersede the provisions of any employment or other agreement between the Executive and the Company that relate to any matter that is also the subject of this Agreement, and such provisions in such other agreements will be null and void.

(c) This Agreement is personal in nature and neither of the parties hereto will, without the consent of the other, assign, transfer or delegate this Agreement or any rights or obligations hereunder except as expressly provided in Sections 12(a) and 12(b). Without limiting the generality or effect of the foregoing, the Executive's right to receive payments hereunder will not be assignable, transferable or delegable, whether by pledge, creation of a security interest, or otherwise, other than by a transfer by the Executive's will or by the laws of descent and distribution and, in the event of any attempted assignment or transfer contrary to this Section 12(c), the Company will have no liability to pay any amount so attempted to be assigned, transferred or delegated.

13. Notices. All notices under this Agreement must be given in writing by personal delivery or United States registered or certified mail, return receipt requested, at the addresses indicated in this Agreement, or any other address designated in writing by either party.

Notice to the Company:

Atlantic Tele-Network, Inc.
600 Cummings Center
Beverly, MA 01915
Attention: Chairperson, Compensation Committee of the Board of Directors

Notice to the Executive:

[EXECUTIVE'S ADDRESS AND CONTACT INFORMATION]

14. Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by and construed in accordance with the substantive laws of the State of Delaware**,** without giving effect to the principles of conflict of laws of such State.

15. Severability. If any provision of this Agreement or the application of any provision hereof to any person or circumstances is held by a court of competent jurisdiction to be invalid, unenforceable or otherwise illegal, the remainder of this Agreement and the application of such provision to any other person or circumstances will not be affected, and the provision so held to be invalid, unenforceable or otherwise illegal will be reformed to the extent (and only to the extent) necessary to make it enforceable, valid or legal.

16. Mandatory Binding Arbitration. The parties agree that any dispute, controversy or claim arising out of or related to this Agreement (other than with respect to matters arising under Sections 6 or 7 hereof), including the validity of this arbitration clause, or any breach of this Agreement shall be submitted to and decided by binding arbitration in Boston, Massachusetts. Arbitration shall be administered by a single arbitrator under the rules of the American Arbitration Association, or any other similar association mutually agreed to by the parties. Any arbitral award determination shall be final and binding upon the parties and may be entered as a judgment in a court of competent jurisdiction.

17. Miscellaneous.

(a) Except as provided in subparagraph (b) below, no provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto or compliance with any condition or provision of this Agreement to be performed by such other party will be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, expressed or implied with respect to the subject matter hereof have been made by either party that are not set forth expressly in this Agreement.

(b) Notwithstanding any contrary provision of this Agreement, the Company may modify benefits otherwise payable or to be provided under this Agreement without obtaining the Executive's consent to such modification to the extent that the Company determines in its sole discretion that such modification is necessary or appropriate in order to effect compliance with applicable law or regulatory requirements.

(c) Any reference in this Agreement to a provision of a statute, rule or regulation will also include any successor provision thereto.

(d) References to Sections are to references to Sections of this Agreement.

18. Survival. Notwithstanding any provision of this Agreement to the contrary, the parties' respective rights and obligations under Sections 2, 3, 6, and 7 will survive any termination or expiration of this Agreement or the termination of the Executive's employment for any reason whatsoever.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same agreement.

20. Entire Agreement. Unless specifically provided herein, this Agreement contains all the understandings and representations between the Executive and the Company pertaining to the Termination of Employment and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

21. Acknowledgment of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT HE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT HE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF HIS CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered as of the date first above written.

ATLANTIC TELE-NETWORK, INC.

By /s/ Martin L. Budd

Name: Martin L. Budd
Title: Chairperson, Compensation Committee of
the Board of Directors

EXECUTIVE

Signature: /s/ Michael T. Prior
Print Name: Michael T. Prior

Exhibit 21

SUBSIDIARIES OF ATLANTIC TELE-NETWORK, INC.

	Jurisdiction of Incorporation	Other name(s) under which entity does business
Ahana Renewables, LLC(1)	Delaware	Ahana
GLC-(CA) SDCCD, LLC	Delaware	Ahana, Ahana Renewables
GLC Solar Fund II, LLC(2)	Delaware	Ahana, Ahana Renewables
GLC Solar Fund V, LLC(3)	Delaware	Ahana, Ahana Renewables
GLC Solar Fund VI, LLC(4)	Delaware	Ahana, Ahana Renewables
GLC Solar Fund VII, LLC(5)	Delaware	Ahana, Ahana Renewables
Atlantic Teleconnection Operating Company Limited	British Virgin Islands	GTT
Atlantic Teleconnection Holdings Company Limited	British Virgin Islands	GTT
ATN Bermuda Holdings, Ltd.	Bermuda	CellOne
ATN Horizons, LLC. (9)	Delaware	Ahana, Ahana Renewables
Bermuda Digital Communications, Ltd.	Bermuda	CellOne
Choice Communications, LLC	U.S. Virgin Islands	Choice Wireless
Commnet Wireless, LLC(6)	Delaware	Choice Wireless, Commnet
Elbert County Wireless, LLC	Colorado	Commnet
Mora Valley Wireless, LP	Delaware	Commnet
NTUA Wireless, LLC	Delaware	NTUA Wireless
Guyana Telephone and Telegraph Company Limited	Guyana	Cellink, E-magine, GT&T
GTT International Service SRL	Barbados	GTT
ION Holdco, LLC(7)	Delaware	ION
Sovernet Holding Corp.(8)	Vermont	Vermont Fiberconnect, Sovernet

(1) Includes thirteen consolidated wholly-owned subsidiaries also providing renewable energy services under the “Ahana Renewables” brand name in the United States.

(2) Includes six consolidated wholly-owned subsidiaries also providing renewable energy services under the “Ahana Renewables” brand name in the United States.

(3) Includes five consolidated wholly-owned subsidiaries also providing renewable energy services under the “Ahana Renewables” brand name in the United States.

(4) Includes four consolidated wholly-owned subsidiaries also providing renewable energy services under the “Ahana Renewables” brand name in the United States.

(5) Includes seven consolidated wholly-owned subsidiaries also providing renewable energy services under the “Ahana Renewables” brand name in the United States.

(6) Includes eleven consolidated wholly-owned subsidiaries also providing wholesale wireless voice and data services under the “Commnet” brand name in the United States.

(7) Includes one consolidated wholly-owned subsidiary also providing wireline services under the “ION” brand name in the United States.

(8) Includes three consolidated wholly-owned subsidiaries also providing wireline services under the “Sovernet” brand name in the United States.

(9) Includes one consolidated wholly owned subsidiary also providing renewable energy services under the “Ahana Renewables” brand name in the United States.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (Nos. 333-190523) and Form S-8 (Nos. 333-62416, 333-125179, 333-150940, and 333-174935) of Atlantic Tele-Network, Inc. of our report dated February 29, 2016 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Boston, Massachusetts
February 29, 2016

EXHIBIT 31.1

CERTIFICATIONS PURSUANT TO RULE 13a-14(a) OR RULE 15d-14(a), AS ADOPTED PURSUANT TO RULE 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael T. Prior, certify that:

1. I have reviewed this annual report on Form 10-K of Atlantic Tele-Network, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 29, 2016

By: /s/ Michael T. Prior

Michael T. Prior
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS PURSUANT TO
RULE 13a-14(a) OR RULE 15d-14(a),
AS ADOPTED PURSUANT TO
RULE 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Justin D. Benincasa, certify that:

1. I have reviewed this annual report on Form 10-K of Atlantic Tele-Network, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 29, 2016

By: /s/ Justin D. Benincasa

Justin D. Benincasa
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Atlantic Tele- Network, Inc. (the “Company”) for the period ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael T. Prior, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 29, 2016	/s/ Michael T. Prior
	Michael T. Prior *President and Chief Executive Officer*

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report on Form 10-K of Atlantic Tele- Network, Inc. (the “Company”) for the period ended December 31, 2015 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Justin D. Benincasa, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 29, 2016

/s/ Justin D. Benincasa

Justin D. Benincasa
Chief Financial Officer

Exhibit 99.1

Rural Telephone
Finance Cooperative

2070 l Cooperative Woy Dulles,
Virginia 20166
703-467-1800 I www.rtfc .coop

September 24, 2015
Via U.S. Mail and Email CPDF)
ATN VI HOLDINGS, LLC
c/o Atlantic Tele-Network, Inc.
600 Cummings Center Beverly, MA 01915
Attention: Mr. Michael Prior

Re: Term Loan #MA 802-9001

Rural Telephone Finance Cooperative ("RTFC") hereby commits to provide to ATN VI Holdings, LLC ("ATN VI") (or at the election of ATN VI, a subsidiary of ATN VI), on the terms set forth in the documents attached hereto as Exhibit A, a secured term loan in the amount of $60,000,000 for a term of 10 years (the "Loan") to partially finance the acquisition of Caribbean Asset Holdings, LLC ("CAH") and its affiliates, subject only to the satisfaction (or waiver by RTFC) of the conditions set forth in Section 5 of the Loan Agreement attached hereto as Exhibit A-1. CAH will be a co-borrower on the Loan.

The terms of this letter shall be governed by, and construed in accordance with, the laws of the state of New York.

The parties hereto hereby submit to the nonexclusive jurisdiction of the United States courts located in New York, New York and of any state court so located for purposes of all legal proceedings arising out of or relating to this letter or the transactions contemplated hereby. The parties hereto irrevocably waive, to the fullest extent permitted by applicable law, any objection that they may now or hereafter have to the establishing of the venue of any such proceeding brought in such a court and any claim that any such proceeding has been brought in an inconvenient forum.

The parties hereto hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this agreement or the transactions contemplated hereby.

RTFC appreciates the opportunity to serve you. If you have any questions, please feel free to call me at 800-346-7095.

RURAL TELEPHONE FINANCE COOPERATIVE

By: /s/ Robin C. Reed
Robin C. Reed, Senior Vice President

Acknowledged and Agreed:

ATN VI HOLDINGS, LLC

By: /s/ Michael T. Prior
Name: Michael T. Prior
Title: Chief Executive Officer

EXHIBIT A

LOAN DOCUMENTS

[*see attached*]

EXHIBIT A-1

LOAN AGREEMENT

[*follows this cover page*]

LOAN AGREEMENT

This **LOAN AGREEMENT** ("Agreement") is made as of ________, 201[5][6], by and among ATN VI HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), immediately upon consummation of the Acquisition (as defined below), CARIBBEAN ASSET HOLDINGS LLC, a Delaware limited liability company ("CAH" and, together with Holdings, each a "Borrower" and collectively the "Borrowers"), and RURAL TELEPHONE FINANCE COOPERATIVE, a District of Columbia cooperative association (the "Lender").

RECITALS

WHEREAS, Holdings has requested the Lender to make a single term loan to the Borrowers in a principal amount not to exceed the Commitment (as defined below), and the proceeds of such Loan shall be used to finance the Acquisition (as defined below) and to pay fees, costs and expenses in connection therewith; and

WHEREAS, the Lender is willing to make the Loan (as defined below) upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, each Borrower and the Lender do hereby agree as follows:

1. CONSTRUCTION AND DEFINITION OF TERMS

All accounting terms not specifically defined herein shall have the meanings assigned to them as determined by GAAP. In addition to the terms defined elsewhere in this Agreement, unless the context otherwise requires, when used herein, the following terms shall have the following meanings:

"**Accounting Change**" shall mean any change in accounting principles that is required or permitted hereafter by the rules, regulations, pronouncements and opinions of the Financial Accounting Standards Board or the American Institute of Certified Public Accountants (or successors thereto) and such change is adopted by Borrower and the other Loan Parties with the agreement of the accountants for such Persons.

"**Acquisition**" shall mean the acquisition by Holdings on the date hereof of the membership interests in CAH pursuant to the Acquisition Agreement.

"**Acquisition Agreemen**t" shall mean that certain Purchase Agreement, dated as of September [ ], 2015, among CAH, National Rural Utilities Cooperative Finance Corporation, Holdings and Parent Guarantor, as amended, restated, supplemented or otherwise modified from time to time.

"Act" shall mean the Securities Exchange Act of 1934, as amended or modified from time to time.

"Advance" shall mean the advance as defined in Section 2.02.

"**Affiliate**" shall mean, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with Person specified. "Control" for purposes of this definition means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise.

"**Agreement**" shall have the meaning assigned in the preamble hereto.

"**Annual Operating Cash Flow**" shall mean the sum of (a) pre-tax Net Income, excluding extraordinary gains, gains on sale of assets, the write-up of any asset, and any investment income or loss; (b) total interest expense, including capitalized, accreted or paid-in-kind interest; (c) depreciation and amortization expense; (d) certain one-time expenses and/or adjustments associated with any acquisition permitted hereunder; (e) any other non-cash expenses, charges and losses reducing net income for such period to the extent such non-cash items do not represent a cash item in any future period; and (f) any transaction costs and similar amounts that would be required to be expensed as a result of the application of FAS No. 141R (whether or not applicable thereto), in each case, as calculated on a consolidated basis for the Borrowers and their Subsidiaries.

"ATN Subordinated Debt" shall mean unsecured Indebtedness owing to Parent Guarantor and incurred by a Borrower and/or its direct and indirect subsidiaries; provided that such debt is subordinated in right of payment to the prior payment in full of the Obligations on terms reasonably satisfactory to the Lender.

"**Borrower**" and "**Borrowers**" shall have the meanings assigned in the preamble hereto.

"Breakage" shall mean, with respect to (a) any prepayment of the Loan when the Loan bears interest at the Fixed Rate as of the date of any such prepayment and (b) any conversion of the interest rate charged with respect to the Loan at the time the Loan bears interest at the Fixed Rate from the Fixed Rate to the Variable Rate, in each case, other than on the corresponding payment date, or fixed interest rate expiration date, the amount equal to the present value of any loss, cost or expense actually incurred by the Lender by reason of the liquidation or reemployment of deposits or other funds acquired by the Lender to fund or maintain the Loan.

"Business Day" shall mean any day that both the Lender and the depository institution the Lender utilizes for funds transfers hereunder are open for business.

"**CAH**" shall have the meaning assigned in the preamble hereto.

"Cash Equivalents" means: (A) cash; (B) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States or if not so backed, then having a rating of at least A+ from Standard & Poor's Rating Service and at least A1 from Moody's Investors Service, Inc., in each case maturing within two years from the date of acquisition thereof; (C) with the written consent of the Lender which is hereby given, until such time as such consent is revoked, commercial paper maturing no more than 270 days from the date issued and, at the time of acquisition, having a rating of at least A 1 from Standard & Poor's Rating Service or at least P 1 from Moody's Investors

Service, Inc.; (D) certificates of deposit or bankers' acceptances maturing within one year from the date of issuance thereof issued by, or overnight reverse repurchase agreements from, any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia having combined capital and surplus of not less than $500,000,000; (E) time deposits maturing no more than 30 days from the date of creation thereof with commercial banks having membership in the Federal Deposit Insurance Corporation in amounts at any one such institution not exceeding the lesser of $250,000 or the maximum amount of insurance applicable to the aggregate amount of the Loan Party's deposits at such institution; and (F) Investments in the Lender or other Investments satisfactory to the Lender.

"Certified" shall mean that the information, statement, schedule, report or other document required to be "Certified" shall contain a representation of a duly authorized officer of each Borrower that such information, statement, schedule, report or other document is true and correct and complete.

"CFC" shall mean any direct or indirect Subsidiary of any Borrower that is a "controlled foreign corporation" as defined in Section 957 of the Internal Revenue Code of 1986, as amended from time to time. For the avoidance of doubt, no Subsidiary formed under the laws of the United States shall constitute a CFC.

"Change of Control" shall mean the occurrence of any of the following: (a) Parent Guarantor at any time ceases to own, directly or indirectly, 100% of the Equity Interests of Holdings or ceases to have the power to vote, or direct the voting of, any such Equity Interests, as applicable; (b) unless otherwise permitted hereunder, Holdings at any time ceases to own directly 100% of the Equity Interests of CAH or ceases to have the power to vote, or direct the voting of, any such Equity Interests; (c) a report on Schedule 13D shall be filed with the securities and exchange commission pursuant to Section 13(d) of the Act disclosing that any person other than the Parent Guarantor or any employee benefit plan sponsored by the Parent Guarantor is the beneficial owner (as the term is defined in Rule 13d-3 under the Act) directly or indirectly of 30% or more of the total voting power represented by Parent Guarantor's then outstanding voting securities (calculated as provided in paragraph (d) of Rule 13d-3 under the Act in the case of rights to acquire voting securities); (d) any person, other than Parent Guarantor or any employee benefit plan sponsored by Parent Guarantor, shall purchase shares pursuant to a tender offer or exchange offer to acquire any voting securities of Parent Guarantor (or securities convertible into such voting securities) for cash, securities or any other consideration, provided that after consummation of the offer, the person in question is the beneficial owner directly or indirectly, of 30% or more of the total voting power represented by Parent Guarantor's then outstanding voting securities (all as calculated under clause (c) above); (e) the occurrence of (i) any consolidation or merger of Parent Guarantor in which Parent Guarantor is not the surviving corporation (other than a merger of Parent Guarantor in which holders of more than 51% of the outstanding common shares of Parent Guarantor immediately prior to the merger have the same proportionate ownership of common shares of the surviving corporation immediately after the merger as immediately before or a merger effected pursuant to Section 251(g) of the Delaware General Corporation Law), or pursuant to which common shares of Parent Guarantor will be converted into cash, securities or other property, or assets of Parent Guarantor, or (ii) unless otherwise permitted hereunder, any sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all the assets of either Borrower; or (f) the occurrence of a change in the composition of the board of directors of the Parent Guarantor at any time during any consecutive 24 month period such that "continuing directors" or individuals whose initial nomination for, or assumption of office as, a member of that board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group cease for any reason to constitute at least a majority of the board of directors of Parent Guarantor (for purposes of this clause, "continuing directors" means those members of the board of directors of the Parent Guarantor who either were directors at the beginning of such consecutive 24 month period or were elected by or on the nomination or recommendation of at least a majority of the then-existing "continuing directors"). Notwithstanding the foregoing, no "Change of Control" shall have occurred pursuant to clause (c) or (d) of the immediately preceding sentence or shall be deemed to be continuing pursuant to clause (c) or (d) of the immediately preceding sentence during such time as Cornelius B. Prior, Jr., his spouse, his lineal descendants or the Prior Family Foundation, directly or in trust for their benefit, shall have voting control, directly or indirectly, of (1) 50% or more of the outstanding shares of Parent Guarantor entitled to vote, or (2) 35% or more of the outstanding shares entitled to vote at a time when no other shareholders described in clause (c) or (d) of the immediately preceding sentence owns in the aggregate 35% or more of the outstanding shares entitled to vote.

"Closing Date" shall mean the date on which all conditions to the Advance under Section 5 have been satisfied.

"Collateral" shall mean any and all property owned, leased or operated by a Loan Party that is covered by the Collateral Documents and any and all other property of any Loan Party, now existing or hereafter acquired, that may at any time be or become subject to a security interest or Lien in favor of the Lender under the Collateral Documents.

"Collateral Documents" shall mean, collectively, the Security Agreement and any other agreements, instruments and documents executed in connection with this Agreement that are intended to create, perfect or evidence Liens to secure the Obligations, including, without limitation, all other security agreements, pledge agreements, mortgages, deeds of trust, powers of attorney, assignments and financing statements, now or hereafter executed by any Loan Party and delivered to the Lender.

"Commitment" shall mean the Lender's commitment to Advance the Loan hereunder on the Closing Date. The amount of the Commitment is $60,000,000.

"Compliance Certificate" shall mean a certificate in the form attached hereto as Exhibit A.

"Credit Parties" shall mean, collectively, the Loan Parties and the Parent Guarantor.

"Default Rate" shall mean a rate per annum equal to the interest rate in effect for an Advance plus two hundred fifty basis points.

"Disqualified Stock" shall mean any Equity Interest that, by its terms (or by the terms of any security or other Equity Interest into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition, (A) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable), (B) is redeemable at the option of the holder thereof, in whole or in part, (C) provides for the scheduled payments of dividends or distributions in cash, or (D) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Stock, in each case, prior to the date that is 180 days after the Maturity Date.

“Equity Interests” shall mean, with respect to any Person, all of the shares, interests, rights, participations or other equivalents (however designated) of capital stock of (or other ownership or profit interests or units in) such Person and all of the warrants, options or other rights for the purchase, acquisition or exchange from such Person of any of the foregoing (including through convertible securities).

"Event of Default" shall mean any of the events described in Section 8 hereof.

“Fixed Charge Coverage Ratio” shall mean, as of any date of determination, the ratio derived by dividing (a) the sum of Annual Operating Cash Flow minus income and franchise taxes paid in cash, by (b) Fixed Charges, all calculated for the period of twelve consecutive calendar months ended on such date (or, if such date is not the last day of a calendar month, ended on the last day of the calendar month most recently ended prior to such date) and as measured on a consolidated basis for the Borrowers and their Subsidiaries.

“Fixed Charges” shall mean, for any period, without duplication, the sum of (a) cash interest expense; (b) scheduled amortization payments on Indebtedness actually made (including the principal component of all capital lease obligation payments); and (c) Restricted Payments paid in cash, in each case, as calculated on a consolidated basis for the Borrowers and their Subsidiaries.

"Fixed Rate" shall mean a per annum rate of interest that is, at the election of the Borrowers, (a) established by the Lender from time to time for loans similarly classified pursuant to the Lender’s policies and procedures then in effect or (b) agreed to in writing by the Borrowers and the Lender pursuant to a “rate lock” or similar agreement.

“GAAP” shall mean generally accepted accounting principles in the United States applied on a consistent basis.

“**Holdings**” shall have the meaning assigned in the preamble hereto.

“IFRS” shall mean International Financial Standards issued by the International Accounting Standards Board (or the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or the SEC, as the case may be).

“Indebtedness” of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money or advances; (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or similar instruments; (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person; (d) all obligations of such Person issued or assumed as part of the deferred purchase price of property or services (in each case except for trade payables arising in the ordinary course of business and outstanding not more than sixty (60) days after such obligation is due (unless thereafter contested in good faith)); (e) all Indebtedness secured by any Lien on property owned or acquired by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not the obligations secured thereby have been assumed, but only to the extent of the fair value of such property or asset secured by such Lien; (f) all capital lease obligations, purchase money obligations and synthetic lease obligations of such Person that are properly classified as a liability on the balance sheet of such Person in accordance with GAAP; (g) all obligations of such Person, contingent or otherwise, to purchase, redeem, retire or otherwise acquire for value any Equity Interests of such Person, valued, in the case of a redeemable preferred equity interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; (h) the net termination obligations of all hedging obligations of such Person calculated as of any date as if the agreement with respect to any such hedging obligation were terminated as of such date; (i) all obligations of such Person for the reimbursement of any obligor in respect of letters of credit, letters of guaranty, bankers' acceptances and similar credit transactions; and (j) all guaranty obligations of such Person in respect of Indebtedness or obligations of others of the kinds referred to in clauses (a) through (i) above.

"Investments" shall have the meaning set forth in Section 7.05 of this Agreement.

"Leases" shall mean any lease of property by any Loan Party at which location any Collateral with a fair market value in excess of $1,000,000 is located.

“**Lender**” shall have the meaning assigned in the preamble hereto.

"Lien" shall mean any statutory or common law consensual or non-consensual mortgage, pledge, security interest, encumbrance, lien, right of set-off, claim or charge of any kind, including, without limitation, any conditional sale or other title retention transaction, any lease transaction in the nature thereof and any secured transaction under the Uniform Commercial Code of any jurisdiction.

"Loan" shall mean the loan by the Lender to the Borrowers, pursuant to this Agreement and the Note, in an aggregate principal amount not to exceed the Commitment.

“Loan Documents” shall mean this Agreement and the Other Agreements.

“**Loan Parties**” shall mean, collectively, the Borrowers and the Subsidiary Guarantors.

“Material Adverse Effect” shall mean (A) a material adverse effect upon the business, results of operations, or financial condition of the Borrowers and their Subsidiaries, taken as a whole, or (B) the impairment of any Liens in favor of the Lender, of the ability of each Credit Party to perform its obligations under the Loan Documents or of the Lender to enforce any material provision of any Loan Document or collect any of the Obligations. In determining whether any individual event would reasonably be expected to have a Material Adverse Effect, notwithstanding that such event does not of itself have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then existing events would reasonably be expected to have a Material Adverse Effect.

"Maturity Date" shall mean [_____], 202[5][6].

"Net Income" shall mean, for any period, the consolidated net income (or loss) of the Borrowers and their Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the Borrowers or any of their Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary) in which the Borrowers or any of their Subsidiaries has an ownership interest, except to the extent that any such income is actually received by a Borrower or Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or requirement of law applicable to such Subsidiary.

"Net Leverage Ratio" shall mean the ratio derived by dividing (a) the sum of (i) short term Indebtedness, the current portion of long term Indebtedness, long term Indebtedness and capital lease obligations (in each case without duplication), minus (ii) unrestricted cash and cash equivalents of the Borrowers and their Subsidiaries that are Loan Parties as of the date of measurement in an aggregate amount not to exceed $50,000,000 as of such date, by (b) Annual Operating Cash Flow, all as calculated on a consolidated basis for the Borrowers and their Subsidiaries.

"Net Proceeds" shall mean, with respect to any event, (a) the cash proceeds received in respect of such event including, without limitation, (i) any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, minus (b) the sum of (i) all reasonable fees and out-of-pocket expenses paid to third parties (other than Affiliates) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event and (iii) the amount of all taxes paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event or the repatriation of funds in connection therewith (as determined reasonably and in good faith by a Financial Officer of the Borrower Representative).

"Net Worth" shall be calculated on a consolidated basis for the Borrowers and their Subsidiaries taken as a whole and arrived at by subtracting total liabilities from total assets.

"Note" shall mean the Note executed and delivered by the Borrowers on the Closing Date pursuant to Section 5.02(a) hereof, as amended, restated, supplemented or otherwise modified from time to time, and all renewals, replacements and extensions thereof.

"Obligations" shall include the full and punctual performance of all present and future duties, covenants and responsibilities due to the Lender by each Borrower under the Loan Documents, all present and future obligations of each Borrower to the Lender for the payment of money under the Loan Documents, extending to all principal amounts, interest, late charges and all other charges and sums, as well as all costs and expenses payable by each Borrower under the Loan Documents, and any and all other present and future monetary liabilities of each Borrower to the Lender under the Loan Documents, whether direct or indirect, contingent or noncontingent, matured or unmatured, accrued or not accrued, as well as all renewals, refinancings, consolidations, recastings and extensions of any of the foregoing with the Lender.

"Other Agreements" shall mean the Collateral Documents, the Note, each Subsidiary Guaranty, the Parent Guaranty and any other promissory notes, security agreements, assignments, subordination agreements, pledge or hypothecation agreements, mortgages, deeds of trust, leases, contracts, guaranties, instruments and documents now and hereafter existing between the Lender and the Borrowers, executed and/or delivered pursuant to this Agreement or guaranteeing, securing or in any other manner relating to any of the Obligations, including the instruments and documents referred to in Section 5.02 hereof, in each case, as amended, restated, supplemented or otherwise modified from time to time.

“Parent Guarantor” shall mean Atlantic Tele-Network, Inc., a Delaware corporation.

“Parent Guarantor Credit Agreement” shall mean that certain Fourth Amended and Restated Credit Agreement, dated as of December 19, 2014, among the Parent Guarantor, as borrower, certain Subsidiaries of Parent Guarantor, as guarantors, the lenders from time to time party thereto and CoBank, ACB, as administrative agent, as amended, restated, supplemented or otherwise modified from time to time.

“Parent Guaranty” shall mean that certain Guaranty, dated as of the date hereof, made by the Parent Guarantor in favor of the Lender, as amended, restated, supplemented or otherwise modified from time to time.

"Payment Date" shall mean the last day of March, June, September and December of each year prior to the Maturity Date, and the Maturity Date.

"Payment Notice" shall mean the notice furnished to the Borrowers at least quarterly indicating the precise amount of principal and/or interest due on the next ensuing Payment Date, such notice to be sent to the Borrowers at least ten (10) days before such Payment Date.

“Permitted Cure Securities” shall mean any Equity Interests of a Borrower other than Disqualified Stock.

"Permitted Liens" shall mean (a) Liens for taxes, assessments or governmental charges or levies which are not yet due and payable or are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been established in accordance with GAAP, (b) carriers', warehousemen's materialmen's, landlord's, workmen's, suppliers', repairmen's, mechanics and other similar liens arising by operating of law and incurred in the ordinary course of business that do not secure Indebtedness for borrowed money, (c) easements, rights of way, restrictions and other similar charges or encumbrances affecting real property that do not secure Indebtedness and do not individually or in the aggregate materially adversely affect the value or marketability of such real property; (d) Liens consisting of pledges or deposits of cash under workers' compensation laws, unemployment insurance laws or similar legislation, including social security, or in connection with bids, tenders, contracts, statutory obligations, surety, stay, customs and appeal bonds, performance and return of money bonds or other similar obligations, (e) purchase money Liens and Liens in connection with capital lease obligations securing Indebtedness permitted hereby; provided that such Liens attach only to the property being financed; (f) Liens arising by virtue of any statutory or common law provisions relating to bankers' liens, rights of set- off or similar rights and remedies as to deposit accounts, (g) Liens on titled vehicles, (h) deposits and other Liens on insurance policies and the proceeds thereof made in the ordinary course of business to secure liability to insurance carriers, (i) any attachment or judgment Lien which, individually or when aggregated, does not constitute an Event of Default under Section 8.01(i); (j) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale or purchase of goods entered into by any Borrower or any of its Subsidiaries in the ordinary course of business; (k) Liens that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness or (ii) relating to purchase orders and other agreements entered into with customers of any Borrower or any Subsidiary in the ordinary course of business; (l) Liens in favor of the Lender or its Affiliates (including Liens securing the Obligations); (m) Liens existing on the assets of any Person that becomes a direct or indirect Subsidiary of a Borrower (or is a Subsidiary that survives a merger with such Person), or existing on assets acquired, pursuant to investments or acquisitions to the extent the Liens on such assets secure Indebtedness permitted hereby; provided that, such Liens attach at all times only to the same assets to which such Liens attached (and after-acquired property that is affixed or incorporated into the property covered by such Lien), and secure only the same Indebtedness or obligations that such Liens secured, immediately prior to such permitted acquisition or investment and any modification, replacement, refinancing, refunding, renewal or extension thereof; (n) Liens (i) on cash advances in favor of the seller of any property to be acquired in an Investment permitted hereunder to be applied against the purchase price for such Investment, and (ii) consisting of an agreement to sell, transfer, lease or otherwise dispose of any property in a transaction permitted hereunder, in each case, solely to the extent such Investment or sale, disposition, transfer or lease, as the case may be, would have been permitted on the date of the creation of such Lien; (o) Liens solely on any cash earnest money deposits made by any Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement arising in connection with a transaction permitted hereunder; (p) customary restrictions in governance and similar documents relating to joint ventures, provided such restrictions relate solely to such joint venture or the Equity Interests of such joint venture; (q) survey exceptions, imperfections of title, Liens or other title matters affecting any real property that do not, individually or in the aggregate, adversely affect the continued use of the encumbered property for the purposes for which such property is currently being used;

(r) Liens set forth on Schedule 2 and any extensions, renewals or refinancings thereof permitted hereunder; or (s) any Exception (as defined in the Acquisition Agreement) that is neither (i) removed prior to the Closing Date as contemplated by Section 6.05(b) of the Acquisition Agreement, nor (ii) with respect to which a liquidated sum is reflected on the Flow of Funds (as defined in the Acquisition Agreement) or accounted for as a reduction to Purchase Price (as defined in the Acquisition Agreement), in each case, as contemplated by the proviso to Section 6.05(b) of the Acquisition Agreement.

"Person" shall include natural persons, corporations, associations, partnerships, joint ventures, trusts, governments and agencies and departments thereof, and every other entity of every kind.

"Purchase Price" shall mean the "Purchase Price" as defined in the Acquisition Agreement.

"Restricted Payments" shall have the meaning set forth in Section 7.03 of this Agreement.

"RT Park" shall mean the University of the Virgin Islands Research and Technology Park Corporation.

"SEC" shall mean the Securities and Exchange Commission of the United States of America.

"Security Agreement" shall mean the security agreement (including any and all supplements thereto), dated as of the date hereof, among the Loan Parties and the Lender for the benefit of the Lender, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Subsidiary" at any time shall mean any entity which is at the time beneficially owned or controlled directly or indirectly by a Borrower, by one or more of such entities or by a Borrower and one or more of such entities.

"**Subsidiary Guarantor**" shall mean each Subsidiary of the Borrowers in existence on the date hereof not constituting a CFC, and each other Subsidiary that becomes a Subsidiary Guarantor and joins the Subsidiary Guaranty pursuant to Section 3(c). A complete list of all Subsidiary Guarantors as of the Closing Date is attached hereto as Schedule 3.

"Subsidiary Guaranty" shall mean the guaranty, dated as of the date hereof, made by the Subsidiary Guarantors in favor of the Lender, as amended, restated, supplemented or otherwise modified from time to time.

"Total Capitalization" shall mean, on any date of determination, the sum of Net Worth as of such date minus the aggregate amount of long-term Indebtedness of the Borrowers and their Subsidiaries existing as of such date.

"U.S." and **"United States"** shall each mean the United States of America and, for the avoidance of doubt, shall include the United States Virgin Islands.

"Variable Rate" shall mean the variable rate established by the Lender from time to time for loans similarly classified pursuant to the Lender's policies and procedures then in effect and disclosed to the Borrowers from time to time.

1.02 Accounting Terms; Utilization of GAAP for Purposes of Calculations Under Agreement. Except as otherwise expressly provided herein, financial statements and other information furnished to the Lender pursuant to this Agreement shall be prepared in accordance with GAAP as in effect at the time of such preparation. In the event of an Accounting Change that results in a change in any calculations required hereby of this Agreement that would not have resulted had such Accounting Change not occurred, the parties hereto agree to enter into negotiations in good faith in order to amend such provisions so as to equitably reflect such Accounting Change such that the criteria for evaluating compliance with such covenants shall be the same after such Accounting Change as if such Accounting Change had not been made; provided, that no change in GAAP that would affect a calculation that measures compliance with this Agreement shall be given effect until such provisions are amended to reflect such change in GAAP. Notwithstanding any change in GAAP to the contrary, all liabilities under or in respect of any lease (whether now outstanding or at any time entered into or incurred) that, under GAAP as in effect on the Closing Date, would be accrued as rental and lease expense and would not constitute a capital lease obligation, in each case, for purposes of the determination of "Indebtedness" hereunder, covenants and other calculations set forth herein and all defined terms as used herein, shall continue to constitute rental and lease expense and will not constitute a capital lease obligation.Without limiting the foregoing, if at any time the SEC requires United States reporting companies to use IFRS in lieu of GAAP for reporting purposes, the Borrowers may notify the Lender that they have elected to so use IFRS in lieu of GAAP and, upon any such notice, references herein to GAAP shall thereafter be construed to mean IFRS as in effect from time to time; provided that, to the extent that such election would affect any financial ratio set forth in this Agreement, (i) the Borrowers shall provide to the Lender financial statements and other documents reasonably requested by the Lender setting forth a reconciliation with respect to such ratio or requirements made before and after giving effect to such election and (ii) the Lender and the Borrowers shall negotiate in good faith to amend such ratio to preserve the original intent in light of such change.

2. LOAN

2.1 Loan. The Lender agrees to make the Loan to the Borrowers on the Closing Date subject to all of the terms and conditions of Section 5 hereof.

2.2 Advance. The Lender agrees to make on the terms and conditions of this Agreement, a single advance in immediately available funds consisting of U.S. dollars (the **"Advance"**) on the Closing Date at the office of the Lender in Dulles, Virginia, or at such other place as the Lender may designate, in an amount not to exceed the Commitment. The Borrowers shall give the Lender at least one Business Day prior written notice of the date on which the Advance is to be made and the amount of the Advance, and such notice will include a certification of the final amount of the Purchase Price under the Acquisition Agreement. The Lender shall not be required to make any Advance after the Closing Date. The obligation of the Borrowers to repay the Advance shall be evidenced by this Agreement and the Note.

2.3 Payment and Interest Rate.

(a) Payment. The Borrowers shall pay on each Payment Date all accrued and unpaid interest on the Loan as shown in the Payment Notice most recently delivered as of such Payment Date. If not sooner paid, any balance of the principal amount and interest accrued thereon and all other amounts due hereunder shall be due and payable on the Maturity Date.

At the Lender's option, all payments shall be applied first to any fees, costs, expenses or charges other than interest or principal then due, as hereinafter provided, then to interest accrued to the date of such payment, and then to the reduction of principal balance outstanding.

No provision of this Agreement or the Note shall require the payment, or permit the collection, of interest in excess of the highest rate permitted by applicable law.

(b) Interest.

(i) Interest Rate. The Loan shall bear interest, at the election of the Borrowers, at either the Fixed Rate or the Variable Rate.

(ii) Conversion to Different Interest Program. Upon written notice (a **"Conversion Notice"**) given by the Borrowers at least five (5) Business Days prior to the proposed conversion date specified in such notice (the **"Adjustment Date"**), the Borrowers may elect to convert all or any portion of the Loan (A) from the Variable Rate to the Fixed Rate or (B) from the Fixed Rate to the Variable Rate, provided that, with respect to any conversion under this clause (B), the Borrowers shall pay the Lender any applicable Breakage as a result of such conversion to the extent required under Section 2.04(b). Upon conversion of the interest charged with respect to any portion of the Loan pursuant to the terms hereof, interest on that portion of the outstanding principal balance of the Loan shall continue to accrue under the interest program to which it was converted from the applicable Adjustment Date until further converted or until the payment in full of the Obligations.

(iii) Computation of Interest. Interest shall be computed from the actual number of days elapsed on the basis of, (A) at any time that interest accrues at the Variable Rate, a year of 365 days and (B) at any time that interest accrues at the Fixed Rate, a 30-day month and a 360-day year.

2.4 Prepayment.

(a) Voluntary Prepayment. The Borrowers may at any time, prepay all or any part of the Loan without penalty or premium; provided, that in the event the Borrowers prepay all or any part of the Loan (regardless of the source of such prepayment and whether voluntary, mandatory, by acceleration or otherwise), the Borrowers shall pay any applicable Breakage required under Section 2.04(b) hereof. All prepayments shall be accompanied by payment of accrued and unpaid interest through the date of the repayment. All prepayments shall be applied (i) first to any fees, costs, expenses or charges due hereunder other than interest or principal, (ii) second, to the payment of accrued and unpaid interest, and (iii) third, the balance, if any, to the outstanding principal balance of the Loan.

(b) Breakage. If any portion of the Loan bears interest at the Fixed Rate, then the Borrowers may prepay the Loan, provided that the Borrowers pay together therewith any applicable Breakage.

(c) Mandatory Prepayment. The Borrowers shall make mandatory prepayments of one hundred percent of the Net Proceeds received by the Borrowers and their Subsidiaries from any of the following:

(i) asset sales of the Borrowers and their Subsidiaries occurring outside of the ordinary course of business and resulting in the receipt of greater than $5,000,000 in proceeds in the aggregate during the term of this Agreement that are not reinvested within one year of receipt in plant, properties and equipment that become Collateral;

(ii) the receipt of casualty insurance and condemnation proceeds resulting in the receipt of greater than $250,000 in Net Proceeds in the aggregate during the term of this Agreement that are not reinvested within one year of receipt in plant, property and equipment that becomes Collateral; and

(iii) the issuance or sale of Indebtedness not otherwise permitted hereby. Any mandatory prepayment under this clause (c) shall be due and payable to the Lender no later than five (5) Business Days after any Loan Party shall have received, or become entitled to direct the distribution of, the proceeds from any transaction that would give rise to a mandatory prepayment hereunder. Mandatory prepayments shall be applied (i) first to any fees, costs, expenses or charges due hereunder other than interest or principal, (ii) second, to the payment of accrued and unpaid interest, (iii) third to the payment of principal on any portion of the Advance earning interest at the Variable Rate and (iv) fourth to the payment of principal on any portion of the Advance earning interest at the Fixed Rate. The Borrowers shall pay any applicable Breakage in connection with any mandatory prepayment of the principal portion of the Loan earning interest at the Fixed Rate.

2.5 Default Rate. If an Event of Default has occurred and is continuing, at the prior written election of the Lender, all Obligations shall bear interest at the Default Rate.

3. SECURITY

(a) As security for the payment and performance of all of the Obligations, each Loan Party shall grant a security interest in the Collateral in accordance with the terms of the Collateral Documents; provided, that the security interest granted to the Lender on the Equity Interests of each Subsidiary of that constitutes a CFC will be limited to 65% of such Equity Interests. If reasonably requested by the Lender at any time, the Borrowers shall make notations, reasonably satisfactory to the Lender, on its books and records disclosing the existence of the Lender's security interest in the Collateral. Each Borrower agrees that, with respect to the portion of the Collateral, which is subject to Article 9 of the Uniform Commercial Code, the Lender shall have, but not be limited to, all the rights and remedies of a secured party under the Uniform

Commercial Code. The Lender shall have no liability or duty, either before or after the occurrence of an Event of Default hereunder, on account of loss of or damage to, or to collect or enforce any of its rights against, the Collateral, or to preserve any rights against account debtors or other parties with prior interests in the Collateral.

(b) Subject to the terms and conditions of the Loan Documents, with respect to any property acquired after the Closing Date by any Loan Party that is required to be subject to the Lien created by any of the Loan Documents but is not so subject, each Loan Party shall promptly (and in any event within 30 days after the acquisition thereof) (i) execute and deliver to the Lender such amendments or supplements to the relevant Loan Documents or such other documents as the Lender shall deem reasonably necessary or advisable to grant to the Lender a Lien on such property subject to no Liens other than Permitted Liens, and (ii) take all actions necessary to cause such Lien to be duly perfected to the extent required by such Loan Documents in accordance with all applicable law, including the filing of financing statements in such jurisdictions as may be reasonably requested by the Lender. Each Borrower and the other Loan Parties shall otherwise take such actions and execute and/or deliver to the Lender such documents as the Lender shall reasonably require to confirm the validity, perfection and priority of the Lien of the Loan Documents against such after-acquired properties.

(c) Subject to the terms and conditions of the Loan Documents, with respect to any person that is or becomes a Subsidiary of a Loan Party after the Closing Date, the Loan Parties shall promptly (and in any event within 30 days after such person becomes a Subsidiary) (i) deliver to the Lender the certificates, if any, representing all of the Equity Interests of such Subsidiary (or, if such Subsidiary is a CFC, 65% of the Equity Interests of such Subsidiary), together with undated stock powers or other appropriate instruments of transfer, and all intercompany notes owing from such Subsidiary to any Loan Party together with instruments of transfer executed and delivered in blank by a duly authorized officer of such Loan Party and (ii) with respect to any such Subsidiary that is not a CFC, cause such new Subsidiary (A) to execute a joinder to the applicable Subsidiary Guaranty and the applicable Security Agreement (in form and substance reasonably satisfactory to the Lender) to cause such Subsidiary to become a Subsidiary Guarantor and to grant a Lien on substantially all of its assets in accordance with the terms of the applicable Collateral Documents to secure the Obligations, and (B) to take all actions necessary or advisable in the opinion of the Lender to cause the Lien created by the applicable Loan Document to be duly perfected to the extent required by such Loan Document in accordance with all applicable law, including the filing of financing statements (or equivalent registrations) in such jurisdictions as may be reasonably requested by the Lender.

(d) Each Loan Party shall promptly after the request of the Lender (but, in any event, no later than the date that is sixty (60) days following the acquisition of such real property) grant to the Lender a security interest in and mortgage on each parcel of real property owned in fee by such Loan Party as is acquired by such Loan Party after the Closing Date in each case, to the extent that the fair market value of any such parcel is in excess of $1,000,000. Such mortgages shall be granted pursuant to documentation reasonably satisfactory in form and substance to the Lender and shall constitute valid and enforceable perfected first priority Liens subject only to Permitted Liens. Each Loan Party shall use its commercially reasonable efforts to promptly deliver to the Lender a customary landlord’s waiver of lien, in form and substance reasonably satisfactory to the Lender, with respect to each Lease entered into by a Loan Party after the Closing Date.

The mortgages or instruments related thereto shall be duly recorded or filed in such manner and in such places as are required by applicable law to establish, perfect, preserve and protect the Liens in favor of the Lender and all taxes, fees and other charges payable in connection therewith shall be paid in full by the Loan Parties. In each case subject to the terms and conditions of the Collateral Documents, each Loan Party shall otherwise take such actions and execute and/or deliver to the Lender such documents as the Lender shall require to confirm the validity, enforceability, perfection and priority of the Lien of any existing mortgage or new mortgage against such after- acquired real property (including a title policy and a survey (in form and substance reasonably satisfactory to the Lender) in respect of such mortgage).

(e) Notwithstanding anything to the contrary contained herein or in any other Loan Document, so long as no Event of Default exists and is continuing, the obligations under this Section 3 shall not extend to the creation or perfection of security interests with respect to any property or assets owned by any Subsidiary that is a CFC.

4. REPRESENTATIONS AND WARRANTIES

To induce the Lender to enter into this Agreement, each Borrower represents and warrants to the Lender as of the date of this Agreement that:

4.1 Good Standing. Each Credit Party is duly organized, validly existing and in good standing under the laws of the state of its organization, has the organizational power to own its property and to carry on its business in the manner currently conducted and currently proposed to be conducted, and except as would not reasonably be expected to have a Material Adverse Effect, is duly qualified to do business, and is in good standing in each jurisdiction in which the operation of its business makes such qualification necessary.

4.2 Authority. Each Credit Party has the organizational power and authority to enter into Loan Documents to which it is a party and to incur and perform its obligations thereunder, all of which have been duly authorized by all necessary and proper organizational and other action by such Credit Party, and no material consent or approval of any person, including, as applicable and without limitation, stockholders, members and partners of any Credit Party, and any public authority or regulatory body, which has not been obtained is required as a condition to the validity or enforceability of any Loan Document to which such Credit Party is a party.

4.3 Binding Agreement. This Agreement and the other Loan Documents have been duly and properly executed by the Credit Parties signatory thereto and constitute valid and binding obligations of the Credit Parties, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principals of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

4.4 No Conflicting Agreements. The execution, delivery of and performance by each Credit Party of the Loan Documents to which it is a party will not: (a) violate any provision of applicable law, any applicable order, rule or regulation of any court or other agency of government, or the organizational documents of such Credit Party, or, except as set forth on Schedule 4.04 attached hereto, any indenture, contract, agreement, mortgage, deed of trust or other instrument to which such Credit Party is a party or by which it or any of its property is bound except, in each case, as would not reasonably be expected to have a Material Adverse Effect; or (b) result in the creation or imposition of any Lien (other than contemplated hereby) upon any of the property or assets of such Credit Party except as would not reasonably be expected to have a Material Adverse Effect.

4.5 **Litigation.** Except as set forth on Schedule 4.05 attached hereto, there are no outstanding judgments, claims, causes of action, suits or proceedings pending or, to the knowledge each Loan Party, threatened against or affecting any Loan Party or its properties, before or by any federal, state, or local governmental department, agency or official, which would reasonably be expected to have a Material Adverse Effect, and no Loan Party is in default with respect to any outstanding judgment, order, writ, injunction, decree, rule or regulation of any court or federal, state, local or other governmental department, agency or official, domestic or foreign, which would reasonably be expected to have a Material Adverse Effect.

4.6 **Holdings Status.** Holdings does not hold any material properties other than the Equity Interests of CAH.

4.7 **Taxes.** Each Loan Party has paid or caused to be paid all federal, state and material local income taxes to the extent that such taxes have become due and owing, unless (i) such Loan Party is contesting in good faith any such tax by appropriate proceedings diligently pursued and for which adequate reserves have been set aside in accordance with GAAP or (ii) the failure to pay any such taxes would not reasonably be expected to have a Material Adverse Effect. Each Loan Party has filed or caused to be filed all federal, state and material local income tax returns which are required by applicable law to be filed by such Loan Party.

4.8 **[Reserved]**.

4.9 **Licenses and Permits.** Each Loan Party has duly obtained all licenses, permits, certifications, concessions or other rights (collectively, "Permits") granted by any governmental authority necessary for the conduct of its business as presently conducted, except where the failure to obtain such Permits would not reasonably be expected to have a Material Adverse Effect, and each are valid and in full force and effect (except as may expire at the end of their stated terms).

4.10 **[Reserved]**.

4.11 **Certain Indebtedness.** There is no Indebtedness of Holdings owing to any employee, officer, stockholder, member, partner or director of the board of Holdings other than accrued salaries, commissions and the like, ATN Subordinated Debt and any other Indebtedness subordinated to the Obligations pursuant hereto on terms satisfactory to the Lender.

4.12 **Legal Status.** Schedule 1 hereto accurately sets forth for each Loan Party (a) such Loan Party's exact legal name, (b) such Loan Party's type and jurisdiction of organization, (c) such Loan Party's organizational identification number or accurately states that the such Loan Party has none, and (d) such Loan Party's place of business or, if more than one, its chief executive office as well as each Borrower's mailing address if different.

4.13 Required Approvals. No material license, consent, permit or approval of any governmental agency or authority is required to enable Holdings to enter into the Loan Documents to which it is a party or to perform any of its obligations provided for therein except as disclosed on Schedule 1 hereto, all of which Holdings has obtained prior to the date hereof, and except with respect to regulatory approvals which may be required in connection with the Lender's enforcement of certain remedies hereunder.

4.14 ERISA. None of the Loan Parties has incurred or reasonably expects to incur any material liability under Title IV of the Employee Retirement Income Security Act of 1974, as amended, and the regulations thereto ("ERISA"), other than contributions to such Loan Party's plans set forth on Schedule 4.14 attached hereto or premiums to the Pension Benefit Guaranty Corporation with respect to such plans in the ordinary course.

4.15 Equity Interests. All Equity Interests of Holdings are owned directly by Parent Guarantor and all Equity Interests of CAH are owned directly by Holdings. Holdings is the record and beneficial owner of, and has good and marketable title to, the Equity Interests pledged by (or purporting to be pledged by) it under the Security Agreement, free of any and all Liens, rights or claims of other persons, except the security interest created by the Collateral Documents and any Permitted Liens that arise by operation of applicable law and are not voluntarily granted, and there are no outstanding warrants, options or other rights (including derivatives) to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any such Equity Interests (or any economic or voting interests therein).

4.16. Investment Company Act. No Loan Party is an "investment company" or a company "controlled" by an "investment company," as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

4.17. Use of Proceeds. The Borrowers shall use the proceeds of the Advance to finance the Acquisition and pay related fees and expenses.

4.18. Material Misstatements. Holdings has disclosed to the Lender all agreements, instruments and corporate or other restrictions to which it is subject, and all other matters known to it, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. No reports, financial statements, certificates or other information furnished by or on behalf of Holdings to the Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (it being recognized and agreed by the Lender that projections as to future events are not to be viewed as facts and that results during the period(s) covered by such projections may differ from the projected results and that such differences may be material and that the Borrowers make no representation that such projections will be realized).

4.19. Solvency. Both immediately before and immediately after the consummation of the Acquisition and the transactions contemplated hereby and thereby and immediately following the making of the Advance and after giving effect to the application of the proceeds of the Advance, (a) the fair value of the properties of the Credit Parties, on a consolidated basis, will exceed their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of the Credit Parties, on a consolidated basis, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) the Credit Parties, on a consolidated basis, do not intend to incur, and do not believe that they will incur, debts and liabilities beyond their ability to pay such debts and liabilities when they become due; and (d) the Credit Parties, on a consolidated basis, will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed, contemplated or about to be conducted following the Closing Date.

4.20. **Insurance**. Each Loan Party has insurance in such amounts and covering such risks and liabilities as are customary for companies of a similar size engaged in similar businesses in similar locations. All insurance policies maintained by the Loan Parties are in full force and effect, all premiums due and payable with respect thereto have been duly paid, and no Loan Party has received written notice of cancellation or non-renewal of any such policies.

4.21. **Anti-Terrorism Law; Foreign Corrupt Practices Act**. No Credit Party and, to the actual knowledge of the Credit Parties, none of its Affiliates is in material violation of any applicable law relating to terrorism or money laundering ("**Anti- Terrorism Laws**"), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "**Executive Order**"), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 (the "**Patriot Act**"). No Credit Party and to the actual knowledge of the Credit Parties, no Affiliate or broker or other agent of any Credit Party authorized to act on behalf of the Credit Parties acting or benefiting in any capacity in connection with the Advance, is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**"); and the Borrowers will not directly or indirectly use the proceeds of the Advance or otherwise make available such proceeds to any person, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC. Unless otherwise previously disclosed to the Lender, no Credit Party and, to the actual knowledge of the Credit Parties, no broker or other agent of any Credit Party acting in any capacity in connection with the Advance currently (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law. Unless otherwise previously disclosed to the Lender, no Credit Party nor any director or officer, nor to the actual knowledge of the Credit Parties, any agent, employee or other person, in each case, authorized to act, directly or indirectly, on behalf of any Credit Party, has, in the course of its actions for, or on behalf of, any Credit Party, since September [ ], 2015, directly or indirectly (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii) violated or is in violation of any material provision of the U.S.

Foreign Corrupt Practices Act of 1977; or (iv) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee. Notwithstanding anything to the contrary contained herein, no representation or warranty under this Section 4.21 is being made with respect to RT Park or any director, officer, agent, employee, broker or other Person authorized, directly or indirectly, to act on behalf of RT Park, with respect to any action taken by any such Person on behalf of RT Park.

5. CONDITIONS OF LENDING

The Lender shall have no obligation to make the Advance to the Borrowers hereunder unless each of the following conditions shall be satisfied as provided below:

5.01 [Reserved].

5.02 Documents. There shall have been delivered to the Lender, fully completed and duly executed (when applicable), the following, satisfactory to the Lender and its counsel:

(a) This Agreement, the applicable Collateral Documents, the Note, the Subsidiary Guaranty, and the Parent Guaranty, in each case, in form and substance satisfactory to the Lender.

(b) Certified copies of all such organizational documents and resolutions of each Credit Party authorizing the transactions herein contemplated and a certificate as to incumbency and specimen signature of each officer executing any Loan Document.

(c) Written opinions of primary and local counsel to each Credit Party (it being understood that local counsel opinions shall be required in each jurisdiction where any Credit Party is organized) addressing such legal matters as the Lender or its counsel shall reasonably require, including, but not limited to, (i) the formation and good standing of each Credit Party, (ii) the perfected lien and security interest position of the Lender in the Collateral; (iii) the validity and enforceability of the Loan Documents; (iv) the execution, delivery and authorization of the Loan Documents; and (v) that execution, delivery and performance of the Loan Documents (including the Parent Guaranty) do not violate the Parent Guarantor Credit Agreement.

(d) (i) The Security Agreement, mortgages covering the real property of the Loan Parties located in the United States (including the United States Virgin Islands), and all other Collateral Documents requested by the Lender that are necessary to create and perfect the security interests purported to be granted under the laws of the United States Virgin Islands; (ii) filed financing statements in all jurisdictions necessary to provide the Lender a first priority, perfected security interest in all Collateral which may be perfected by the filing of financing statements; and (iii) stock powers and original stock certificates evidencing 100% of the Equity Interests in each Loan Party (other than Holdings) and 65% of the Equity Interests in each Subsidiary that is a CFC, in each case, subject to the ownership interests of RT Park.

5.3 [Reserved].

5.4 Government Approvals. Holdings shall have furnished to the Lender true and correct copies of all material certificates, authorizations and consents, including without limitation the consents referred to in Section 4.13 hereof, necessary for the execution, delivery or performance by Holdings of the Loan Documents to which it is a party or the Acquisition, including any regulatory or governmental approvals required to grant a security interest in the Collateral.

5.5 Representations, Warranties and Material Change. The representations and warranties contained in this Agreement shall be true and correct on the date of the making of the Advance hereunder; no Event of Default and no event which, with the lapse of time or the notice and lapse of time specified in Section 8 would become such an Event of Default, shall have occurred and be continuing or will have occurred after giving effect to the Advance on the books of the Borrowers; and there shall have occurred no material adverse change in the business or financial condition of the Parent Guarantor since December 31, 2014.

5.6. Indebtedness. Holdings shall have no Indebtedness for borrowed money or commitments with respect thereto other than (a) the ATN Subordinated Debt, and (b) the Obligations hereunder. Parent Guarantor shall be in compliance with the Total Net Leverage Ratio financial maintenance covenant contained in the Parent Guarantor Credit Agreement, calculated on a pro forma basis for the incurrence of the Loan on the Closing Date and based on the most recently available financial statements of Parent Guarantor.

5.7. Good Standing. The Credit Parties shall have furnished a certificate as to the good standing (or equivalent) of each Credit Party as of a recent date from such Credit Party's jurisdiction of organization.

5.8 Requisitions. The Borrowers will request the Advance in form and substance satisfactory to the Lender. Pursuant to the terms and conditions hereof, the Lender will wire the proceeds of the requested Advance to an account as directed by the Borrowers.

5.9 Insurance. The Lender shall have received a copy of, and a certificate as to coverage under, the insurance policies of the Loan Parties.

5.10 Acquisition. The Acquisition shall be consummated on the Closing Date in accordance with the terms of the Acquisition Agreement.

5.11. Capitalization. As of the Closing Date, the Borrowers shall have a ratio of zero cost common equity to Total Capitalization of no less than .30 to 1.00.

5.12 Parent Guaranty Permitted. The Lender shall have received evidence reasonably satisfactory to it that the Parent Guaranty is permitted by the Parent

Guarantor Credit Agreement and that the Loan Parties are not required to guaranty or provide security for the credit facility evidenced by, the Parent Guarantor Credit Agreement.

6. AFFIRMATIVE COVENANTS

Each Loan Party covenants and agrees with the Lender that, until all of the Obligations have been paid in full, such Loan Party shall:

6.1 Membership. Use its commercially reasonable efforts to remain or an Affiliate thereof shall use its commercially reasonable efforts to remain a member in good standing of the Lender.

6.02. Financial Books; Financial Reports and Other Information.

(a) At all times keep, and safely preserve, proper books, records and accounts in which full and true entries will be made of all of the dealings, business and affairs of the Loan parties, in accordance with GAAP.

(b) Furnish to the Lender not later than the earlier of (i) 10 days after the date that Parent Guarantor is required to file its quarterly report with the SEC as part of its periodic reporting (if Parent Guarantor is subject to such reporting requirements) and (ii) 55 days after the end of the first three fiscal quarters of each fiscal year of Parent Guarantor, (x) consolidated balance sheets of Parent Guarantor and its Subsidiaries as of the end of such fiscal quarter, along with consolidated statements of income and cash flows for such fiscal quarter and for the elapsed portion of the fiscal year (which requirement shall be deemed satisfied by the delivery of Parent Guarantor’s quarterly report on Form 10-Q (or any successor form) for such fiscal quarter to the extent Parent Guarantor is subject to such reporting requirements), and (y) consolidating balance sheets of the Borrowers and their Subsidiaries, as of the end of such fiscal quarter, and the related consolidating statements of income and cash flows for such fiscal quarter. And in the case of such financial statements provided pursuant to clause (y), such financial statements shall be accompanied by a certificate of the chief financial officer of Parent Guarantor stating that such financial statements fairly present in all material respects the consolidating financial position of Holdings and its Subsidiaries as of the date and for the period specified in accordance with GAAP consistently applied.

(c) Furnish to the Lender not later than the earlier of (i) 10 days after the date that Parent Guarantor is required to file its annual report with the SEC as part of its periodic reporting (if Parent Guarantor is subject to such reporting requirements) and (ii) 100 days after the end of each fiscal year of Parent Guarantor, (x) a consolidated balance sheet of Parent Guarantor and its Subsidiaries as of the end of such fiscal year and related consolidated statements of income and cash flows for such fiscal year (which requirement shall be deemed satisfied by the delivery of Parent guarantor’s annual report on Form 10-K (or any successor form) for such fiscal year to the extent Parent Guarantor is subject to such reporting requirements), and accompanied by a report with respect to such financial statements from PricewaterhouseCoopers LLP or another firm of independent certified public accountants of recognized national standing selected by Parent Guarantor and reasonably acceptable to the Lender and such report shall be without any material qualification or exception as to the scope of such audit or any ongoing concern qualification and (y) consolidating balance sheets of Holdings and its Subsidiaries, as of the end of such fiscal year and the related statements of income and cash flows and stockholders' equity for such fiscal year and, in the case of the financial statements provided pursuant to this clause (y), such financial statements shall be accompanied by a certificate of the chief financial officer of Parent Guarantor stating that such financial statements fairly present in all material respects the consolidating financial position of the Borrowers and their Subsidiaries as of the date and for the period specified in accordance with GAAP consistently applied.

(d) Furnish to the Lender such other information, reports or statements concerning the operations, business affairs and/or financial condition of the Credit Parties as the Lender may reasonably request from time to time.

(e) Promptly upon becoming available, information, in form reasonably satisfactory to the Lender, and evidence of any and all changes or modification of material licenses, permits, certifications, approvals and the like necessary for the Borrowers to own or operate their business or a substantial part of their business.

(f) Promptly notify the Lender writing of (i) any Event of Default; (ii) any event (including the commencement of litigation) that could reasonably be expected to result in a Material Adverse Effect; and (iii) any casualty or condemnation event in respect of any assets with a fair market value of $250,000 or more.

6.3 Lender's Right of Inspection. Permit the Lender, through its representatives, upon reasonable prior written notice and during normal business hours, in each case not more than one (1) time per fiscal year of the Borrowers (unless an Event of Default shall have occurred and shall be continuing) to have access to, and the right to inspect and make copies of, any or all books, records and accounts, and any or all invoices, contracts, leases, payrolls, canceled checks, statements and other documents and papers of every kind belonging to or in possession of any Borrower or any of its Subsidiaries and pertaining to any Borrower's and its Subsidiaries' property or business as the Lender may reasonably request, and permit representatives of the Lender to be present at Borrowers' place of business to receive copies of all communications and remittances relating to the Collateral, all in such manner as the Lender may reasonably require, in each case subject to restrictions with respect to confidentiality.

6.4 Financial Covenant. Maintain, commencing as of the last day of the Borrowers' fiscal year 2017 and as of the last day of each fiscal year of the Borrowers thereafter, a Net Leverage Ratio not greater than 3.5 to 1.0.

6.5 Annual Certificate. Together with the financial statements delivered pursuant to Section 6.02(c), deliver to the Lender, a Compliance Certificate, either (a) signed by the Borrowers' Chief Executive Officer, or similar presiding officer, or (b) submitted electronically through means made available to the Borrowers by the Lender.

6.6 Use of Proceeds. Use the Advance made hereunder and evidenced by the Note only to pay the consideration owing in connection with the Acquisition and for the payment of the costs, expenses and fees incident to this Agreement or the Acquisition Agreement and for no other purpose whatsoever without the prior written consent of the Lender.

6.7 [Reserved].

6.8 Other Affirmative Covenants. During the term hereof, each Loan Party shall comply with the following covenants:

(a) Each Loan Party shall do or cause to be done all things necessary to preserve, renew and maintain its legal existence and all material rights and franchises, and permits material to its business.

(b) Each Loan Party shall do or cause to be done all things necessary to maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all properties used or useful in its business.

(c) Each Loan Party shall keep its property adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks as is customary with companies in the same or similar businesses operating in the same or similar locations, including casualty and condemnation insurance.

(d) Each Loan Party shall pay and discharge promptly when due all taxes, assessments and governmental charges before the same become delinquent; provided that such payment shall not be required so long as the amounts required to be paid are being contested in good faith by appropriate proceeding for which adequate reserves have been set aside in accordance with GAAP.

(e) Each Loan Party shall comply in all material respect with all laws applicable to its operations and properties.

(f) On or before the date that is 60 days after the date of this Agreement, the Borrowers shall deliver to the Lender endorsements to the insurance policies of the Loan Parties naming the Lender as lender’s loss payable or mortgagee (as applicable) with respect to all property and casualty policies and as additional insured with respect to all liability policies, each in form and substance reasonably satisfactory to the Lender.

7. NEGATIVE COVENANTS.

Each Loan Party covenants and agrees with the Lender that, until all of the Obligations have been paid in full, such Loan Party will not:

7.1 Notice. Without giving written notice to the Lender ten (10) Business Days prior to the effective date of any change:

(a) Change the location of such Loan Party’s chief executive office.

(b) Change the name of such Loan Party.

7.2 Consent. Without the prior written consent of the Lender:

(a) Control. Permit a Change of Control to occur.

(b) Additional Indebtedness. Borrow or allow any of its Subsidiaries to borrow money on a secured or unsecured basis from any other lender or incur any additional secured or unsecured Indebtedness; provided, however, the Borrowers and their Subsidiaries may incur (i) additional purchase money and capital lease secured Indebtedness in an aggregate amount not to exceed $5,000,000 at any time outstanding, (ii) unsecured Indebtedness so long as on a pro forma basis immediately after giving effect to the incurrence of any such Indebtedness as if it was incurred on the last day of the most recently ended calendar month, the Borrowers shall be in compliance with the financial covenant in Section 6.04 as if such covenant applied as of the last day of the most recently ended calendar month, (iii) ATN Subordinated Debt incurred on the Closing Date in a principal amount not to exceed $50,000,000; (iv) contingent obligations with respect to Indebtedness otherwise permitted hereunder; (v) Indebtedness incurred in connection with any hedging or similar agreement; (vi) unsecured Indebtedness among the Loan Parties; (vii) acquired Indebtedness in connection with investments or acquisitions so long as such Indebtedness existed at the time of any such investment or acquisition and was not created in anticipation thereof; (viii) Indebtedness with respect to cash management and similar arrangements in the ordinary course of business; (ix) Indebtedness arising from agreements of Borrower or providing for indemnification, adjustment of purchase price or similar obligations, in each case entered into in connection with the disposition of any business, assets or stock, provided that, such amount is not Indebtedness required to be reflected on the balance sheet of Borrower in accordance with GAAP (contingent obligations referred to in a footnote to financial statements and not otherwise reflected on the balance sheet will not be deemed to be reflected on such balance sheet for purposes of this proviso); (x) Indebtedness representing deferred compensation to officers or employees of Borrower incurred in the ordinary course of business; (xi) Indebtedness incurred in the ordinary course of business for the financing of insurance premiums; (xii) Indebtedness set forth on Schedule 7.02(b) hereto; and (xiii) Indebtedness which represents extensions, renewals, refinancing or replacements (such Indebtedness being so extended, renewed, refinanced or replaced being referred to herein as the "Refinance Indebtedness") of any of the Indebtedness described above in this clause (b) (such Indebtedness being referred to herein as the "Original Indebtedness"); provided that (A) such Refinance Indebtedness does not increase the principal amount or interest rate of the Original Indebtedness (in each case, other than with respect to any accrued or accruing interest payable in kind and not in cash or any fees or original issue discount paid or payable in connection with such Indebtedness), (B) any Liens securing such Refinance Indebtedness are not extended to any additional property of any Loan Party, (C) no Loan Party that is not originally obligated with respect to repayment of such Original Indebtedness is required to become obligated with respect to such Refinance Indebtedness, (D) such Refinance Indebtedness does not result in a shortening of the average weighted maturity of such Original Indebtedness, (E) except to the extent otherwise permitted hereunder, the terms of such Refinance Indebtedness are not materially less favorable to the obligor thereunder than the original terms of such Original Indebtedness and (F) if such Original Indebtedness was subordinated in right of payment to the Obligations, then the terms and conditions of such Refinance Indebtedness must include subordination terms and conditions that are at least as favorable to the Lender as those that were applicable to such Original Indebtedness.

(c) Organizational Changes. Change its type of organization or jurisdiction of organization.

(d) Liens. Create, incur, assume or permit to exist, directly or indirectly, any Lien on any property now owned or hereafter acquired by any Loan Party or any if its Subsidiaries, except for Permitted Liens.

7.3 Dividends and Other Cash Distributions. In any one calendar year, without the prior written consent of the Lender: (a) declare or pay any dividends or make any other distributions to its stockholders, members or partners with respect to its capital stock, membership interests or partnership interests; (b) purchase, redeem or retire any of its capital stock, membership interests or partnership interests; (c) make any cash principal or cash interest payments on account of any subordinated or junior lien debt, including the ATN Subordinated Debt, or (d) pay any management fees or if already paying a management fee that has been disclosed and agreed to by the Lender prior to closing, pay an increase in such management fees (collectively, "**Restricted Payments**"), unless, on a pro forma basis immediately after giving effect to such Restricted Payment as if it was made on the last day of the most recently ended calendar month, (i) the Fixed Charge Coverage Ratio shall not be less than 1.00 to 1.00 as of the last day of the most recently ended calendar month and (ii) the Borrowers shall be in compliance with the financial covenant in Section 6.04 as if such covenant applied as of the last day of the most recently ended calendar month. In no event may Holdings make any Restricted Payment when any Event of Default shall have occurred and be continuing at the time of any such Restricted Payment or would occur immediately after giving effect thereto as a result of such Restricted Payment. Notwithstanding the forgoing, (A) any direct or indirect wholly-owned Subsidiary of the Borrowers may make Restricted Payments to the Borrowers or another wholly-owned Subsidiary of the Borrowers that is a Loan Party, (B) any direct or indirect Subsidiary of the Borrowers may make, declare, order or pay pro rata cash dividends or distributions and (iii) a Borrower or any direct or indirect Subsidiary of a Borrower may make dividends or distributions in the form of Equity Interests of such Person.

7.04. [Reserved].

7.5 Limitations on Loans, Investments and Other Obligations.

(a) (i) Purchase any stock, bonds, notes, debentures or other securities or obligations of or beneficial interest in, (ii) make any other investment in, (iii) make any loan to, or (iv) guarantee, assume, or otherwise become liable for any obligation of, any corporation, association, partnership, joint venture, trust, government or any agency or department thereof, or any other entity of any kind (collectively, "**Investments**") if the aggregate amount of all such Investments made during the term of this Agreement would exceed fifty percent (50%) of Net Worth as of the Closing Date, without the prior written consent of the Lender.

(b) The following shall not be included in the limitation on Investments: (i) bonds, notes, debentures, stock, or other securities or obligations issued by or guaranteed by the United States government or any agency or instrumentality thereof; (ii) bonds, notes, debentures, stock, commercial paper, subordinated capital certificates, or other security or obligation of institutions whose senior unsecured debt obligations are rated by at least two nationally recognized rating organizations in either of its two highest categories; (iii) investments incidental to loans made by the Lender; (iv) bonds, notes, debentures, commercial paper or any other security of National Rural Utilities Cooperative Finance Corporation; (v) any deposit that is fully insured by the federal government of the United States; (vi) Investments by a Loan Party in another Loan Party and (vii) Cash Equivalents; (viii) Investments set forth on Schedule 7.05 hereto and any extensions, renewals, reinvestments thereof, (viii) hedging and similar obligations to the extent explicitly permitted hereunder; (ix) loans and advances to officers, directors and employees of the Borrowers or any of their Subsidiaries (A) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes (including employee payroll advances) and (B) for purposes not described in the foregoing subclause (A), in an aggregate principal amount outstanding pursuant to this clause (B) not to exceed $150,000; (x) Investments received in connection with the bankruptcy or reorganization of suppliers or customers and in settlement of delinquent obligations of, and other disputes with, customers arising in the ordinary course of business or upon foreclosure with respect to any secured Investment or other transfer of title with respect to any secured Investment; (xi) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors and other credits to suppliers in the ordinary course of business; (xii) Investments in the ordinary course of business consisting of endorsements for collection or deposit and customary trade arrangements with customers consistent with past practices; (xiii) guarantee obligations of any Loan Party of leases (other than Capital Leases) or of other obligations that do not constitute Indebtedness, in each case entered into in the ordinary course of business; (xiv) Investments held by a Person acquired, or Investments constituting part of the assets acquired (including, in each case, by way of merger or consolidation), after the Closing Date and otherwise in accordance with this Section 7.05 to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation and (xv) advances of payroll payments to employees in the ordinary course of business.

7.6 Asset Sales. Effect any disposition of any property, except that the following shall be permitted: (a) dispositions of surplus, worn-out or obsolete property;(b) other dispositions of property for fair market value and 75% cash consideration; (c) leases or subleases of real or personal property in the ordinary course of business; (d) sales of inventory in the ordinary course of business; (e) any disposition by a Loan Party to another Loan Party; (f) sales or Leases of inventory to customers in the ordinary course of business; (g) fair market value sales of Cash Equivalents; (h) to the extent required by law; (i) dispositions of non-cash assets of any Person acquired pursuant to an Investment otherwise permitted hereby, provided that any such disposition occurs within eighteen (18) months following any such Investment; and (j) asset swaps of wireless assets in an aggregate amount not to exceed $10,000,000 in any fiscal year of a Borrower.

7.7 Mergers and Consolidations. Wind up, liquidate or dissolve its affairs or enter into any transaction of merger or consolidation (or agree to do any of the foregoing at any time), except that the following shall be permitted: (a) any Loan Party may merge with any other Loan Party; provided that, if any Loan Party is a Borrower, at least one of the Borrowers shall be the surviving entity after giving effect to any such merger; (b) any Loan Party may dissolve, liquidate or wind up its affairs if such dissolution, liquidation or winding up is not disadvantageous to the Lender in any material respect and all assets of such Loan Party are distributed to another Loan Party; provided that, if such Loan Party is a Borrower, at least one of the Borrowers shall be the surviving entity after giving effect to any such merger; (c) any direct or indirect Subsidiary of a Borrower that is not a Loan Party may merge with any other direct or indirect Subsidiary of a Borrower; (d) any direct or indirect Subsidiary of a Borrower that is not a Loan Party may dissolve, liquidate or wind up its affairs if such dissolution, liquidation or winding up is not disadvantageous to the Lender in any material respect and all assets of such Subsidiary are distributed to another direct or indirect Subsidiary of a Borrower; and (e) any Investment permitted hereunder may be structured as a merger, consolidation or amalgamation.

7.8 Transactions with Affiliates. Enter into, directly or indirectly, any transaction or series of related transactions, whether or not in the ordinary course of business, with any Affiliate of any Loan Party, other than (a) on terms and conditions at least as favorable to such Loan Party as would reasonably be obtained by such Loan Party at that time in a comparable arm's-length transaction with a Person other than an Affiliate; (b) as otherwise permitted hereunder; (c) transactions among the Loan Parties; (d) transactions among any direct or indirect Subsidiary of a Borrower that is not a Loan Party and any other direct or indirect Subsidiary of a Borrower that is not a Loan Party; and (e) payment of compensation to directors, officers and employees in the ordinary course of business for services actually rendered in their capacities as directors, officers and employees.

7.9 Modifications of Organizational Documents. Directly or indirectly amend or modify, or permit the amendment or modification of, any of such Loan Party's organizational documents or any agreement with respect to its Equity Interests, other than those amendments, modifications or changes that could not reasonably be expected to be materially adverse to the interests of the Lender.

7.10 Burdensome Agreements. Directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance, restriction or condition on the ability of any Subsidiary Guarantor to (i) pay dividends or make any other distributions on its Equity Interests or any other interest or participation in its profits owned by any Loan Party, or pay any Indebtedness owed to any Loan Party, (ii) make loans or advances to any Loan Party, (iii) transfer any of its properties to any Loan Party or (iv) encumber assets of a Subsidiary Guarantor, except for such encumbrances, restrictions or conditions existing under or by reason of: (A) applicable legal requirements; (B) this Agreement and the other Loan Documents; (C) customary provisions restricting subletting or assignment of any lease governing a leasehold interest of a Subsidiary; (D) customary provisions restricting assignment of any agreement entered into by a Subsidiary in the ordinary course of business; (E) customary restrictions and conditions contained in any agreement relating to the sale or other disposition of any property pending the consummation of such sale; provided that (i) such restrictions and conditions apply only to the property to be sold, and (ii) such sale or other disposition is permitted hereunder; (F) capital leases and purchase money obligations; (G) restrictions affecting non-wholly-owned direct or indirect Subsidiaries of any Borrower and (H) restrictions contained in any documents evidencing Indebtedness permitted hereunder

7.11 **Business.** Engage (directly or indirectly) in any businesses other than those businesses in which the Loan Parties are engaged on the date hereof and reasonable extensions thereof or such business related or incidental thereto.

8. EVENTS OF DEFAULT

8.1 The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

(a) **Representations and Warranties.** Any representation or warranty made herein, in any of the other Loan Documents or in any statement, report, certificate, financial statement or other document furnished or to be furnished by any Credit Party in connection with this Agreement or the other Loan Documents shall be false or misleading in any material respect on the date made or deemed made.

(b) **Payment.** Failure of the Loan Parties to (i) repay or prepay any outstanding principal amount of the Loan at the time required pursuant to this Agreement; or (ii) pay any interest or other Obligations not constituting principal, and in the case of this clause (ii), such failure continues for two (2) Business Days.

(c) **Other Covenants.**

(i) **No Grace Period.** Failure of the Loan Parties to observe or perform any covenant or agreement contained in Sections 6.02, 6.03, 6.04, 6.05, or 6.06, or Article 7 of this Agreement.

(ii) **Thirty Day Grace Period.** Failure of any Loan Party to observe or perform any covenant or agreement contained in this Agreement or any other Loan Document not otherwise covered by the other provisions of this Article 8, and such failure shall remain unremedied for thirty (30) calendar days after the earlier of (i) written notice thereof shall have been given to the Borrowers by the Lender or (ii) the date on which an officer of any Loan Party becomes aware of such failure.

(d) **[Reserved]**.

(e) **Other Obligations (Loan Parties).** (i) Default by any Loan Party in the payment when due of any portion of any Indebtedness (other than the Obligations), whether principal, interest, premium or otherwise, having an aggregate principal amount in excess of $2,000,000, in each case, after giving effect to any applicable grace or cure periods, or (ii) failure by any Loan Party to comply with any agreement evidencing or governing any such Indebtedness if the effect of such failure is to permit the holders of such Indebtedness to accelerate such Indebtedness.

(f) **Other Obligations (Parent Guarantor).** (i) Default by Parent Guarantor in the payment when due of Indebtedness (other than the Obligations), whether principal, interest, premium or otherwise with an aggregate principal amount in excess of 5% of total assets of the Parent Guarantor, in each case, after giving effect to any applicable grace or cure periods or (ii) failure by Parent Guarantor to comply with any agreement evidencing or governing any such Indebtedness if the effect of such failure is to permit the holders of such Indebtedness to accelerate such Indebtedness.

(g) **Bankruptcy.** (i) A court shall enter a decree or order for relief with respect to any Credit Party in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official, or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of sixty (60) days, or (ii) any Credit Party shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or under any such law, or consent to the appointment or taking of possession by a receiver, liquidator, assignee, custodian or trustee, of a substantial part of its property, or make any general assignment for the benefit of creditors.

(h) **Dissolution or Liquidation**. Unless otherwise permitted hereunder, the dissolution or liquidation of a Borrower or any Subsidiary Guarantor.

(i) **Final Judgment.** A final non-appealable judgment in excess of$2,000,000 (such amount not adequately covered by insurance as to which the insurance company has not denied coverage in writing) shall be entered against any Loan Party and shall remain unsatisfied or without a stay for a period of sixty (60) days.

(j) **Loan Document Enforceability**. Any Loan Document or any material provisions thereof shall at any time and for any reason be declared by a court of competent jurisdiction to be null and void, or a proceeding shall be commenced by or on behalf of (i) any Credit Party, (ii) any other Person to the extent that a judgment in favor of such Person with respect to such proceeding would reasonably be expected to have a Material Adverse Effect, or (iii) by any governmental authority, in each case, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or any Credit Party (directly or indirectly) shall repudiate, revoke, terminate or rescind (or purport to do any of the foregoing) or deny any portion of its liability or obligation for the Obligations.

(k) **Liens.** Any security interest and Lien purported to be created by any Loan Document shall cease to be in full force and effect, or shall cease to give the Lender, the Liens, rights, powers and privileges purported to be created and granted under such Loan Documents, or shall be asserted by or on behalf of any Loan Party not to be, a valid, enforceable, perfected, first priority security interest in or Lien on the Collateral covered thereby, in each case, other than Permitted Liens.

8.2 Right to Cure. In the event that the Borrowers fail to comply with Section 6.4 with respect to any fiscal year of the Borrowers, until the 20th day after the date the Borrowers are required pursuant to Section 6.05 to deliver the Compliance Certificate with respect to such fiscal year, a Borrower shall have the right to issue Permitted Cure Securities for cash or otherwise receive cash contributions to the capital of such Borrower, and apply the amount of the proceeds thereof to increase Annual Operating Cash Flow with respect to such fiscal year (the "**Cure Right**"); provided that, (a) such proceeds are actually received by such Borrower no later than 20 days after the date on which financial statements are required to be delivered with respect to such fiscal year hereunder, (b) such proceeds do not exceed the aggregate amount necessary to cure (by addition to Annual Operating Cash Flow) such Event of Default under Section 6.04 for such period and (c) the Cure Right shall not be exercised more than six times during the term of the Loan. If, after giving effect to the foregoing pro forma adjustment (but not, for the avoidance of doubt, giving pro forma effect to any repayment of Indebtedness in connection therewith), the Borrowers are in compliance with Section 6.04, the Borrowers shall be deemed to have satisfied the requirements of such Section as of the relevant date of determination with the same effect as though there had been no failure to comply on such date, and the applicable breach or default of Section 6.04 that had occurred shall be deemed cured for all purposes of this Agreement and any other Loan Document. The parties hereby acknowledge that this Section shall not result in any adjustment to any amounts other than the amount of the Annual Operating Cash Flow referred to in the immediately preceding sentence and shall be disregarded for purposes of the calculation of Annual Operating Cash Flow for all other purposes.

9. RIGHTS AND REMEDIES

9.1 Rights and Remedies of the Lender. Upon the occurrence of an Event of Default, the Lender may exercise in any jurisdiction in which enforcement hereof is sought, the following rights and remedies, in addition to all rights and remedies available to the Lender under applicable law, all such rights and remedies being cumulative and enforceable alternatively, successively or concurrently:

(i) Declare all unpaid principal outstanding on the Note, all accrued and unpaid interest thereon, and all other Obligations to be immediately due and payable and the same shall thereupon become immediately due and payable without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived.

(ii) Institute any proceeding or proceedings to enforce the Obligations owed to, or any Liens in favor of, the Lender.

(iii) Pursue all rights and remedies available to the Lender that are contemplated by the Loan Documents in the manner, upon the conditions, and with the effect provided in the Loan Documents, including but not limited to a suit for specific performance, injunctive relief or damages.

(iv) Pursue any other rights and remedies available to the Lender at law or in equity.

9.2 Cumulative Nature of Remedies. Nothing herein shall limit the right of the Lender, subject to notice and right to cure provisions contained herein, to pursue all rights and remedies available to a creditor following the occurrence of an Event of Default subject to compliance, if required, with the rules and regulations of the FCC and any state public service or utilities commission having jurisdiction. Each right, power and remedy of the Lender in this Agreement and/or the Other Agreements shall be cumulative and concurrent, and recourse to one or more rights or remedies shall not constitute a waiver of any other right, power or remedy.

9.3 Costs and Expenses. The Borrowers shall promptly reimburse the Lender upon request for any reasonable and documented costs and out-of-pocket expenses paid or incurred by the Lender (including, without limitation, reasonable and documented fees and expenses of outside attorneys, limited, in the case of any such costs and expenses reimbursed under clauses (d) and (e) of this Section 9.03, to one outside counsel) for all actions the Lender takes to (a) enforce the payment of any Obligation, to effect collection of any of the Collateral, or in preparation for such enforcement or collection, (b) institute, maintain, preserve, enforce and foreclose on the Lender’s security interest in or Lien on any of the Collateral, whether through judicial proceedings or otherwise, (c) restructure any of the Obligations, (d) review, approve or grant any consents or waivers hereunder, and (e) prepare, negotiate, execute, deliver, review, amend or modify the Loan Documents, or any other agreements, documents and instruments deemed necessary or appropriate by the Lender in connection with any of the foregoing, in each case, after the Closing Date. All such expenses identified in this Section 9.03 shall be Obligations and shall be secured by the Collateral and shall be payable upon demand, and if not paid, shall accrue interest at the Default Rate in accordance with Section 2.05 hereof; provided, however, that such interest rate shall not be in excess of the maximum rate permitted by law.

9.4 Late Payment Charges. If payment of any principal and/or interest due under the terms of the Note is not received at the office of the Lender in Dulles, Virginia, or as the Lender may otherwise designate to the Borrowers, within such time period as the Lender may prescribe from time to time in its policies in connection with any late payment charges (such unpaid amount of principal and/or interest being herein called the "delinquent amount" and the period beginning after such due date until payment of the delinquent amount being herein called the "late-payment period"), the Borrowers will pay to the Lender, in addition to all other amounts due under the terms of the Loan Documents, any late-payment charge as may be fixed by the Lender from time to time, on the delinquent amount for the late-payment period.

9.5 Lender's Setoff. The Lender shall have the right, in addition to all other rights and remedies available to it, to setoff and to recover against any or all of the Obligations due to the Lender, any monies now and hereafter owing to any Credit Party by the Lender. The Credit Parties waive all rights of setoff, deduction, recoupment and counterclaim.

10. MISCELLANEOUS

10.1 Performance for the Borrowers. Each Borrower agrees and hereby authorizes that the Lender may during the existence of an Event of Default, in its sole discretion, but the Lender shall not be obligated to, advance funds on behalf of such Borrower without prior notice to such Borrower, in order to insure each Loan Party's compliance with any material covenant, warranty, representation or agreement of each Loan Party made in or pursuant to this Agreement or any of the Other Agreements, to preserve or protect any right or interest of the Lender in the Collateral or under or pursuant to this Agreement or any of the Other Agreements, including without limitation, the payment of any insurance premiums or taxes and the satisfaction or discharge of any judgment or any Lien upon the Collateral or other property or assets of the Loan Parties; provided, however, that the making of any such advance by the Lender shall not constitute a waiver by the Lender of any Event of Default with respect to which such advance is made nor relieve the Borrowers of any such Event of Default. The Borrowers shall pay to the Lender upon demand all such advances made by the Lender with interest thereon at the Default Rate. All such advances shall be deemed to be included in the Obligations and secured by the security interest granted the Lender under the Collateral Documents to the extent permitted by law.

10.2 [Reserved].

10.3 Waivers by Loan Parties. Each Loan Party hereby waives, to the extent the same may be waived under applicable law: (a) in the event the Lender seeks to repossess any or all of the Collateral by judicial proceedings, any bond(s) or demand(s) for possession which otherwise may be necessary or required; (b) presentment, demand for payment, protest and notice of non-payment and all exemptions; and (c) substitution, impairment, exchange or release of any collateral security for any of the Obligations. Each Loan Party agrees that the Lender may exercise any or all of its rights and/or remedies hereunder and under the Other Agreements without resorting to and without regard to security or sources of liability with respect to any of the Obligations.

10.4 Waivers by the Lender. Neither any failure nor any delay on the part of the Lender in exercising any right, power or remedy hereunder or under any of the Other Agreements shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

10.5 Lender's Records. Every statement of account or reconciliation rendered by the Lender to the Borrowers with respect to any of the Obligations shall be presumed conclusively to be correct and shall constitute an account stated between the Lender and the Borrowers unless, within ten (10) Business Days after such statement or reconciliation shall have been mailed, postage prepaid, to the Borrowers, the Lender shall receive written notice of specific objection thereto.

10.6 Modifications. No modification or waiver of any provision of this Agreement, the Note or any of the Other Agreements, and no consent to any departure by any Credit Party therefrom shall in any event be effective unless the same shall be in writing, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand upon any Credit Party in any case shall entitle such Credit Party to any other or further notice or demand in the same, similar or other circumstances.

10.7 Notices. All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Agreement shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to the other party. All such communications shall be deemed to have been duly given (i) when personally delivered including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (i) or (ii) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

The Lender:

Rural Telephone Finance Cooperative 20701
Cooperative Way
Dulles, VA 20166
Attention: Senior Vice President and Administrative Officer
Fax: 703-467-5170

The Borrowers:

The address set forth in Schedule 1 hereto

10.8 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) EACH CREDIT PARTY AND THE LENDER HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN NEW YORK, NEW YORK AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH CREDIT PARTY AND THE LENDER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH

PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH CREDIT PARTY AND THE LENDER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10.9 Non-Business Day Payments. If any payment to be made by the Borrowers hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

10.10 Survival; Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the Other Agreements shall survive the execution of this Agreement and the execution and delivery to the Lender of the Note, and shall continue in full force and effect until all of the Obligations have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include, and this Agreement shall be binding upon and inure to the benefit of, the successors and permitted assigns of such party. All covenants, agreements, representations and warranties by or on behalf of the Borrowers which are contained in this Agreement and the Other Agreements shall inure to the benefit of the successors and assigns of the Lender.

10.11 Assignment. The Lender may assign its rights and obligations under this Agreement and the Other Agreements with the consent of the Borrowers (unless an Event of Default shall have occurred and be continuing, in which case no such consent will be required), such consent not to be unreasonably withheld or delayed; provided that, notwithstanding anything to the contrary contained herein, the Lender may not assign any of its rights or obligations under this Agreement or any Other Agreement prior to the fifteen (15) month anniversary of the Closing Date. For the avoidance of doubt, nothing herein, including the provisions of this Section 10.11, shall restrict the Lender's right to pledge or collaterally assign its rights hereunder and under each Other Agreement to its lenders and the consent of the Borrowers shall not be required for any such pledge or collateral assignment. No Borrower may assign any of its rights or obligations under this Agreement or the Other Agreements without the prior written consent of the Lender.

10.12 Severability. If any term, provision or condition, or any part thereof, of this Agreement or any of the Other Agreements shall for any reason be found or held invalid or unenforceable by any court or governmental agency of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of such term, provision or condition nor any other term, provision or condition, and this Agreement, the Note, and the Other Agreements shall survive and be construed as if such invalid or unenforceable term, provision or condition had not been contained therein.

10.13 Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute one and the same instrument.

10.14 Headings/Use of Terms. The headings and sub-headings contained in this Agreement are intended to be used for convenience only and do not constitute part of this Agreement. The use of any gender or the neuter herein shall also refer to the other gender or the neuter and the use of the plural shall also refer to the singular, and vice versa.

10.15 Further Assurances. Subject to the terms and conditions of the Loan Documents, each Borrower will, upon demand of the Lender, make, execute, acknowledge and deliver all such further and supplemental indentures of mortgage, deeds of trust, mortgages, financing statements, continuation statements, security agreements and/or any other instruments and conveyances as may be reasonably requested by the Lender to effectuate the intention of this Agreement and to provide for the securing and payment of the principal of and interest on the Note according to the terms thereof.

10.16 Merger and Integration. This Agreement, the attached exhibits and the matters incorporated by reference contain the entire agreement of the parties hereto with respect to the matters covered and the transactions contemplated hereby, and no other agreement, statement or promise made by any party hereto, or by any employee, officer, agent or attorney of any party hereto, which is not contained herein, shall be valid or binding.

10.17 Schedule 1. Schedule 1 attached hereto is an integral part of this Agreement and is incorporated herein by reference.

10.18 Confidentiality. The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or participant in, or any prospective assignee or participant in, any of its rights and obligations under this Agreement; (g) on a confidential basis to (i) any rating agency and (ii) its auditors; (g) with the consent of any Borrower; or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 10.18, or (y) becomes available to the Lender or any of its Affiliates on a nonconfidential basis from a source other than any Credit Party. For purposes of this Section 10.18, “Information” means all information received from any Borrower or any of its Subsidiaries relating to any Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by any Borrower or any of its Subsidiaries; provided that, in the case of information received from any Borrower or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 10.18 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. "Related Parties" means with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, counsel and advisors of such Person and of such Person's Affiliates.

10.19 ACKNOWLEDGEMENT; WAIVERS. NOTWITHSTANDING ANY BORROWER'S MEMBERSHIP IN THE LENDER, AND AS A MATERIAL PART OF THE CONSIDERATION FOR THE LENDER MAKING THE LOAN, EACH BORROWER ACKNOWLEDGES THAT, NOTWITHSTANDING ANYTHING SET FORTH IN THE LENDER'S BYLAWS, OR ANY OTHER RELEVANT DOCUMENT, AT ANY TIME (A) NO AMOUNTS OF NET SAVINGS SHALL BE CREDITED TO ANY BORROWER ON THE BOOKS OF THE LENDER, (B) THE BORROWERS SHALL NOT RECEIVE, AND THE LENDER SHALL NOT BE OBLIGATED TO PROVIDE, NOTICES OF ALLOCATION OF PATRONAGE UNDER SECTION 1388 OF THE INTERNAL REVENUE CODE, AND (C) THE BORROWERS SHALL NOT BE ENTITLED TO, AND SHALL NOT RECEIVE, PAYMENT FROM THE LENDER OF ANY PATRONAGE DISTRIBUTIONS. AFTER REVIEW OF THE LENDER'S BYLAWS BY BORROWERS' COUNSEL, EACH BORROWER HEREBY KNOWINGLY AND INTENTIONALLY WAIVES THE PROVISIONS OF SAID BYLAWS THAT APPLY TO THE TRACKING, CREDITING, ALLOCATION AND PAYMENT OF PATRONAGE DISTRIBUTIONS.

[*remainder of page intentionally left blank; signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed this Agreement as of the date first above written.

ATN VI HOLDINGS, LLC, as a Borrower

By: ____
Name:
Title:

Immediately upon consummation of the Acquisition:

CARIBBEAN ASSET HOLDINGS LLC, as a Borrower

By: ____
Name:
Title:

RURAL TELEPHONE FINANCE COOPERATIVE, as the Lender

By: ______________________________
Name:
Title:

SCHEDULE 1

1. The date of the Borrowers’ financial statement referred to in Section 4.06 is ______, 20   .

2. Below is the following information for such Loan Party: (a) such Loan Party’s exact legal name, (b) such Loan Party’s type and jurisdiction of organization, (c) such Loan Party’s organizational identification number or accurately states that the such Loan Party has none, (d) such Loan Party’s place of business or, if more than one, its chief executive office as well as the Borrowers’ mailing address if different, (e) the number of authorized shares of each class of Equity Interests of such Loan Party, the number of shares outstanding and the number of Equity Interests covered by all outstanding options, warrants, rights of conversion or purchase and similar rights. ___________.

3. The government authorities referred to in Section 4.13 are:______.

4. The address for notices to the Borrowers referred to in Section 10.07 is __________________, Attention: ___________________ Fax: _____________________.

SCHEDULE 2

Existing Liens

SCHEDULE 3

Subsidiary Guarantors as of the Closing Date

Caribbean Communication Corp.
St. Croix Cable T.V., Inc.
ICC T.V., Inc.
Innovative Long Distance, Inc.
Vitelcom Cellular, Inc.
VI Powernet, LLC
DTR Holdings, LLC
BVI Asset Holdings, LLC
STM Asset Holdings, LLC

SCHEDULE 4.04

Conflicting Agreements

SCHEDULE 4.05

Existing Litigation

SCHEDULE 4.14

Certain Plan Contributions

SCHEDULE 7.02(b)

Existing Indebtedness

SCHEDULE 7.05

Existing Investments

EXHIBIT A

FORM OF COMPLIANCE CERTIFICATE

[see attached]

EXHIBIT A-2

SECURED PROMISSORY NOTE

[*follows this cover page*]

SECURED PROMISSORY NOTE

$60,000,000

______, 201[5][6]

ATN VI HOLDINGS, LLC, a Delaware limited liability company ("Holdings") and, immediately upon consummation of the Acquisition (as defined in the Loan Agreement referred to below), CARIBBEAN ASSET HOLDINGS LLC, a Delaware limited liability company ("CAH" and, together with Newco, each a "Borrower" and collectively the "Borrowers"), for value received, hereby jointly and severally promise to pay, without setoff, deduction, recoupment or counterclaim, to RURAL TELEPHONE FINANCE COOPERATIVE (the "Payee"), at its office in Dulles, Virginia, or such other location as the Payee may designate to the Borrowers, in lawful money of the United States, the principal sum of SIXTY MILLION AND NO/100 DOLLARS ($60,000,000), or such lesser sum of the aggregate unpaid principal amount of all advances made by the Payee pursuant to that certain Loan Agreement dated as of even date herewith by and between the Borrowers and the Payee (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Loan Agreement"), and to pay interest on all amounts remaining unpaid hereunder from the date of each advance in like money, at said office, at the rate and in amounts and payable on the dates provided in the Loan Agreement together with any other amount payable under the Loan Agreement. If not sooner paid, any balance of the principal amount and interest accrued thereon shall be due and payable on the Maturity Date (as defined in the Loan Agreement). The Loan Agreement provides for the acceleration of the maturity of this Note and other rights and remedies upon the occurrence of certain events specified therein.

This Secured Promissory Note (this "Note") is secured under the Collateral Documents (as defined in the Loan Agreement). This Note is the Note referred to in, and has been executed and delivered pursuant to, the Loan Agreement. The principal hereof and accrued interest thereon and any other amount due under the Loan Agreement may be declared to be forthwith due and payable in the manner, upon the conditions, and with the effect provided in the Loan Agreement.

Except to the extent, if any, that notice of default is expressly required in any of the other Loan Documents (as defined in the Loan Agreement), the Borrowers and any and all co-makers, endorsers, guarantors and sureties severally waive notice (including, but not limited to, notice of intent to accelerate and notice of acceleration, notice of protest and notice of dishonor), demand, presentment for payment, protest, diligence in collecting and the filing of suit for the purpose of fixing liability and consent that the time of payment hereof may be extended and re- extended from time to time without notice to any of them. Each such person agrees that its liability on or with respect to this note shall not be affected by any release of or change in any guaranty or security at any time existing or by any failure to perfect or to maintain perfection of any lien against or security interest in any such security or the partial or complete unenforceability of any guaranty or other surety obligation, in each case in whole or in part, with or without notice and before or after maturity.

This Note and all the covenants and agreements contained herein shall be binding upon, and shall inure to the benefit of, the respective successors and permitted assigns of the Borrowers and the Payee.

The obligations of the Borrowers hereunder shall be joint and several.

The records of the Payee shall be prima facie evidence of the amounts owing on this note.

If any provision of this Note is held to be illegal, invalid or unenforceable under present or future laws, the legality, validity and enforceability of the remaining provisions of this Note shall not be affected thereby, and this Note shall be liberally construed so as to carry out the intent of the parties to it.

THE PERFORMANCE AND CONSTRUCTION OF THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[*signature page follows*]

IN WITNESS WHEREOF, each Borrower has caused this Note to be executed as of the day and year first above written.

ATN VI HOLDINGS, LLC, as a Borrower

By: ____
Name:
Title:

Immediately upon consummation of the Acquisition:

CARIBBEAN ASSET HOLDINGS LLC, as a Borrower

By: ____
Name:
Title:

RTFC Loan No.: MA 802-9001

EXHIBIT A-3

PARENT GUARANTY

[*follows this cover page*]

GUARANTY

This guaranty agreement (this "Guaranty") is made and executed as of [____], 201[5][6], by ATLANTIC TELE-NETWORK, INC., a Delaware corporation (the "Guarantor") in favor of RURAL TELEPHONE FINANCE COOPERATIVE, a District of Columbia cooperative association (the "Lender").

WHEREAS, concurrently with the execution and delivery of this Guaranty, the Lender has made a loan to ATN VI HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), and, immediately upon consummation of the Acquisition (as defined in the Loan Agreement), CARIBBEAN ASSET HOLDINGS LLC, a Delaware limited liability company ("CAH" and, together with Newco, each a "Borrower" and collectively the "Borrowers") pursuant to a Loan Agreement dated as of even date herewith (the "Loan Agreement"), by and among the Borrowers and the Lender, and evidenced by that certain Secured Promissory Note made by the Borrowers payable to the Lender, dated as of even date herewith (the "Note") in the original principal amount of
$60,000,000 (capitalized terms used herein but not defined shall have the meanings provided for such terms in the Loan Agreement);

WHEREAS, as of the Closing Date, Holdings is a wholly-owned subsidiary of the Guarantor and the Guarantor has determined that it is in its interest and to its financial benefit that the Borrowers and the Lender enter into the Loan Agreement; and

WHEREAS, this Guaranty is executed and delivered to the Lender by the Guarantor to induce the Lender to make the loan evidenced by the Loan Agreement and the Note and in satisfaction of a material condition precedent to the extension of credit by the Lender.

NOW, THEREFORE, in consideration of the advance of the Loan by the Lender to the Borrowers and the benefits derived by the Guarantor therefrom, it is agreed as follows:

1. The Guarantor hereby absolutely and unconditionally, jointly and severally guarantees to the Lender the due and prompt payment of (a) the outstanding principal amount due from the Borrowers to the Lender, whether at maturity or earlier by acceleration or otherwise, under the Note, (b) all accrued interest thereon (including interest accruing after filing of any bankruptcy petition by or against any Borrower), (c) all other indebtedness, liabilities and obligations of the Borrowers to the Lender under the Loan Documents, (d) all costs, fees and expenses of the Lender that the Borrowers are required to pay under the Loan Documents (including costs of collection and reasonable attorneys' fees) and (e) all other Obligations, whether any of the foregoing are now existing or hereafter arising, and all extensions, renewals, modifications or amendments to any of the foregoing. The obligations referred to in items (a) through (e) above are collectively referred to herein as the "Guaranteed Obligations".

2. The Guarantor further agrees to pay the Lender any and all reasonable and documented costs and out-of-pocket expenses (including reasonable attorneys' fees) paid or incurred by the Lender in enforcing or endeavoring to enforce this Guaranty.

3. The Lender may, at the Lender's option, proceed to enforce this Guaranty directly against the Guarantor without first proceeding against any Borrower, any co-guarantor, or any other person liable for payment or performance under the Loan Documents and without first proceeding against or exhausting any collateral now or hereafter held by the Lender to secure payment or performance under the Loan Documents.

4. The Guarantor waives diligence, presentment, protest, notice of dishonor, demand for payment, notice of nonpayment or nonperformance, notice of the incurrence of the Guaranteed Obligations by any Borrower, notice of acceptance of this Guaranty and all other notices of any nature in connection with the exercise of the Lender's rights under the Loan Documents or this Guaranty. Performance by the Guarantor hereunder will not entitle the Guarantor to any payment by any Borrower under any claim for contribution, indemnification, subrogation or otherwise, until such time as the Borrowers shall have paid in full all amounts owing to the Lender and performed all of the Borrowers' Obligations under the Loan Documents, in each case other than any contingent indemnification obligations not then due and owing. The Guarantor waives the right to require suit against the Borrowers or any other party before enforcing this Guaranty, and all rights to setoffs and counterclaims against the Lender and agrees that any rights which the Guarantor might now or hereafter hold against the Borrowers and any co-guarantors will be subordinate, junior and inferior to all rights which the Lender might now or hereafter hold against the Borrowers and any co-guarantors. The Guarantor agrees that it will not assert any right of contribution against any other guarantor of the Guaranteed Obligations or the obligations related thereto until such time as all of the Guaranteed Obligations have been paid in full to the Lender and all of such obligations have been performed, in each case other than any contingent indemnification obligations not then due and owing. Notwithstanding the foregoing, the Guarantor waives all rights of subrogation and contribution in any bankruptcy or insolvency proceeding filed by or against any Borrower or any other guarantor to the extent that the exercise of such rights would require the Lender to return to the bankruptcy estate of any Borrower or any other guarantor any payments received by the Lender on account of the Guaranteed Obligations.

5. The Guarantor hereby consents and agrees that renewals and extensions of time of payment, surrender, release, exchange, substitution, dealing with or taking of additional collateral security, taking or release of other guarantees, abstaining from taking advantage of or realizing upon any collateral security or other guarantees and any and all other forbearances or indulgences granted by the Lender to the Borrowers or any other party may be made, granted and effected by the Lender without notice to the Guarantor and without in any manner affecting its liability hereunder.

6. Nothing herein contained shall limit the Lender in exercising any rights held under any one or more of the Loan Documents. In the event of any default under the Loan Documents or this Guaranty, the Lender will be entitled to selectively and successively enforce any one or more of the rights held by the Lender and such action will not be deemed a waiver of any other rights held by the Lender. All of the remedies of the Lender under this Guaranty and the Loan Documents are cumulative and not alternative.

7. In accordance with the terms and conditions of the Loan Agreement, if an Event of Default (as defined in the Loan Agreement) has occurred and is continuing under the Loan Agreement, then the Lender shall have the right to declare the Guaranteed Obligations immediately due and payable in full, without notice to the Guarantor.

8. [Reserved].

9. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THE PERFORMANCE AND CONSTRUCTION OF THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) EACH OF THE GUARANTOR AND THE LENDER HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN NEW YORK, NEW YORK AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE GUARANTOR AND THE LENDER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE GUARANTOR AND THE LENDER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10. If any payment or thing of value should be received and accepted by the Lender in payment of any Guaranteed Obligations and it should subsequently be determined or adjudged that such payment be void or voidable under any law or statute now or hereafter in effect, the receipt of such payment by the Lender shall, as to the Guarantor, be deemed a provisional receipt and if any such payment should be avoided or set aside under any such law or statute, the Guarantor shall be and remain liable to the Lender in respect thereof as if such payment had not been received by the Lender notwithstanding any release or discharge of this Guaranty to the Guarantor issued or granted by the Lender in the belief or assumption that its receipt of such payment was absolute and not subject to any avoidance.

11. The Guarantor represents and warrants to the Lender as of the date of this Guaranty that:

11.1 Solvency. Both immediately before and immediately after giving effect to this Guaranty, (a) the fair value of the properties of the Guarantor and its Subsidiaries, on a consolidated basis, will exceed their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of the Guarantor and its Subsidiaries, on a consolidated basis, will be greater than the amount that will be required to pay the probable liability of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) the Guarantor and its Subsidiaries, on a consolidated basis, do not intend to incur, and do not believe that they will incur, debts and liabilities beyond their ability to pay such debts and liabilities when they become due; and (d) the Guarantor and its Subsidiaries, on a consolidated basis, will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed, contemplated or about to be conducted following the date of this Guaranty.

11.2 Good Standing. The Guarantor is a corporation duly organized, validly existing and in good standing under the laws of Delaware, has the power to own its property and to carry on its business, and, except as could not be reasonably expected to have Material Adverse Effect (as defined below), is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary. As used herein, "Material Adverse Effect" shall mean (a) a material adverse effect upon the business, results of operations, or financial condition of the Guarantor and its Subsidiaries, taken as a whole, or (b) the impairment of any Liens in favor of the Lender, of the ability of each Credit Party to perform its obligations under the Loan Documents or of the Lender to enforce any material provision of any Loan Document or collect any of the Obligations. In determining whether any individual event would reasonably be expected to have a Material Adverse Effect, notwithstanding that such event does not of itself have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then-existing events would reasonably be expected to have a Material Adverse Effect.

11.3 Authority. The Guarantor has the organizational power and authority to enter into Loan Documents to which it is a party and to incur and perform its obligations thereunder, all of which have been duly authorized by all necessary and proper organizational and other action by the Guarantor, and no consent or approval of any person, including, as applicable and without limitation, stockholders, members and partners of the Guarantor, and any public authority or regulatory body, which has not been obtained is required as a condition to the validity or enforceability of any Loan Document to which the Guarantor is a party.

11.4 No Conflicting Agreements. The execution, delivery of and performance by the Guarantor of this Guaranty, and the transactions contemplated hereby, will not violate (a) any provision of law, any order, rule or regulation of any court or other agency of government, any award of any arbitrator, the charter or by-laws of the Guarantor, or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which the Guarantor is a party or by which it or any of its property is bound, in each case except as would not reasonably be expected to have a Material Adverse Effect, or (b) the Parent Credit Agreement.

11.5 Litigation. There are no judgments, claims, actions, suits or proceedings pending or, to the knowledge of the Guarantor, threatened against or affecting the Guarantor or its properties, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, which could reasonably be expected to have a Material Adverse Effect, and the Guarantor is not, to its knowledge, in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which would reasonably be expected to have a Material Adverse Effect.

11.6 Taxes. The Guarantor has paid or caused to be paid all federal, state and local taxes to the extent that such taxes have become due and owing, unless (i) the Guarantor is contesting in good faith any such tax or (ii) the failure to pay any such taxes would not reasonably be expected to have a Material Adverse Effect. The Guarantor has filed or caused to be filed all federal, state and material local tax returns which are required by applicable law to be filed by the Guarantor.

11.7 Licenses and Permits. The Guarantor has duly obtained and now holds all licenses, permits, certifications, approvals and the like necessary to own and operate its property and business that are required by federal, state and local laws of the jurisdictions in which the Guarantor conducts its business the failure of which to obtain and hold could reasonably be expected to have a Material Adverse Effect, and each remains valid and in full force and effect.

11.8 Required Approvals. No material license, consent, permit or approval of any governmental agency or authority is required to enable the Guarantor to enter into this Guaranty or to perform any of its obligations provided for herein except as disclosed to the Lender and except with respect to regulatory approvals which may be required in connection with the Lender's enforcement of certain remedies hereunder.

12. All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Guaranty shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to the other party. All such communications shall be deemed to have been duly given (i) when personally delivered including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (i) or (ii) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

The Lender:

Rural Telephone Finance Cooperative 20171
Cooperative Way Dulles, Virginia 20166
Attention: Senior Vice President, RTFC
Fax: (703) 467-5170

The Guarantor:

____
____
____
Attention: ____________________________
Fax: ____________________________

13. If any provision of this Guaranty is held to be invalid, illegal or unenforceable in any respect or application for any reason, such invalidity, illegality or unenforceability will not affect any other provisions herein contained and such other provisions will remain in full force and effect. This Guaranty will be binding on the Guarantor and all successors and permitted assigns of the Guarantor and will inure to the benefit of the Lender and all successors and permitted assigns of the Lender. The Guarantor consents to the assignment of all or any portion of the rights of the Lender hereunder in connection with any assignment of the rights of the Lender under the Loan Documents, in each case, in accordance with the terms and conditions of the Loan Agreement.

14. This Guaranty shall operate as a continuing guaranty and shall expire only upon the satisfaction in full of all Obligations under the Loan Documents, in each case, other than any contingent indemnification obligations not then due and owing.

15. This Guaranty may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document.

Signature pages may be detached from the counterparts and attached to a single copy of this Guaranty to physically form one document.

[***signature page follows***]

IN WITNESS WHEREOF, the Guarantor has executed and delivered to the Lender this Guaranty as of the day and year first above written.

ATLANTIC TELE-NETWORK, INC., as the Guarantor

By: ______________________________
Name:
Title:

EXHIBIT A-4

SUBSIDIARY GUARANTY

[*follows this cover page*]

GUARANTY

This guaranty agreement (this "Guaranty") is made and executed as of [______________], 201[5][6], by each of the undersigned (together with each other party that may be joined hereto after the date hereof in accordance with the Loan Agreement, each a "Guarantor" and collectively the "Guarantors") in favor of RURAL TELEPHONE FINANCE COOPERATIVE, a District of Columbia cooperative association (the "Lender").

WHEREAS, concurrently with the execution and delivery of this Guaranty, the Lender has made a loan to ATN VI HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), and, immediately upon consummation of the Acquisition (as defined in the Loan Agreement), CARIBBEAN ASSET HOLDINGS LLC, a Delaware limited liability company ("CAH" and, together with Newco, each a "Borrower" and collectively the "Borrowers") pursuant to a Loan Agreement dated as of even date herewith (the "Loan Agreement"), by and among the Borrowers and the Lender, and evidenced by that certain Secured Promissory Note made by the Borrowers payable to the Lender, dated as of even date herewith (the "Note") in the original principal amount of $60,000,000 (capitalized terms used herein but not defined shall have the meanings provided for such terms in the Loan Agreement);

WHEREAS, as of the Closing Date, each Guarantor is a direct or indirect wholly-owned subsidiary of the Borrowers and each Guarantor has determined that it is in its interest and to its financial benefit that the Borrowers and the Lender enter into the Loan Agreement; and

WHEREAS, this Guaranty is executed and delivered to the Lender by the Guarantors to induce the Lender to make the loan evidenced by the Loan Agreement and the Note and in satisfaction of a material condition precedent to the extension of credit by the Lender.

NOW, THEREFORE, in consideration of the advance of the Loan by the Lender to the Borrowers and the benefits derived by each Guarantor therefrom, it is agreed as follows:

1. Each Guarantor hereby absolutely and unconditionally, jointly and severally guarantees to the Lender the due and prompt payment of (a) the outstanding principal amount due from the Borrowers to the Lender, whether at maturity or earlier by acceleration or otherwise, under the Note, (b) all accrued interest thereon (including interest accruing after filing of any bankruptcy petition by or against any Borrower), (c) all other indebtedness, liabilities and obligations of the Borrowers to the Lender under the Loan Documents, (d) all costs, fees and expenses of the Lender that the Borrowers are required to pay under the Loan Documents (including costs of collection and reasonable attorneys' fees) and (e) all other Obligations, whether any of the foregoing are now existing or hereafter arising, and all extensions, renewals, modifications or amendments to any of the foregoing. The obligations referred to in items (a) through (e) above are collectively referred to herein as the "Guaranteed Obligations".

2. Each Guarantor further agrees to pay the Lender any and all reasonable and documented costs and out-of-pocket expenses (including reasonable attorneys' fees) paid or incurred by the Lender in enforcing or endeavoring to enforce this Guaranty.

3. The Lender may, at the Lender's option, proceed to enforce this Guaranty directly against each Guarantor (and any collateral securing performance of this Guaranty owned by such Guarantor) without first proceeding against any Borrower, any co-guarantor, or any other person liable for payment or performance under the Loan Documents and without first proceeding against

or exhausting any collateral now or hereafter held by the Lender to secure payment or performance under the Loan Documents.

4. Each Guarantor waives diligence, presentment, protest, notice of dishonor, demand for payment, notice of nonpayment or nonperformance, notice of the incurrence of the Guaranteed Obligations by any Borrower, notice of acceptance of this Guaranty and all other notices of any nature in connection with the exercise of the Lender's rights under the Loan Documents or this Guaranty. Performance by each Guarantor hereunder will not entitle such Guarantor to any payment by any Borrower under any claim for contribution, indemnification, subrogation or otherwise, until such time as the Borrowers shall have paid in full all amounts owing to the Lender and performed all of the Borrowers' obligations under the Loan Documents, in each case, other than any contingent indemnification obligations not then due and owing. Each Guarantor waives the right to require suit against the Borrowers or any other party before enforcing this Guaranty, and all rights to setoffs and counterclaims against the Lender and agrees that any rights which such Guarantor might now or hereafter hold against the Borrowers and any co-guarantors will be subordinate, junior and inferior to all rights which the Lender might now or hereafter hold against the Borrowers and any co-guarantors. Each Guarantor agrees that it will not assert any right of contribution against any other Guarantor or any other guarantor of the Guaranteed Obligations or the obligations related thereto until such time as all of the Guaranteed Obligations have been paid in full to the Lender and all of such obligations have been performed, in each case, other than any contingent indemnification obligations not then due and owing. Notwithstanding the foregoing, each Guarantor waives all rights of subrogation and contribution in any bankruptcy or insolvency proceeding filed by or against any Borrower or any other Guarantor or any other guarantor to the extent that the exercise of such rights would require the Lender to return to the bankruptcy estate of any Borrower or any other Guarantor or any other guarantor any payments received by the Lender on account of the Guaranteed Obligations or such obligations.

5. Each Guarantor hereby consents and agrees that renewals and extensions of time of payment, surrender, release, exchange, substitution, dealing with or taking of additional collateral security, taking or release of other guarantees, abstaining from taking advantage of or realizing upon any collateral security or other guarantees and any and all other forbearances or indulgences granted by the Lender to the Borrowers or any other party may be made, granted and effected by the Lender without notice to such Guarantor and without in any manner affecting its liability hereunder.

6. Nothing herein contained shall limit the Lender in exercising any rights held under any one or more of the Loan Documents. In the event of any default under the Loan Documents or this Guaranty, the Lender will be entitled to selectively and successively enforce any one or more of the rights held by the Lender and such action will not be deemed a waiver of any other rights held by the Lender. All of the remedies of the Lender under this Guaranty and the Loan Documents are cumulative and not alternative. If the Lender elects to foreclose any lien created by the Loan Documents, to the extent not otherwise in contravention of any of the other Loan Documents, the Lender is authorized to purchase for the Lender's account all or any part of the collateral covered by such lien at public or private sale and to credit the amount recovered first against any portion of the Loan for which such Guarantor is or may not be liable with any balance remaining to be applied in reduction of the liability of such Guarantor hereunder.

7. In accordance with the terms and conditions of the Loan Agreement, if an Event of Default (as defined in the Loan Agreement) has occurred and is continuing under the Loan Agreement, then the Lender shall have the right to declare the Guaranteed Obligations

guaranteed hereunder immediately due and payable in full, without notice to any Guarantor, regardless of whether the Lender has accelerated all or any part of the Guaranteed Obligations.

8. Except as otherwise provided in the Security Agreement, all accounts, deposits, investments and property of each Guarantor with or in the hands of the Lender shall be and stand pledged as collateral security for the obligations of such Guarantor hereunder, and the Lender shall have the same right of setoff with respect to deposits, investments and other credits of such Guarantor as it has with respect to deposits, investments and other credits of the Borrowers. To the extent not otherwise in contravention of the other Loan Documents, the Lender is hereby authorized at any time and from time to time, without prior notice to any Guarantor, to exercise rights of setoff or recoupment and apply any and all amounts held, or hereafter held, by the Lender or owed to such Guarantor or for the credit or account of such Guarantor against any and all of the obligations of such Guarantor now or hereafter existing under this Guaranty. The Lender agrees to notify the applicable Guarantor promptly after any such setoff or recoupment and the application thereof, provided that the failure to give such notice shall not affect the validity of such setoff, recoupment or application. To the extent not otherwise in contravention of the other Loan Documents, the rights of the Lender under this section are in addition to any other rights and remedies (including other rights of setoff or recoupment) which the Lender may have. To the extent not otherwise in contravention of the other Loan Documents, each Guarantor waives all rights of setoff, deduction, recoupment or counterclaim.

9. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THE PERFORMANCE AND CONSTRUCTION OF THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) EACH GUARANTOR AND THE LENDER HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN NEW YORK, NEW YORK AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH GUARANTOR AND THE LENDER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH GUARANTOR AND THE LENDER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10. If any payment or thing of value should be received and accepted by the Lender in payment of any Guaranteed Obligations and it should subsequently be determined or adjudged that such payment be void or voidable under any law or statute now or hereafter in effect, the receipt of such payment by the Lender shall, as to each Guarantor, be deemed a provisional receipt and if any such payment should be avoided or set aside under any such law or statute, each Guarantor shall be and remain liable to the Lender in respect thereof as if such payment had not been received by the Lender notwithstanding any release or discharge of this Guaranty to the Guarantors issued or granted by the Lender in the belief or assumption that its receipt of such payment was absolute and not subject to any avoidance.

11. Each Guarantor hereby represents and warrants to the Lender that the representations and warranties in the Loan Agreement and the other Loan Documents insofar as they apply to such Guarantor are true and correct in all material respects (except to the extent such representation or warranty is already qualified as to materiality or Material Adverse Effect, in which case such representation or warranty is true and correct in all respects).

12. Each Guarantor hereby agrees to observe and comply with each of the covenants and agreements made in the Loan Agreement, insofar as they refer to such Guarantor, or the assets, obligations, conditions, agreements, business, or actions of the Guarantor, or to the Loan Documents to which such Guarantor is a party.

13. All notices, requests and other communications provided for herein including, without limitation, any modifications of, or waivers, requests or consents under, this Guaranty shall be given or made in writing (including, without limitation, by telecopy) and delivered to the intended recipient at the "Address for Notices" specified below; or, as to any party, at such other address as shall be designated by such party in a notice to the other party. All such communications shall be deemed to have been duly given (i) when personally delivered including, without limitation, by overnight mail or courier service, (ii) in the case of notice by United States mail, certified or registered, postage prepaid, return receipt requested, upon receipt thereof, or (iii) in the case of notice by telecopy, upon transmission thereof, provided such transmission is promptly confirmed by either of the methods set forth in clauses (i) or (ii) above in each case given or addressed as provided for herein. The Address for Notices of each of the respective parties is as follows:

The Lender:

Rural Telephone Finance Cooperative 20171
Cooperative Way Dulles, Virginia 20166
Attention: Senior Vice President, RTFC
Fax: (703) 467-5170

Each Guarantor:

c/o Atlantic Tele-Network, Inc.
____
____
____
Attention: ________________________
Fax: ________________________

14. If any provision of this Guaranty is held to be invalid, illegal or unenforceable in any respect or application for any reason, such invalidity, illegality or unenforceability will not affect any other provisions herein contained and such other provisions will remain in full force and effect. This Guaranty will be binding on each Guarantor and all successors and permitted assigns of such Guarantor and will inure to the benefit of the Lender and all successors and permitted assigns of the Lender. Each Guarantor consents to the assignment of all or any portion of the rights of the Lender hereunder in connection with any assignment of the rights of the Lender under the Loan Documents without notice to such Guarantor, in each case, in accordance with the terms and conditions of the Loan Agreement.

15. This Guaranty shall operate as a continuing guaranty and shall expire only upon the satisfaction in full of all Obligations under the Loan Documents, in each case, other than any contingent indemnification Obligations not then due and owing.

16. The obligations of each Guarantor under this Guaranty are secured by the Collateral Documents.

17. This Guaranty constitutes the joint and several obligation of each of the Guarantors and shall be fully binding upon and enforceable against any or all of such parties. The release of any Guarantor of its obligations hereunder shall not affect or release the joint and several liability of any other Guarantor of the Guaranteed Obligations. The Lender may at its option enforce this Guaranty against one or more or all of the Guarantors, provided the Lender shall not be required to resort to enforcement against each and every of the Guarantors and the failure to proceed against or join each and every of the Guarantors shall not affect the joint and several liability of each of the Guarantors.

18. This Guaranty may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same document. Signature pages may be detached from the counterparts and attached to a single copy of this Guaranty to physically form one document.

[*signature page follows*]

IN WITNESS WHEREOF, each of the following has executed and delivered to the Lender this Guaranty as of the day and year first above written.

CARIBBEAN COMMUNICATION CORP., as a Guarantor

By: ______________________________
Name:
Title:

ST. CROIX CABLE T.V., INC., as a Guarantor

By: ______________________________
Name:
Title:

ICC T.V., INC., as a Guarantor

By: ______________________________
Name:
Title:

INNOVATIVE LONG DISTANCE, INC., as a Guarantor

By: ______________________________
Name:
Title:

VITELCOM CELLULAR, INC., as a Guarantor

By: ______________________________
Name:
Title:

VI POWERNET, LLC, as a Guarantor

By: ______________________________
Name:
Title:

DTR HOLDINGS, LLC, as a Guarantor

By: ____
Name:
Title:

BVI ASSET HOLDINGS, LLC, as a Guarantor

By: ____
Name:
Title:

STM ASSET HOLDINGS, LLC, as a Guarantor

By: ____
Name:
Title:

EXHIBIT A-5

SECURITY AGREEMENT

[*follows this cover page*]

SECURITY AGREEMENT

This Security Agreement (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, this "Agreement") dated as of [___], 201[5][6], is by and among each of the undersigned (together with each other Person that may be joined hereto as a debtor in accordance with the terms hereof, collectively "Debtors" and each a "Debtor"), each of whose address is c/o Atlantic Tele-Network, Inc., [__], and RURAL TELEPHONE FINANCE COOPERATIVE ("Secured Party"), whose address is 20171 Cooperative Way, Dulles, Virginia 20166, in its capacity as Administrative Agent under the Loan Agreement (as defined below).

WHEREAS, concurrently with the execution and delivery of this Agreement, Secured Party has made a loan to ATN VI HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), and, immediately upon consummation of the Acquisition (as defined in the Loan Agreement), CARIBBEAN ASSET HOLDINGS LLC, a Delaware limited liability company ("CAH" and, together with Holdings, each a "Borrower" and collectively the "Borrowers") pursuant to a Loan Agreement dated as of even date herewith (the "Loan Agreement"), by and among the Borrowers and Secured Party, and evidenced by that certain Secured Promissory Note made by the Borrowers payable to Secured Party, dated as of even date herewith (the "Note") in the original principal amount of $60,000,000; and

WHEREAS, each Debtor that is not a Borrower is a direct or indirect wholly-owned subsidiary of the Borrowers and each such Debtor has determined that it is in its interest and to its financial benefit that the Borrowers and Secured Party enter into the Loan Agreement; and

WHEREAS, this Agreement is executed and delivered for the benefit of Secured Party by Debtors to induce Secured Party to make the loan evidenced by the Loan Agreement and the Note and in satisfaction of a material condition precedent to the extension of credit by Secured Party.

NOW, THEREFORE, Debtors and Secured Party agree as follows:

Any capitalized term used in this Agreement and not otherwise defined herein shall have the meaning ascribed to such term in the Loan Agreement. Terms used in this Agreement which are defined in the Uniform Commercial Code in effect in the State of New York (as amended, the "UCC") are used with the meanings as therein defined. All principles of construction set forth in Section 1.02 of the Loan Agreement are incorporated herein by reference for all purposes.

ARTICLE 1
Creation of Security Interest

1.1 In order to secure the prompt and unconditional payment of the Secured Obligations (as defined in Section 2.2), each Debtor hereby pledges, assigns and grants to Secured Party a security interest in all of its right, title and interest in, to and under all personal property and other assets, whether now owned by or owing to, or hereafter acquired by or arising in favor of such Debtor (including under any trade name or derivations thereof), and whether owned or consigned by or to, or leased from or to, such Debtor, and regardless of where located, including:

Accounts

(a) all accounts, receivables and accounts receivable regardless of form (including, to the extent related to goods sold or leased and/or services rendered by a Debtor, all choses or things in action, trade names, trademarks, patents, patents pending, infringement claims, service marks, licenses, copyrights, blueprints, drawings, plans, diagrams, schematics, computer programs, computer tapes, computer discs, reports, catalogs, customer lists, purchase orders, goodwill, route lists, monies due or recoverable from pension funds, tax refunds and all rights to any of the foregoing), book debts, contract rights and rights to payment no matter how evidenced;

(b) all chattel paper, notes, drafts, acceptances, payments under leases of equipment or sale of inventory, and other forms of obligations received by or belonging to any Debtor for goods sold or leased and/or services rendered by such Debtor;

(c) purchase orders, instruments and other documents (including all documents of title) evidencing obligations to any Debtor, including those for or representing obligations for goods sold or leased and/or services rendered by such Debtor;

(d) all monies due or to become due to any Debtor under all contracts, including those for the sale or lease of goods and/or performance of services by such Debtor no matter how evidenced and whether or not earned by performance;

(e) all accounts, receivables, accounts receivable, contract rights, and general intangibles arising as a result of any Debtor's having paid accounts payable (or having had goods sold or leased to any Debtor or services performed for any Debtor giving rise to accounts payable) which accounts payable were paid for or were incurred by such Debtor on behalf of any third parties pursuant to an agreement or otherwise;

(f) all goods, the sale and delivery of which give rise to any of the foregoing, including any such goods which are returned to any Debtor for credit;

Inventory

all goods, merchandise, raw materials, work in process, finished goods, and other tangible personal property of whatever nature now owned by any Debtor or hereafter from time to time existing or acquired, wherever located and held for sale or lease, including those held for display or demonstration or out on lease or consignment, or furnished or to be furnished under contracts of service or used or usable or consumed or consumable in any Debtor's business or which are finished or unfinished goods and all accessions and appurtenances thereto, together with all warehouse receipts and other documents evidencing any of the same and all containers, packing, packaging, shipping and similar materials;

Equipment and General Intangibles

all general intangibles now owned by any Debtor or existing or hereafter acquired, created or arising (whether or not related to any of the other property described in this Article) and all goods, equipment, machinery, furnishings, fixtures, furniture, appliances, accessories, leasehold improvements, chattels and other articles of personal property of whatever nature (whether or not the same constitute fixtures) now owned by any Debtor or hereafter acquired, and all component parts thereof and all appurtenances thereto and all drawings, specifications, plans and manuals relating thereto;

Patents, Trademarks and Copyrights

(a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, and other source or business identifiers (and all amendments, supplements, restatements and modification thereof or thereto from time to time), and all prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all applications, if any, in connection therewith including registrations, recordings and applications, if any, in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof (each such office or agency being referred to herein as a "Trademark Office") and all reissues, continuations, continuations-in-part, extensions or renewals thereof (each of the foregoing items in this paragraph and listed on Exhibit A attached hereto being herein referred to as a "Trademark" and collectively called the "Trademarks") and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark and each agreement granting any right to use any Trademark (each a "Trademark License" and collectively, the "Trademark Licenses") including each Trademark License listed in Exhibit A (and all amendments, supplements, restatements and modifications thereof or thereto from time to time);

(b) all letters patent of the United States or any other country, now existing or hereafter adopted or acquired, including without limitation, the letters patent described on Exhibit A, (and all amendments, supplements, restatements and modifications thereof or thereto from time to time) and all registrations and recordings thereof, and all applications for such letters patent, including, without limitation, registrations, recordings and applications in a Trademark Office and all reissues, continuations, continuations-in-part, extensions or renewals thereof (each of the foregoing being herein called a "Patent"), and any license related thereto (each herein called a "Patent License"; including without limitation, the Patent Licenses described on Exhibit A, (and all amendments, supplements, restatements and modifications thereof or thereto from time to time);

(c) copyrights and copyright registrations, whether now existing or hereafter acquired, including, without limitation, the copyright registrations and recordings thereof and all applications in connection therewith listed on Exhibit A attached hereto, and (i) all reissues, continuations, extensions or renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, including, without limitation, payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements and dilutions thereof, (iv) the goodwill of any Debtor's business symbolized by the foregoing and connected therewith and (v) all of such Debtors' rights corresponding thereto throughout the world (all of the foregoing copyrights and copyright registrations, together with the items described in clauses (i)-(v) in this paragraph (c), are sometimes hereinafter individually and/or collectively referred to as the "Copyrights"); and (ii) all products and proceeds of any and all of the foregoing, including, with limitation, licensed royalties and proceeds of infringement suits and each agreement granting any right to use any Copyright (each a "Copyright License" and collectively, the “Copyright Licenses”) including each Copyright License listed in Exhibit A (and all amendments, supplements, restatements and modifications thereof or thereto from time to time);

(d) any claim for past, present or future infringement or dilution of any Trademark, Trademark License, Patent, Patent License, Copyright (including licensed royalties) or Copyright License, or for injury to the goodwill associated with any Trademark;

Contract Rights

(a) all contracts, contract rights and related general intangibles now or hereafter owned by any Debtor, together with any amendments, supplements, renewals, extensions, modifications and rearrangements of and substitutions for any and all of such instruments and contracts (all such instruments and contracts being herein collectively called the “Pledged Documents”), together with any and all liens, security interests, guaranties and assignments now or hereafter securing payment of the Pledged Documents (all such liens, security interests, guaranties and assignments being herein collectively called the “Pledged Liens”), and all documents and instruments now or hereafter evidencing or creating any of the Pledged Liens (which documents and instruments shall constitute “Pledged Documents” for all purposes hereunder);

(b) all rights, powers, privileges, benefits and remedies of any Debtor under the Pledged Documents and the Pledged Liens and under each and every instrument now or hereafter governing, evidencing, securing or guarantying or otherwise relating to or delivered in connection with the Pledged Documents or the Pledged Liens (including all guaranties, lien priority agreements, security agreements, deeds of trust, mortgages, collateral assignments, subordination agreements, negative pledge agreements, loan agreements and title and casualty insurance policies);

(c) all instruments, documents, chattel papers, accounts, general intangibles, profits, income, money, credits, claims, demands and other property (real or personal) and revenues of any kind or character now or hereafter relating to, accruing or arising under or in respect of the Pledged Documents or paid, payable or otherwise distributed or distributable or transferred or transferable to any Debtor under, in connection with or otherwise in respect of the Pledged Documents;

Stock

(a) all of the investment securities listed on Exhibit B, hereto attached and hereby made a part hereof;

(b) all dividends (cash or otherwise), rights to receive dividends, stock dividends, dividends paid in stock, distributions upon redemption or liquidation, distributions as a result of split-ups, recapitalizations or rearrangements, stock rights, rights to subscribe, voting rights, rights to receive securities, and all new securities and other investment property and other property which any Debtor may hereafter become entitled to receive on account of the foregoing; (Each Debtor hereby agreeing that in the event any Debtor receives any such new securities, such Debtor will immediately deliver the same to Secured Party to be held by Secured Party subject to the terms and provisions of this Agreement);

Partnership and Limited Liability Company Interests

(a) the partnerships and limited liability companies (the "Non-Corporate Entities") created under and by virtue of the organizational documents (collectively, the "Non-Corporate Entity Agreements") described on Exhibit B hereto;

(b) all instruments, documents, chattel papers, accounts, general intangibles, profits, income, surplus, money, credits, claims, demands and other property (real or personal) and revenues of any kind or character now or hereafter relating to, accruing or arising under or in respect of the Non-Corporate Entity Agreements and all property, real or personal, now or hereafter owned by the Non-Corporate Entities paid, payable or otherwise distributed or distributable or transferred or transferable to any Debtor under, in connection with or otherwise in respect of any of such property or the Non-Corporate Entity Agreements (whether by reason of any Debtor's ownership interest, loans by any Debtor or otherwise);

Commercial Tort Claims, Deposit Accounts, Negotiable Collateral, Supporting Obligations and Money

(a) all of Debtors' right, title and interest with respect to any "commercial tort claims" as that term is defined in the UCC including, without limitation, the commercial tort claims listed on Exhibit C ("Commercial Tort Claims");

(b) all of Debtors' right, title, and interest with respect to any "deposit account" as that term is defined in the UCC and the investments and earnings therein and documents evidencing the same, including, without limitation, any checking or other demand deposit account, time, savings, passbook or similar account maintained with a bank including, without limitation, the deposit accounts set forth on Exhibit C ("Deposit Accounts");

(c) all of Debtors' right, title and interest with respect to letters of credit, letter-of- credit rights, instruments, promissory notes, drafts, and documents (including any bills of lading, dock warrants, dock receipts, warehouse receipts or orders for delivery of goods and also any other document which in the regular course of business or financing is treated as adequately evidencing that the person in possession of it is entitled to receive, hold and dispose of such document and the goods it covers), as such terms may be defined in the UCC, and any and all supporting obligations in respect thereof ("Negotiable Collateral");

(d) all of Debtors' right, title, and interest with respect to any "supporting obligations" as such term is defined in the UCC, including letters of credit and guaranties issued in support of accounts, chattel paper, documents, general intangibles, instruments, or investment property (the "Supporting Obligations");

(e) all of Debtors' money, cash, cash equivalents or other assets of any Debtor that now or hereafter come into the possession, custody, or control of Secured Party;

Investment Property

all of Debtor's present and future rights, title and interest in, to and under any and all securities accounts, investment brokerage accounts, and all of Debtor's investment property contained therein, including without limitation, all securities, securities entitlements, financial assets, instruments or other property at any time held or maintained in such accounts, together with all investment property, financial assets, instruments or other investment property at any time substituted therefor or for any part thereof, and all interest, dividends, increases, profits, new investment property, financial assets, instruments or other property and or other increments, distributions or rights of any kind received on account of any of the foregoing, and all other income received in connection therewith and all products or proceeds thereof (whether cash or non-cash proceeds); and all accessions, appurtenances and additions to and substitutions for any of the foregoing and all products and proceeds of any of the foregoing, together with all renewals and replacements of any of the foregoing, all accounts, receivables, account receivables, instruments, notes, chattel paper, documents (including all documents of title), other Negotiable Collateral, Supporting Obligations, cash, books, records, contract rights and general intangibles arising in connection with any of the foregoing (including all insurance and claims for insurance affected or held for the benefit of any Debtor or Secured Party in respect of the foregoing). Without limiting any of the foregoing, the security interest herein granted shall cover all of the rights, titles and interests of Debtors in and to all goods (including inventory, equipment and any accessions to this Agreement), instruments (including promissory notes), documents, accounts (including health- care-insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter-of-credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles (including all payment intangibles). All of the properties and interests described in this Article (specifically excluding the Excluded Assets (as defined below)) are herein collectively called the "Collateral", it being understood that, notwithstanding any other provision set forth in this Agreement, this Agreement shall not, at any time, constitute a grant of a security interest in any property that is, at such time, an Excluded Asset. The inclusion of proceeds does not authorize any Debtor to sell, dispose of or otherwise use the Collateral in any manner prohibited by the Loan Documents.

1.2 Notwithstanding any provision to the contrary contained in Section 1.1 above or in any other provision in this Agreement, Collateral shall not include (i) any of the properties, items and interests described in the Contract Rights portion of Section 1.1 above which are not assignable or pledgable by any Debtor without the prior written content of any Person which is not an Affiliate of any Debtor, unless (x) the requisite non-Affiliate party has consented in writing (regardless of whether such consent is received before, on or after the date hereof) to the applicable security interest, assignment or pledge or (y) a security interest can be obtained in such items (or proceeds thereof) under the applicable terms and provisions of the UCC without the prior written consent of any Person which is not an Affiliate of any Debtor, but only to the extent that the grant of such security interest would not cause any Debtor's interest in the applicable property, item or interest to terminate (or give another party which is not an Affiliate of any Debtor the legally enforceable right to terminate any such interest of any Debtor) or be forfeited under applicable law or under any legally enforceable provision of the agreement or instrument creating the same; (ii) "intent to use" Trademark applications, in each case, only until such time as such Debtor begins to use such Trademarks (the security interest provided herein in such Trademark shall be deemed granted by such Debtor at such time and will attach immediately without further action); (iii) Equity Interests of any Debtor in any CFC that represents in excess of 65% of the outstanding voting Equity Interests of such CFC; (iv) any item of real or personal, tangible or intangible, property (including licenses issued by the Federal Communications Commission (the "FCC") and by any applicable any state, provincial or other local public utility commission or similar regulatory agency or body that exercises jurisdiction over the rates or services or the ownership, construction or operation of any communications system (and its related facilities) or over Persons who own, construct or operate a communications system, in each case by reason of the nature or type of the business subject to regulation and not pursuant to laws and regulations of general applicability to Persons conducting business in any such jurisdiction (a "PUC")) to the extent and only for so long as the creation, attachment or perfection of the security interest granted herein by any Debtor in its right, title and interest in such item of property is prohibited by applicable law or is permitted only with the consent (that has not been obtained) of a governmental authority (including the FCC and any applicable PUC); (v) any property subject to a Lien permitted under the definition of Permitted Encumbrances to the extent and only for so long as the applicable purchase money security agreement, capital lease or other applicable documentation contains a term that restricts, prohibits, or requires a consent (that has not been obtained) of a Person (other than such Debtor or any other Loan Party) to, the creation, attachment or perfection of the security interest granted herein and such restriction, prohibition and/or requirement of consent is not rendered ineffective by applicable law (including, pursuant to Sections 9-406, 9-407, 9-408 or 9- 409 of the UCC); (vi) deposit or securities accounts which (w) constitute payroll or zero balance accounts, (x) are used for the deposit of employee withholding taxes or other employee taxes or benefits, (y) are trust accounts, or (z) maintain an average daily or interdaily balance or value over a sixty day period of less than $2,000,000 for any individual deposit or securities account and less than $5,000,000 for all such deposit and securities accounts; provided however, the foregoing accounts shall not include any deposit or securities account for so long as such account is subject to an account control agreement in form and substance satisfactory to Secured Party; (vii) any item of real or personal, tangible or intangible, property (other than any Equity Interests owned by any Debtor) to the extent and only for so long as the creation, attachment or perfection of the security interest granted herein by any Debtor in its right, title and interest in such item of property (x) would give any other Person (other than such Debtor or any other Loan Party) the right to terminate its obligations with respect to such item of property, or (y) would cause such property to become void or voidable if a security interest therein was created, attached or perfected; and (viii) vehicles or equipment subject to any certificate of title law to the extent such law requires a Lien on such vehicles or equipment to be notated on the applicable title document for perfection purposes (the foregoing clauses (i)-(viii), collectively, the "Excluded Assets").

ARTICLE 2
Secured Indebtedness

2.1 This Agreement is made to secure all of the following present and future debt and obligations:

(a) All obligations of the Borrowers under the Loan Agreement, including the Obligations.

(b) All obligations of each Debtor that is not a Borrower under the Guaranty dated concurrently herewith executed by such Debtors to Secured Party (as it may be amended, amended and restated, supplemented or otherwise modified from time to time, the "Guaranty").

(c) The Guaranteed Obligations (as defined in the Guaranty).

(d) All other obligations, if any, undertaken by Debtors in any other place in this Agreement.

(e) Any and all sums and the interest which accrues on them as provided in this Agreement which Secured Party may advance or which Debtors may owe Secured Party pursuant to this Agreement on account of Debtors' failure to keep, observe or perform any of the covenants of Debtors under this Agreement.

2.2 The term "Secured Obligations" means and includes all of the Indebtedness and other obligations described or referred to in Section 2.1. The Secured Obligations include interest and other obligations accruing or arising after (a) commencement of any case under any bankruptcy or similar laws by or against any Debtor or any other Person now or hereafter primarily or secondarily obligated to pay all or any part of the Secured Obligations (each Debtor and each such other Person being herein called individually an "Obligor" and collectively, "Obligors") or (b) the obligations of any Obligor shall cease to exist by operation of law or for any other reason. The Secured Obligations also include all reasonable and documented attorneys' fees and any other reasonable and documented expenses incurred by Secured Party in enforcing any of the Loan Documents in accordance with the terms hereof or any other Loan Document, as applicable.

ARTICLE 3
Representations and Warranties

Each Debtor represents and warrants as follows as of the date hereof:

(a) Debtors are the legal and equitable owner and holder of good and marketable title to the Collateral free of any adverse claim and free of any Lien except only for the Liens granted hereby and the Permitted Encumbrances. Except as permitted by the Loan Agreement and for matters which have previously been released or which are to be released substantially concurrently with the first advance under the Loan Agreement, no Debtor has heretofore signed or authorized the filing of any financing statement directly or indirectly affecting the Collateral or any part of it which has not been completely terminated of record and no such financing statement signed or authorized by any Debtor is now on file in any public office other than security agreements, financing statements or public notices (i) which Secured Party may otherwise consent in writing, (ii) which are invalid or unauthorized, and (iii) for which the Debtors have used commercially reasonable efforts to have such agreement, filing or notice terminated or otherwise removed from the record.

(b) Subject to Debtors' right to change their respective addresses in accordance with the provisions of the Loan Agreement, all leased and owned locations of Debtors are located at the addresses set forth on Exhibit D attached hereto; and in this regard, Debtors' locations means all places of business of Debtors. All books and records of any applicable Debtor with regard to the Collateral are maintained and kept at the chief executive office of such Debtor set forth at the beginning of this Agreement.

(c) Except as set forth on Exhibit E hereto, no part of the Collateral is covered by a certificate of title or subject to any certificate of title law. To the knowledge of the Debtors, no part of the Collateral consists or will consist of consumer goods, farm products, timber, minerals and the like (including oil and gas) or accounts resulting from the sale thereof.

(d) No Debtor has changed its name, whether by amendment of its organizational documents or otherwise, or the jurisdiction under whose laws such Debtor is organized within the last five (5) years. Exhibit F attached hereto lists all tradenames, fictitious names and other names used by any Debtor in the last five (5) years.

(e) Debtors' correct taxpayer identification numbers are listed on Exhibit G hereto.

(f) The Collateral described in Article 1 under the heading "Stock" (the "Stock Collateral") is genuine, free from any restriction relating to the granting of Liens, duly and validly authorized and issued, and fully paid, and is hereby duly and validly pledged and hypothecated to Secured Party in accordance with applicable law.

(g) Exhibit C attached hereto sets forth all Commercial Tort Claims of Debtors, as of the date hereof, that are actually known to such Debtor (such that a senior officer of such Debtor has actual knowledge of the existence of a tort cause of action and not merely of the existence of the facts giving rise to such cause of action), indicating the case caption for each claim, the court or other judicial forum where such claim is being litigated, the amount of such claim and the remedies sought in such claim and all other relevant information necessary or required to create a Lien on such claim in favor of Secured Party.

(h) Each Debtor has had full and complete access to the underlying documents relating to the Secured Obligations and all other documents executed by any other Debtor, any Obligor or any other person or entity in connection with the Secured Obligations, has reviewed them and is fully aware of the meaning and effect of their contents. Each Debtor is fully informed of all circumstances which bear upon the risks of executing this Agreement and which a diligent inquiry would reveal. Each Debtor has adequate means to obtain from each other Debtor on a continuing basis information concerning each other Debtor's financial condition, and is not depending on Secured Party to provide such information, now or in the future. Each Debtor agrees that Secured Party shall have no obligation to advise or notify any Debtor or to provide any Debtor with any data or information.

ARTICLE 4
Covenants

4.1 Each Debtor covenants and agrees with Secured Party as follows (in each case, subject to the terms and conditions otherwise set forth in this Agreement or in any other Loan Document):

(a) Each Debtor shall furnish to Secured Party such instruments as may be reasonably required by Secured Party to assure the transferability of any Collateral in accordance with this Agreement when and as often as may be reasonably requested by Secured Party.

(b) If (i) the validity or priority of this Agreement or of any material rights, titles, security interests or other material interests created or evidenced hereby shall be attacked, endangered or questioned or (ii) if any legal proceedings are instituted with respect thereto, Debtors will give prompt written notice thereof to Secured Party and, upon the reasonable request of Secured Party, at Debtors' own cost and expense will diligently endeavor to cure any material defect that may be developed or claimed, and will take all reasonable steps necessary for the defense of such legal proceedings; and if an Event of Default has occurred and is continuing, Secured Party (whether or not named as a party to legal proceedings with respect thereto) is hereby authorized and empowered to take such additional reasonable steps as in its judgment and discretion may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Agreement and the material rights, titles, security interests and other material interests created or evidenced hereby, and all reasonable and customary expenses so incurred of every kind and character shall constitute sums advanced pursuant to Section 4.2 of this Agreement.

(c) Each Debtor will, on request of Secured Party, (i) promptly correct any material defect, error or omission which may be discovered in the contents of this Agreement or in any other instrument executed in connection herewith or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver and record or file such further instruments (including further security agreements, financing statements and continuation statements) and, upon the reasonable request of Secured Party, do such further acts as may be reasonably necessary to carry out more effectively the purposes of this Agreement and such other instruments and to subject to the Liens hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby including specifically any renewals, additions, substitutions, replacements or appurtenances to the then Collateral; and (iii) execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically any financing statement) reasonably deemed necessary by Secured Party to protect the security interest hereunder against the rights or interests of third persons, and upon the request of Secured Party, Debtors will pay all reasonable and customary costs connected with any of the foregoing.

(d) Notwithstanding the security interest in proceeds granted herein, no Debtor will, except as otherwise expressly permitted herein or in the Loan Agreement, sell or otherwise dispose of, or pledge, hypothecate or grant any Lien in, or permit to exist any Lien against, all or any part of the Collateral or any interest therein or permit any of the foregoing to occur or arise or permit title to the Collateral, or any interest therein, to be vested in any other party, in any manner whatsoever, by operation of law or otherwise, without the prior written consent of Secured Party. Except as provided by the Loan Agreement or as otherwise permitted herein, no Debtor shall, without the prior written consent of Secured Party, (i) acquire any such Collateral under any arrangement whereby the seller or any other Person retains or acquires any Lien in such Collateral or (ii) return or give possession of any such Collateral to any supplier or any other Person except in the ordinary course of business.

(e) Debtors shall (i) together with the financial statements delivered by the Borrowers pursuant to Section 6.02(c) of the Credit Agreement, and (ii) upon the occurrence and during the continuance of an Event of Default, upon the reasonable request of Secured Party, furnish Secured Party with an update of the Exhibits hereto reflecting any new information, if any, not set forth in the current Exhibits hereto.

(f) Debtors shall at all times keep accurate and complete records of the Collateral and its proceeds. Debtors shall, where applicable, at Debtors' own expense take all reasonable and appropriate steps to enforce the collection of the Collateral and items representing proceeds thereof.

(g) No Debtor will change its organizational identification number, taxpayer identification number, jurisdiction of organization, address, location, name, identity or, if applicable, structure unless such Debtor (i) notifies Secured Party of such change in writing in accordance with the terms of the Loan Agreement and (ii) has taken all such action reasonably requested by Secured Party to have caused the Lien of Secured Party in the Collateral to be at all times perfected and in full force and effect in the manner and to the extent set forth in the Loan Agreement.

(h) If the Collateral is evidenced by promissory notes, trade acceptances or other instruments for the payment of money or other Negotiable Collateral, Debtors will, at the request of Secured Party upon the occurrence and during the continuation of an Event of Default, immediately deliver any of the foregoing to Secured Party, appropriately endorsed to Secured Party's order and regardless of the form of endorsement, each Debtor waives presentment, demand, notice of dishonor, protest and notice of protest. Upon the occurrence and during the continuation of an Event of Default but prior to such delivery, such Collateral shall be held by Debtors in trust for the benefit of Secured Party and subject to the Liens granted herein.

(i) No Debtor will use, or allow the use of, the Collateral in any manner which makes void, voidable or cancelable any insurance then in force with respect thereto except to the extent the voidance or cancellation of such insurance would not reasonably be expected to have a Material Adverse Effect.

(j) Debtors agree to provide, maintain and keep in force casualty, liability and other insurance for that portion of the Collateral which is tangible personal property as required by the Loan Agreement. Each Debtor hereby assigns to Secured Party the exclusive right (exercisable at any time after the occurrence and during the continuation of an Event of Default) to collect any and all monies that may become payable under any insurance policies covering any part of the Collateral, or any risk to or about the Collateral. To the extent such policies are transferable, and subject to the consent and requirements of the applicable insurance companies or policies, foreclosure of this Agreement shall automatically constitute foreclosure upon all policies of insurance insuring any part of or risk to the Collateral and all claims thereunder arising from post-foreclosure events. To the extent such policies are transferable, and subject to the consent and requirements of the applicable insurance companies or policies, the successful bidder or bidders for any Collateral at any foreclosure, as their respective interests may appear, shall automatically accede to all of Debtors' rights in, under and to such policies and all post-foreclosure event claims, and such bidder(s) shall be named as insured(s) on request, whether or not the bill of sale to any such successful bidder mentions insurance. Unless Secured Party or Secured Party's representative reserves at the foreclosure sale the right to collect any uncollected insurance proceeds recoverable for events occurring before foreclosure (in which event the successful bidder at the sale, if not Secured Party, shall have no interest in such proceeds and Secured Party shall apply them, if and when collected, to the Secured Obligations in such order and manner as Secured Party shall then elect and remit any remaining balance to Debtors or to such other Person as is legally entitled to them), all proceeds of all such insurance which are not so reserved by Secured Party at the foreclosure sale and are not actually received by Secured Party until after foreclosure shall be the property of the successful bidder or bidders at foreclosure, as their interests may appear, and no Debtor shall have any interest in them and shall receive no credit for them. Secured Party shall have no duty to any Debtor or anyone else to either require or provide any insurance or to determine the adequacy or disclose any inadequacy of any insurance. If Secured Party elects at any time or for any reason to purchase insurance relating to the Collateral, it shall have no obligation to cause any Debtor or anyone else to be named as an insured, to cause any Debtor's or anyone else's interests to be insured or protected or to inform any Debtor or anyone else that his or its interests are uninsured or underinsured, and any such insurance shall be at Secured Party's sole cost.

(k) Except as disclosed to Secured Party in writing, no material portion of the Collateral described in Article 1 under the caption "Equipment" is or shall be wholly or partly affixed to real estate or other goods so as to become fixtures on such real estate or accessions to such other goods. To the extent any of such Collateral is or shall be wholly or partly affixed to real estate or other goods so as to become fixtures on such real estate or accessions to such other goods, Debtors have supplied to Secured Party a description of the real estate or other goods to which such Collateral is or shall be wholly or partly affixed. Said real estate is not subject to any lien or mortgage except as disclosed to Secured Party in writing. Debtors will, on demand by Secured Party, furnish or cause to be furnished to Secured Party a disclaimer or disclaimers, signed by all persons having an interest in the applicable real estate or other goods to which such Collateral is or shall be wholly or partly affixed, of any interest in such Collateral which is before Secured Party's interest.

4.2 If any Debtor fails to comply with any of its agreements, covenants or obligations under this Agreement or any other Loan Document and such failure continues for 30 days after Secured Party has given such Debtor written notice thereof, Secured Party (in such Debtor's name or in Secured Party's own name) may perform them or cause them to be performed for the account and at the expense of such Debtor, but shall have no obligation to perform any of them or cause them to be performed. Any and all reasonable and customary, out-of-pocket expenses thus incurred or paid by Secured Party shall be Debtors' obligations to Secured Party due and payable on demand, and each shall bear interest from the date Secured Party pays it until the date Debtors repay it to Secured Party, at the rate provided in the Loan Agreement for interest on past due payments (the "Default Rate"). Upon making any such payment or incurring any such expense, Secured Party shall be fully and automatically subrogated to all of the rights of the Person receiving such payment. Any amounts owing by any Debtor to Secured Party pursuant to this or any other provision of this Agreement shall automatically and without notice be and become a part of the Secured Obligations and shall be secured by this and all other instruments securing the Secured Obligations. The exercise of the privileges granted to Secured Party in this Section shall in no event be considered or constitute a cure of the Default or a waiver of Secured Party's right at any time after an Event of Default to declare the Secured Obligations to be at once due and payable, but is cumulative of such right and of all other rights given by this Agreement, the Loan Agreement, the Notes and the other Loan Documents and of all rights given Secured Party by law.

4.3 Each Debtor, at its own expense, will perform all acts and execute all documents, including, without limitation, documents or instruments suitable for filing with any Trademark Office or the United States Copyright Office (the "Copyright Office"), as applicable, at any time to evidence, perfect, maintain, record and enforce Secured Party's interest in the Collateral described in Article 1 under the heading "Patents; Trademarks and Copyrights" (collectively, the "Intellectual Property Collateral"), or to prosecute any Trademark application, or Copyright application, as applicable, or to preserve, extend, reissue, continue or renew any such Collateral (unless not doing so would be commercially reasonable and would not have a Material Adverse Effect), or otherwise in furtherance of the provisions of this Agreement.

4.4 In no event shall any Debtor, either itself or through any agent, employee, license or designee, file an application for the registration of any trademark, tradename, service mark, or patent or Copyright, with any Trademark Office or the Copyright Office, as applicable, or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof in which such intellectual property is typically placed of record unless it promptly thereafter informs the Secured Party, and, upon Secured Party's request, executes and delivers any and all agreements, instruments, documents and papers as Secured Party may request to grant to Secured Party a security interest in such trademark, service mark, tradename or patent or Copyright, as applicable, and in any general intangibles related to or arising in connection with the same, including any underlying technology, inventions and trade secrets of the applicable Debtor relating thereto or represented thereby.

ARTICLE 5
Assignment of Payments; Certain Powers of Secured Party; Voting Rights

5.1 Each Debtor hereby authorizes and directs each account debtor and each other Person (a "Collateral Obligor") obligated to make payment in respect of any of the Collateral, upon the occurrence and during the continuation of an Event of Default, to pay over to Secured Party or its designee, upon demand by Secured Party, all or any part of the Collateral without making any inquiries as to the status or balance of the Secured Obligations and without any notice to or further consent of any Debtor. To facilitate the rights of Secured Party hereunder, each Debtor hereby authorizes Secured Party upon the occurrence and during the continuation of an Event of Default:

(a) to notify Collateral Obligors of Secured Party's security interest in the Collateral and to collect all or any part of the Collateral without further notice to or further consent by any Debtor; and each Debtor hereby constitutes and appoints Secured Party the true and lawful attorney of such Debtor (such agency being coupled with an interest), irrevocably, with power of substitution, in the name of such Debtor or in its own name or otherwise, to take any of the actions described in the following clauses (b), (c), (d), (e), (f) and (g);

(b) to ask, demand, collect, receive, give receipt for, sue for, compound and give acquittance for any and all amounts which may be or become due or payable under the Collateral and to settle and/or adjust all disputes and/or claims directly with any Collateral Obligor and to compromise, extend the time for payment, arrange for payment in installments, otherwise modify the terms of, or release, any of the Collateral, on such terms and conditions as Secured Party may determine (without thereby incurring responsibility to or discharging or otherwise affecting the liability of any Debtor to Secured Party under this Agreement or otherwise);

(c) to execute, sign, endorse, transfer and deliver (in the name of such Debtor or in its own name or otherwise) any and all receipts or other orders for the payment of money drawn on the Collateral and all notes, acceptances, commercial paper, drafts, checks, money orders and other instruments given in payment or in partial payment thereof and all invoices, freight and express bills and bills of lading, storage receipts, warehouse receipts, other Negotiable Collateral and other instruments and documents in respect of any of the Collateral and any other documents necessary to evidence, perfect and realize upon the Liens created pursuant to this Agreement;

(d) in its discretion to file any claim or take any other action or proceeding which Secured Party may reasonably deem necessary or appropriate to protect and preserve the rights, titles and interests of Secured Party hereunder;

(e) to file financing statements, to sign the name of any Debtor to financing statements, drafts against any Collateral Obligor, assignments or verifications of any of the Collateral and notices to any Collateral Obligor;

(f) to station one or more representatives of Secured Party on any Debtor's premises for the purpose of exercising any rights, benefits or privileges available to Secured Party hereunder or under any of the Loan Documents or at law or in equity, including receiving collections and taking possession of books and records relating to the Collateral; and

(g) to cause title to any or all of the Collateral to be transferred into the name of Secured Party or any nominee or nominees of Secured Party.

5.2 Unless and until Secured Party exercises its remedies in accordance with the terms of the Loan Documents, (i) Debtors shall be entitled to exercise all voting and consensual powers and rights pertaining to the Stock Collateral or any part thereof for all purposes not inconsistent with the terms of this Agreement and (ii) except as herein provided, Debtors shall be entitled to receive and retain all dividends on the Stock Collateral or any part thereof. Upon the occurrence and during the continuation of an Event of Default, Secured Party shall have the right to the extent permitted by applicable law (but shall not be obligated to exercise such right) upon notice to any Credit Party of at least one (1) Business Day, and each Debtor shall take all such action as may be reasonably necessary or appropriate to give effect to such right, to vote and give consents, ratifications and waivers, and take any other action with respect to any or all of the Stock Collateral with the same force and effect as if Secured Party were the owner thereof. All dividends in stock or property representing stock, and all subscription warrants or any other rights or options issued in connection with the Stock Collateral, and all liquidating dividends or distributions or return of capital upon or in respect of the Stock Collateral or any part thereof, or resulting from any split, revision or reclassification of the Stock Collateral or any part thereof or received in exchange for the Stock Collateral or any part thereof as a result of a merger, consolidation or otherwise, shall be paid or transferred directly to Secured Party, or if paid to or received by any Debtor, shall, immediately upon receipt thereof, be paid over, transferred and delivered to Secured Party and shall be Stock Collateral pledged under and subject to the terms of this Agreement.

5.3 The powers conferred on Secured Party pursuant to this Article are conferred solely to protect Secured Party’s interest in the Collateral and shall not impose any duty or obligation on Secured Party to perform any of the powers herein conferred. No exercise of any of the rights provided for in this Article shall constitute a retention of Collateral in satisfaction of the indebtedness as provided for in the UCC.

ARTICLE 6
Events of Default

The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

(a) The occurrence of any "Event of Default" under, and as defined in, the Loan Agreement.

(b) Any Debtor shall fail to observe or perform any of the terms or provisions of this Agreement and such failure shall continue unremedied for a period of thirty (30) days after the earlier of knowledge of such breach or notice thereof from Secured Party.

(c) Any Equity Interest which is included within the Collateral shall at any time constitute a Security (as defined in Article 8 of the UCC) or the issuer of any such Equity Interest shall take any action to have such interests treated as a Security unless (i) all certificates or other documents constituting such Security have been delivered to Secured Party and such Security is properly defined as such under Article 8 of the UCC, whether as a result of actions by the issuer thereof or otherwise, or (ii) if such Security is not held in physical form, Secured Party has entered into a control agreement with a third party non-affiliated securities intermediary relating to such Security and such Security is defined as such under Article 8 of the UCC, whether as a result of actions by the issuer thereof or otherwise, provided that, notwithstanding the foregoing, no control agreement with a Loan Party or any Affiliate thereof relating to such Security shall be required.

ARTICLE 7
Remedies in Event of Default

7.1 During the continuation of an Event of Default:

(a) Secured Party shall have the option of declaring, without notice to any Person, all Secured Obligations to be immediately due and payable.

(b) Secured Party is authorized, in any legal manner and without breach of the peace, to take possession of the Collateral (each Debtor hereby WAIVING all claims for damages arising from or connected with any such taking, except as may be caused by the gross negligence, bad faith or willful misconduct of Secured Party) and of all books, records and accounts relating thereto and to exercise, without interference from any Debtor, any and all rights which each Debtor has with respect to the management, possession, operation, protection or preservation of the Collateral, including the right to sell or rent the same for the account of any applicable Debtor and to deduct from such sale proceeds or such rents all costs, expenses and liabilities of every character incurred by Secured Party in collecting such sale proceeds or such rents and in managing, operating, maintaining, protecting or preserving the Collateral and to apply the remainder of such sales proceeds or such rents on the Secured Obligations. Before any sale, Secured Party may, at its option, complete the processing of any of the Collateral and/or repair or recondition the same to such extent as Secured Party may deem advisable. Secured Party may take possession of any Debtor's premises to complete such processing, repairing and/or reconditioning, using the facilities and other property of any Debtor to do so, to store any Collateral and to conduct any sale as provided for herein, all without compensation to any Debtor. All costs and expenses incurred by Secured Party in collecting such sales proceeds or such rents, or in managing, operating, maintaining, protecting or preserving such properties, or in processing, repairing and/or reconditioning the Collateral if not paid out of such sales proceeds or such rents as hereinabove provided, shall constitute a demand obligation owing by Debtors and shall bear interest from the date of expenditure until paid at the Default Rate in accordance with Section 2.05 of the Loan Agreement, all of which shall constitute a portion of the Secured Obligations. If necessary to obtain the possession provided for above, Secured Party may invoke any and all legal remedies to dispossess any Debtor, including specifically one or more actions for forcible entry and detainer. In connection with any action taken by Secured Party pursuant to this paragraph, Secured Party shall be not liable for any loss sustained by any Debtor resulting from any failure to sell or let the Collateral, or any part thereof, or from any other act or omission of Secured Party with respect to the Collateral unless such loss is caused by the gross negligence, willful misconduct or bad faith of Secured Party, nor shall Secured Party be obligated to perform or discharge any obligation, duty, or liability under any sale or lease agreement covering the Collateral or any part thereof or under or by reason of this instrument or the exercise of rights or remedies hereunder.

(c) Secured Party may, without notice except as hereinafter provided, sell the Collateral or any part thereof at public or private sale or at any broker's board or on any securities exchange (with or without appraisal or having the Collateral at the place of sale) for cash and at such price or prices as Secured Party may deem best, and Secured Party may be the purchaser of any and all of the Collateral so sold and Secured Party may apply upon the purchase price therefor any of the Secured Obligations and thereafter hold the same absolutely free from any right or claim of whatsoever kind. Secured Party is authorized at any such sale, if Secured Party deems it advisable or is required by applicable law so to do, (i) to restrict the prospective bidders on or purchasers of any of the Stock Collateral to a limited number of sophisticated investors who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of any of the Stock Collateral, (ii) to cause to be placed on certificates for any or all of the Stock Collateral a legend to the effect that such security has not been registered under the Securities Act of 1933 and may not be disposed of in violation of the provisions of said Act, and (iii) to impose such other limitations or conditions in connection with any such sale as Secured Party deems necessary or advisable in order to comply with said Act or any other applicable law. Each Debtor covenants and agrees that it will execute and deliver such documents and take such other action as Secured Party reasonably deems necessary or advisable in order that any such sale may be made in compliance with applicable law. Upon any such sale Secured Party shall have the right to deliver, assign and transfer to the purchaser thereof the Collateral so sold. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right of whatsoever kind, including any equity or right of redemption, stay or appraisal which any Debtor has or may have under any rule of law or statute now existing or hereafter adopted. Secured Party shall give Debtors written notice at the address set forth herein (which shall satisfy any requirement of notice or reasonable notice in any applicable statute) of Secured Party’s intention to make any such public or private sale. Such notice shall be personally delivered or mailed, postage prepaid, at least ten (10) calendar days before the date fixed for a public sale, or at least ten (10) calendar days before the date after which the private sale or other disposition is to be made, unless the Collateral is of a type customarily sold on a recognized market, is perishable or threatens to decline speedily in value. Such notice, in case of public sale, shall state the time and place fixed for such sale or, in case of private sale or other disposition other than a public sale, the time after which the private sale or other such disposition is to be made. In case of sale at broker’s board or on a securities exchange, such notice shall state the board or exchange at which such sale is to be made and the day on which the Collateral or that portion thereof so being sold will first be offered for sale at such board or exchange. Any public sale shall be held at such time or times, within the ordinary business hours and at such place or places, as Secured Party may fix in the notice of such sale. At any sale the Collateral may be sold in one lot as an entirety or in separate parcels as Secured Party may determine. Secured Party shall not be obligated to make any sale pursuant to any such notice. Secured Party may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at any time and place fixed for the sale, and such sale may be made at any time or place to which the same may be so adjourned. Each and every method of disposition described in this Section shall constitute disposition in a commercially reasonable manner. Each Obligor, to the extent applicable, shall remain liable for any deficiency.

(d) Secured Party shall have all the rights of a secured party after default under the UCC and in conjunction with, in addition to or in substitution for those rights and remedies:

(i) Secured Party may require Debtors to assemble the Collateral and make it available at a place Secured Party designates which is mutually convenient to allow Secured Party to take possession or dispose of the Collateral; and

(ii) it shall not be necessary that Secured Party take possession of the Collateral or any part thereof before the time that any sale pursuant to the provisions of this Article is conducted and it shall not be necessary that the Collateral or any part thereof be present at the location of such sale; and

(iii) before application of proceeds of disposition of the Collateral to the Secured Obligations, such proceeds shall be applied to the reasonable, documented and customary, out-of-pocket expenses of retaking, holding, preparing for sale or lease, selling, leasing, licensing, sublicensing and the like, each Debtor, to the extent applicable, to remain liable for any deficiency; and

(iv) the sale by Secured Party of less than the whole of the Collateral shall not exhaust the rights of Secured Party hereunder, and Secured Party is specifically empowered to make successive sale or sales hereunder until the whole of the Collateral shall be sold; and, if the proceeds of such sale of less than the whole of the Collateral shall be less than the aggregate of the Secured Obligations, this Agreement and the Liens created hereby shall remain in full force and effect as to the unsold portion of the Collateral just as though no sale had been made; and

(v) in the event any sale hereunder is not completed or is defective in the opinion of Secured Party, such sale shall not exhaust the rights of Secured Party hereunder and Secured Party shall have the right to cause a subsequent sale or sales to be made hereunder; and

(vi) any and all statements of fact made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder shall be taken as rebuttable evidence of the truth of the facts so stated; and

(vii) Secured Party may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Secured Party, including the sending of notices and the conduct of sale, but in the name and on behalf of Secured Party; and

(viii) demand of performance, advertisement and presence of property at sale are hereby WAIVED and Secured Party is hereby authorized to sell hereunder any evidence of debt it may hold as security for the Secured Obligations. Except as provided herein or in any other Loan Document, all demands and presentments of any kind or nature are expressly WAIVED by each Debtor. Each Debtor WAIVES the right to require Secured Party to pursue any other remedy for the benefit of any Debtor and agrees that Secured Party may proceed against any Obligor for the amount of the Secured Obligations owed to Secured Party without taking any action against any other Obligor or any other Person and without selling or otherwise proceeding against or applying any of the Collateral in Secured Party's possession.

(e) Secured Party may, at any time and from time to time, license or, to the extent permitted by an applicable license, sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any of the Intellectual Property Collateral, throughout the world for such term or terms, on such conditions, and in such manner, as Secured Party shall in its sole discretion determine.

(f) Secured Party may (without assuming any obligations or liability thereunder), at any time, enforce and shall have the exclusive right to enforce against any licensor, licensee or sublicensee all rights and remedies of any Debtor in, to and under any one or more licenses or other agreements with respect to any Intellectual Property Collateral and take or refrain from taking any action under any thereof.

(g) Without limiting any other provision of this Agreement, each Debtor expressly agrees that Secured Party, without demand, presentment or protest to or upon any Debtor or any other Person, may at any time collect, receive, appropriate and realize upon any Intellectual Property Collateral or may at any time in a commercially reasonable manner, sell, lease, assign, license, sublicense, give an option or options to purchase or otherwise dispose of and deliver any Intellectual Property Collateral (or contract to do so) in one or more parcels, at one or more public or private sales or other dispositions, upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or other consideration or on credit (provided that such credit is secured by the property so disposed of), or for future delivery without assumption of any credit risk, with the right to Secured Party, to the extent permitted by applicable law, upon any such sale or sales, public or private, to purchase any or all Intellectual Property Collateral so sold or conveyed.

(h) In order to implement the sale, lease, assignment, license, sublicense or other disposition of any of the Intellectual Property Collateral pursuant to this Article 7, Secured Party may, at any time, execute and deliver on behalf of any Debtor one or more instruments of assignment of any or all Intellectual Property Collateral, in form suitable for filing, recording or registration in any Trademark Office or the Copyright Office, as applicable. Each Debtor agrees to pay when due all reasonable costs incurred in any such transfer and registration of the Intellectual Property Collateral, including any taxes, fees and reasonable and documented attorneys' fees.

(i) In the event of any sale, lease, assignment, license, sublicense or other disposition of any of the Intellectual Property Collateral pursuant to this Article 7, Debtors shall supply to Secured Party or its designee its know-how and expertise relating to the manufacture and sale of the products relating to any Intellectual Property Collateral, as applicable, subject to such disposition, and its customer lists and other records relating to such Intellectual Property Collateral, as applicable, and to the distribution of said products.

7.2 All remedies expressly provided for in this Agreement are cumulative of any and all other remedies existing at law or in equity and are cumulative of any and all other remedies provided for in any other instrument securing the payment of the Secured Obligations, or any part thereof, or otherwise benefiting Secured Party, and the resort to any remedy provided for hereunder or under any such other instrument or provided for by law shall not prevent the concurrent or subsequent employment of any other appropriate remedy or remedies.

7.3 Secured Party may resort to any security given by this Agreement or to any other security now existing or hereafter given to secure the payment of the Secured Obligations, in whole or in part, and in such portions and in such order as may seem best to Secured Party, in its sole discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits or security interests evidenced by this Agreement.

7.4 To the full extent Debtors may do so, each Debtor agrees that no Debtor will at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any stay, extension or redemption; and each Debtor, for itself and for any and all Persons ever claiming any interest in the Collateral, to the extent permitted by law, hereby WAIVES and releases all rights of redemption, stay of execution, notice of intention to mature or to declare due the whole of the Secured Obligations, notice of election to mature or to declare due the whole of the Secured Obligations and all rights to a marshaling of the assets of any Debtor, including the Collateral, or to a sale in inverse order of alienation in the event of foreclosure of the security interest hereby created.

ARTICLE 8

Additional Agreements

8.1 Subject to the automatic reinstatement provisions of Section 8.20 below, upon full satisfaction of the Secured Obligations (other than any contingent indemnification obligations not then due and owing), all rights under this Agreement shall terminate and the Collateral shall become wholly clear of the security interest evidenced hereby, and upon written request by Debtors such security interest shall be released by Secured Party in due form and at Debtors' cost.

8.2 Secured Party may waive any default without waiving any other prior or subsequent default. Secured Party may remedy any default without waiving the default remedied. The failure by Secured Party to exercise any right, power or remedy upon any default shall not be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Secured Party of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by any Debtor therefrom shall in any event be effective unless the same shall be in writing and signed by Secured Party and then such waiver or consent shall be effective only in the specific instances, for the purpose for which given and to the extent therein specified. No notice to nor demand on any Debtor in any case shall of itself entitle any Debtor to any other or further notice or demand in similar or other circumstances. Acceptance by Secured Party of any payment in an amount less than the amount then due on the Secured Obligations shall be deemed an acceptance on account only and shall not constitute a waiver of a default hereunder.

8.3 Secured Party may at any time and from time to time in writing (a) waive compliance by any Debtor with any covenant herein made by such Debtor to the extent and in the manner specified in such writing; (b) consent to any Debtor's doing any act which hereunder such Debtor is prohibited from doing, or consent to any Debtor's failing to do any act which hereunder such Debtor is required to do, to the extent and in the manner specified in such writing; (c) release any part of the Collateral, or any interest therein, from the security interest of this Agreement; or (d) release any Person liable, either directly or indirectly, for the Secured Obligations or for any covenant herein or in any other instrument now or hereafter securing the payment of the Secured Obligations, without impairing or releasing the liability of any other Person. No such act shall in any way impair the rights of Secured Party hereunder except to the extent specifically agreed to by Secured Party.

8.4 A carbon, photographic or other reproduction of this Agreement or of any financing statement relating to this Agreement shall be sufficient as a financing statement.

8.5 Each Debtor will cause all financing statements and continuation statements relating hereto to be recorded, filed, re-recorded and refiled in such manner and in such places as Secured Party shall reasonably request and will pay all such recording, filing, re-recording, and refiling taxes, fees and other charges. Without limiting the foregoing, Secured Party is hereby authorized to file financing statements and continuation statements relating hereto, including without limitation financing statements describing the Collateral as all assets or all personal property of Debtors.

8.6 In the event the ownership of the Collateral or any part thereof becomes vested in a Person other than a Debtor, Secured Party may, without notice to any Debtor, deal with such successor or successors in interest with reference to this Agreement and to the Secured

Obligations in the same manner as with Debtors, without in any way vitiating or discharging any Debtor's liability hereunder or upon the Secured Obligations. No forbearance on the part of Secured Party and no extension of the time for the payment of the Secured Obligations given by Secured Party shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of any Debtor hereunder for the payment of the Secured Obligations or the liability of any other Obligor for the payment of the Secured Obligations, except as agreed to in writing by Secured Party or as expressly provided in the Loan Agreement.

8.7 Any other or additional security taken for the payment of any of the Secured Obligations shall not in any manner affect the security given by this Agreement.

8.8 To the extent that proceeds of the Secured Obligations are used to pay indebtedness secured by any outstanding Lien against the Collateral, such proceeds have been advanced by Secured Party at Debtors' request, and Secured Party shall be subrogated to any and all rights and Liens owned by any owner or holder of such outstanding Lien.

8.9 If any part of the Secured Obligations cannot be lawfully secured by this Agreement, or if the Liens of this Agreement cannot be lawfully enforced to pay any part of the Secured Obligations, then and in either such event, at the option of Secured Party, all payments on the Secured Obligations shall be deemed to have been first applied against that part of the Secured Obligations.

8.10 Upon assignment of Secured Parties rights under the Loan Agreement in accordance with the terms thereof, Secured Party may assign this Agreement so that the assignee shall be entitled to the rights and remedies of Secured Party hereunder.

8.11 This Agreement shall not be changed orally but shall be changed only by agreement in writing signed by Debtors and Secured Party. No course of dealing between the parties, no usage of trade and no parole or extrinsic evidence of any nature shall be used to supplement or modify any of the terms or provisions of this Agreement.

8.12 Any notice, request or other communication required or permitted to be given hereunder shall be given as provided in the Loan Agreement.

8.13 This Agreement shall be binding upon Debtors, and the trustees, receivers, successors and assigns of Debtors, including all successors in interest of any Debtor in and to all or any part of the Collateral, and shall benefit Secured Party and its successors and assigns.

8.14 If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby, and this Agreement shall be liberally construed so as to carry out the intent of the parties to it. Each waiver in this Agreement is subject to the overriding and controlling rule that it shall be effective only if and to the extent that (a) it is not prohibited by applicable law and (b) applicable law neither provides for nor allows any material sanctions to be imposed against Secured Party for having bargained for and obtained it.

8.15 Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as Debtors request in writing, but failure of Secured Party to comply with such request shall not of itself be deemed a failure to have exercised reasonable care, and no failure of Secured Party to take any action so requested by Debtors shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral. Secured Party shall not be responsible in any way for any depreciation in the value of the Collateral, nor shall any duty or responsibility whatsoever rest upon Secured Party to enforce collection of the Collateral by legal proceedings or otherwise, the sole duty of Secured Party being to receive collections, remittances and payments on such Collateral as and when made and received by Secured Party and to apply the amount or amounts so received, after deduction of any collection costs incurred, as payment upon any of the Secured Obligations or to hold the same for the account and order of Debtors.

8.16 In the event any Debtor instructs Secured Party, in writing or orally, to deliver any or all of the Collateral to a third Person, and Secured Party agrees to do so, the following conditions shall be conclusively deemed to be a part of Secured Party's agreement, whether or not they are specifically mentioned to the applicable Debtor at the time of such agreement: (i) Secured Party shall not assume any responsibility for checking the genuineness or authenticity of any Person purporting to be a messenger, employee or representative of such third Person to whom the applicable Debtor has directed Secured Party to deliver the Collateral, or the genuineness or authenticity of any document or instructions delivered by such Person; (ii) the applicable Debtor will be considered by requesting any such delivery to have assumed all risk of loss as to the Collateral; (iii) Secured Party's sole responsibility will be to deliver the Collateral to the Person purporting to be such third Person described by the applicable Debtor, or a messenger, employee or representative thereof; and (iv) Secured Party and Debtors hereby expressly agree that the foregoing actions by Secured Party shall constitute reasonable care.

8.17 The pronouns used in this Agreement are in the masculine and neuter genders but shall be construed as feminine, masculine or neuter as occasion may require. "Secured Party", "Obligor" and "Debtor" as used in this Agreement include the administrators, personal representatives, trustees, beneficiaries, conservators, receivers, successors and permitted assigns of those parties.

8.18 The section headings appearing in this Agreement have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this Agreement. Wherever the term "including" or a similar term is used in this Agreement, it shall be read as if it were written "including by way of example only and without in any way limiting the generality of the clause or concept referred to."

8.19 (a) THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) EACH DEBTOR AND SECURED PARTY HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN NEW YORK, NEW YORK AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH DEBTOR AND SECURED PARTY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH DEBTOR AND SECURED PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS

AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

8.20 Each Debtor agrees that, if at any time all or any part of any payment previously applied by Secured Party to the Secured Obligations is or must be returned by Secured Party-- or recovered from Secured Party--for any reason (including the order of any bankruptcy court), this Agreement shall automatically be reinstated to the same effect, as if the prior application had not been made. Each Debtor hereby agrees to indemnify Secured Party against, and to save and hold Secured Party harmless from any required return by Secured Party--or recovery from Secured Party--of any such payments because of its being deemed preferential under applicable bankruptcy, receivership or insolvency laws, or for any other reason.

8.21 This Agreement and the other Loan Documents embody the entire agreement and understanding between Secured Party and Debtors with respect to subject matter hereof and supersede all prior conflicting or inconsistent agreements, consents and understandings relating to such subject matter. Each Debtor acknowledges and agrees there is no oral agreement between any Debtor and Secured Party which has not been incorporated in this Agreement and the other Loan Documents.

8.22 Secured Party may from time to time and at any time, without any necessity for any notice to or consent by any Debtor or any other Person, release all or any part of the Collateral from the Liens created pursuant to of this Agreement, with or without cause, including as a result of any determination by Secured Party that the Collateral or any portion thereof contains or has been contaminated by or releases or discharges any hazardous or toxic waste, material or substance.

8.23 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability and binding effect of this Agreement.

8.24 Each Debtor agrees that it shall never be entitled to be subrogated to any of Secured Party’s rights against any Obligor or any other person or entity or any Collateral or offset rights held by Secured Party for payment of the Secured Obligations until payment in full of the Secured Obligations (other than any contingent indemnification obligations not then due and owing).

8.25 The obligations of Debtors hereunder shall be joint and several.

[*signature pages follow*]

IN WITNESS WHEREOF, each of the following has executed and delivered to Secured Party this Guaranty as of the day and year first above written.

ATN VI HOLDINGS, LLC, as a Debtor

By: ______________________________
Name:
Title:

CARIBBEAN ASSET HOLDINGS LLC, as a Debtor

By: ______________________________
Name:
Title:

CARIBBEAN COMMUNICATION CORP., as a Debtor

By: ______________________________
Name:
Title:

ST. CROIX CABLE T.V., INC., as a Debtor

By: ______________________________
Name:
Title:

ICC T.V., INC., as a Debtor

By: ______________________________
Name:
Title:

INNOVATIVE LONG DISTANCE, INC., as a Debtor

By: ______________________________
Name:
Title:

VITELCOM CELLULAR, INC., as a Debtor

By: __________________________________
Name:
Title:

VI POWERNET, LLC, as a Debtor

By: __________________________________
Name:
Title:

DTR HOLDINGS, LLC, as a Guarantor

By: __________________________________
Name:
Title:

BVI ASSET HOLDINGS, LLC, as a Guarantor

By: __________________________________
Name:
Title:

STM ASSET HOLDINGS, LLC, as a Guarantor

By: __________________________________
Name:
Title:

RURAL TELEPHONE FINANCE COOPERATIVE,
as Secured Party

By: ____________________________________
Name:
Title:

EXHIBIT A

Trademarks, Copyrights and Patents TRADEMARKS

COPYRIGHTS

PATENTS AND PATENT LICENSES

EXHIBIT B

(Equity Interests)

Stock

Non-Corporate Equity Interests

EXHIBIT C

Commercial Tort Claims; Deposit Accounts Commercial Tort

Claims

Deposit Accounts

EXHIBIT D

Leased and Owned Locations

1. **Leased Locations**

2. **Owned Locations**

EXHIBIT E

Certificate of Title Property

EXHIBIT F

Prior Names

EXHIBIT G

Taxpayer Identification Numbers

Name	Tax ID Number

EXHIBIT A-6

SUBORDINATION AGREEMENT

[*follows this cover page*]

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") is made as of [____], 201[5][6], by and among Rural Telephone Finance Cooperative (the "Senior Lender"), [Atlantic Tele- Network, Inc., a Delaware corporation] (solely in its capacity as a lender under the Subordinated Note (as hereinafter defined) and not in any other capacity), (the "Subordinate Lender"), ATN VI HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), Caribbean Asset Holdings LLC, a Delaware limited liability company ("CAH" and, together with Holdings, each a "Borrower" and collectively, the "Borrowers"), and each party listed on the signature pages hereto as a Guarantor (each a "Guarantor" and, collectively, the "Guarantors").

RECITALS

1. The Borrowers and the Senior Lender have entered into that certain Loan Agreement dated as of the date hereof (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Senior Loan Agreement" and, together with the Senior Note, the Senior Guaranty Agreements, the Senior Collateral Documents (each as hereinafter defined) and all guaranties and other documents, agreements, and instruments now or hereafter executed in connection with the Senior Loan Agreement, all as amended, restated, amended and restated, supplemented or otherwise modified from time to time, being collectively called the "Senior Loan Documents").

2. The Subordinate Lender has extended credit to the Loan Parties (as hereinafter defined) as evidenced by that certain [Master Promissory Note], dated as of [____], made by the Loan Parties (as hereinafter defined) payable to the order of the Subordinate Lender in the maximum principal amount of $[___] (the "Subordinated Note").

3. As an inducement to and as one of the conditions precedent to the agreement of Senior Lender to consummate the transactions contemplated by the Senior Loan Agreement, Senior Lender has required the execution and delivery of this Agreement by the Subordinate Lender, and the Loan Parties in order to set forth the relative rights and priorities of the Senior Lender and the Subordinate Lender under the Senior Loan Documents and Subordinated Documents (as hereinafter defined).

NOW, THEREFORE, in consideration of the above recitals and the provisions set forth herein, the parties hereto agree as follows:

1. Definitions. The following terms in this Agreement shall have the following meanings:

"***Affiliate***" has the meaning set forth in the Senior Loan Agreement.

"***Agreement***" shall have the meaning assigned in the preamble hereto.

"***Borrower***" shall have the meaning provided in the preamble hereto.

"***Business Day***" has the meaning set forth in the Senior Loan Agreement.

"***CFC***" has the meaning set forth in the Senior Loan Agreement.

"***Enforcement Action***" means any action to enforce or attempt to enforce any right or remedy available to Senior Lender under the Senior Loan Documents or to Subordinate Lender under the Subordinated Documents, applicable law, or otherwise, including, without limitation, (a) accelerating the maturity of the Senior Debt or the Subordinated Debt, as applicable, (b) exercising any right of setoff or recoupment, (c) commencing, continuing, or participating in any judicial, arbitral, or other proceeding or any collection or enforcement action of any kind against any Loan Party or any Loan Party's assets seeking, directly or indirectly, to enforce any rights or remedies or to enforce any of the obligations incurred by any Loan Party under or in connection with the Senior Debt or the Subordinated Debt, as applicable, (d) commencing, or joining with any other Person in commencing, any Proceeding in any jurisdiction, or (e) commencing, continuing, or participating in any Lien Enforcement Action.

"***Event of Default***" has the meaning set forth in the Senior Loan Agreement.

"***Guarantor***" shall have the meaning provided in the preamble hereto.

"***Lien Enforcement Action***" means any action, whether legal, equitable, judicial, non-judicial, or otherwise, to enforce any lien, security interest, or other encumbrance now or in the future securing all or any Senior Debt or Subordinated Debt, as applicable, including, without limitation, any repossession, foreclosure, public sale, private sale, or retention of all or any part of any collateral for the Senior Debt or the Subordinated Debt, as applicable.

"***Loan Parties***" means the Loan Parties (as such term is defined in the Senior Loan Agreement), and "***Loan Party***" means any one of the Loan Parties.

"***Paid in Full***" and "***Payment in Full***" mean, when used in connection with the Senior Debt, the full and final, indefeasible payment in cash of all Senior Debt (in each case other than any contingent indemnification obligations not then due and owing).

"***Permitted Payments***" means (i) payments of interest in kind, and not in cash, assets or other property, at the interest rate specified in, and otherwise in accordance with, the terms and provisions of the Subordinated Documents, and (ii) so long as not Event of Default has occurred and is continuing on the date of any such payment, payments in accordance with Section 7.03 of the Senior Loan Agreement.

"***Person***" has the meaning set forth in the Senior Loan Agreement.

"***Proceeding***" means any (a) insolvency, bankruptcy, receivership, liquidation, custodianship, reorganization, readjustment, composition, or other similar proceeding relating to any Loan Party or any Loan Party's properties, whether under any bankruptcy, reorganization, or insolvency law, federal or state, or any law, federal or state, relating to relief of debtors, readjustment of indebtedness, reorganization, composition, or extension, (b) proceeding for any liquidation, dissolution, or other winding-up of any Loan Party, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy proceedings, (c) assignment for the benefit of creditors of any Loan Party or the appointment of a trustee, receiver, sequestrator, or other custodian for any Loan Party or any of its assets or properties, or (d) marshaling of assets of any Loan Party.

"***Senior Debt***" means (a) all indebtedness, obligations, and other liabilities of the Borrowers or any other Loan Party to Senior Lender or any of its Affiliates from time to time outstanding pursuant to or in connection with the Senior Loan Documents (including, without limitation, all principal, interest, fees, indemnities, costs and expenses, all "Obligations" as defined in the Senior Loan Agreement and any interest accruing after the commencement of any Proceeding with respect to any Loan Party regardless of whether such interest is included in the allowed claim of Senior Lender or such Affiliate in such

Proceeding) and (b) any modifications, amendments, refunding, refinancing, renewals, or extensions of any indebtedness, liability, or obligation described in the immediately preceding ***clause (a)***.

"***Senior Collateral Documents***" means, collectively, the Collateral Documents as such term is defined in the Senior Loan Agreement.

"***Senior Guaranty Agreements***" means, collectively, the Parent Guaranty and the Subsidiary Guaranty, as such terms are defined in the Senior Loan Agreement.

"***Senior Lender***" shall have the meaning provided in the preamble hereto.

"***Senior Loan Agreement***" shall have the meaning provided in the recitals hereto.

"***Senior Loan Documents***" shall have the meaning provided in the recitals hereto.

"***Senior Note***" means the Note as such term is defined in the Senior Loan Agreement.

"***Subordinated Debt***" means all indebtedness, obligations, and other liabilities now or from time to time hereafter owing by the Borrowers or any Loan Party to the Subordinate Lender under the Subordinated Note or evidenced by any other Subordinated Documents, including principal, interest (including any interest accruing after the commencement of any Proceeding with respect to any Loan Party), fees, expenses and expense reimbursements and charges.

"***Subordinated Debt Default***" means the occurrence of any default or event of default with respect to the Subordinated Debt that gives the Subordinate Lender the right or option to accelerate the maturity of the Subordinated Debt after the expiration of any period of grace or notice, if any.

"***Subordinated Documents***" means the Subordinated Note and all other documents, agreements, and instruments now or hereafter executed in connection therewith or evidencing any Subordinated Debt, all as renewed, extended, amended, replaced, or restated from time to time.

"***Subordinated Note***" shall have the meaning provided in the recitals hereto.

"***Subsidiary***" has the meaning set forth in the Senior Loan Agreement.

2. Subordination to Senior Debt. Notwithstanding any other provision of the Subordinated Note or any promissory note, document, agreement, or instrument executed by any Loan Party in connection therewith, or any collateral now or hereafter securing the same, all Subordinated Debt is and shall be subordinate and junior in right of payment, to the extent and in the manner hereinafter set forth, to the prior Payment in Full of all Senior Debt. Except as and to the extent permitted hereinafter, the Subordinate Lender will not ask, demand, sue for, take, or receive from any Loan Party, and no Loan Party will (a) make or pay, by set-off or in any other manner, directly or indirectly and whether in cash or any other property, the whole or any part or amount of the Subordinated Debt, or (b) transfer any property in payment of or as security for any Subordinated Debt, in each case unless and until all Senior Debt has been Paid in Full.

3. Lien Subordination and Standby. Without the prior written consent of Senior Lender, each Loan Party agrees that it will not grant, or permit any other Loan Party to grant, and the Subordinate Lender agrees that it will not accept or retain, any lien, security interest, encumbrance, charge, or claim on any assets or property of any Loan Party to secure all or any portion of the Subordinated Debt. In the event that a lien, security interest, encumbrance, charge, or claim is granted to the Subordinate Lender on any assets or property of any Loan Party, such lien, security interest, encumbrance, charge, or claim or any proceeds or revenues therefrom which the Subordinate Lender may have at any time as security for any Subordinated Debt shall be, and hereby is, subordinated to all liens, security interests, encumbrances, charges, or claims now or hereafter granted to or existing in favor of Senior Lender by any Loan Party or by law, notwithstanding the date or order or manner of creation or attachment or perfection of any such lien, security interest, encumbrance, charge, or claim or the provision of any applicable law. The Subordinate Lender agrees that Senior Lender may, in accordance with the Senior Loan Documents and applicable law, dispose of any or all of the collateral for the Senior Debt free and clear of any and all security interests and liens, including, but not limited to, security interests and liens created in favor of the Subordinate Lender under the Subordinated Documents, through judicial or nonjudicial proceedings, or otherwise in accordance with applicable law, including taking title, after written notice to the Subordinate Lender. The Subordinate Lender agrees that any such sale or other disposition by Senior Lender of so much of the collateral for the Senior Debt as is necessary for Payment in Full of all of the Senior Debt (including, without limitation, any principal of, interest on and reasonable costs of collection of the Senior Debt) shall be made free and clear of all (if any) security interests and liens granted to the Subordinate Lender. Upon Senior Lender's request, the Subordinate Lender shall execute and deliver any releases or other documents and agreements that Senior Lender, in its reasonable discretion, deems necessary to dispose of the collateral for the Senior Debt free and clear of the Subordinate Lender's interest in same. The Subordinate Lender hereby appoints Senior Lender and any officer or duly authorized person of Senior Lender, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Subordinate Lender and in the name of the Subordinate Lender or in Senior Lender's own name, from time to time, in Senior Lender's sole discretion, for the purposes of carrying out the terms of this ***Section 3***, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this ***Section 3***, including, without limitation, any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

4. **Proceedings.** In the event of any distribution, division, or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the assets or property of any Loan Party or the proceeds thereof (including any assets or property now or hereafter securing any Subordinated Debt) to creditors of any Loan Party or upon any indebtedness of any Loan Party, as a result of the liquidation, dissolution, or other winding up, partial or complete, of any Loan Party, or as a result of any Proceeding by or against any Loan Party for any relief under any bankruptcy or insolvency law or laws relating to the relief of debtors, readjustment of indebtedness, arrangements, reorganizations, compositions, or extensions or similar or other relief, or as a result of the sale of all or substantially all of the assets or property of any Loan Party, then and in any such event:

(a) Senior Lender shall be entitled to receive Payment in Full of all Senior Debt before the Subordinate Lender shall be entitled to receive any payment or other distributions on, or with respect to, the Subordinated Debt;

(b) any payment or distribution of any kind or character, whether in cash, securities, or other property (in each case, other than payments of interest in kind and not in cash, assets or other property), which but for these provisions would be payable or deliverable upon or with respect to the Subordinated Debt shall instead be paid or delivered directly to Senior Lender for application on the Senior Debt, whether then due or not due, until the Senior Debt shall have first been Paid in Full;

(c) the Subordinate Lender shall duly and promptly take such action as may reasonably be requested by Senior Lender to assist in the collection of the Subordinated Debt, including, without limitation, the filing of appropriate proofs of claim with respect to the Subordinated Debt;

(d) in the event that the Subordinate Lender shall not have filed a claim in any Proceeding with respect to any Loan Party at least fifteen (15) Business Days prior to the expiration of the time to file such claims, then Senior Lender, on behalf of the Subordinate Lender, shall be authorized to file a claim with respect to the Subordinated Debt;

(e) the Subordinate Lender may vote any claim of the Subordinate Lender in its capacity as a holder of the Subordinated Debt in connection with any Proceeding; *provided*, *however*, that the Subordinate Lender agrees that, in its capacity as a holder of Subordinated Debt, it shall not (i) vote to accept or approve any plan of partial or complete liquidation, reorganization, arrangement, composition or extension (nor shall it provide any financing to any Loan Party or its affiliates under any such plan) that would cause the Subordinate Lender or any Affiliate thereof to receive any payment in respect of the Subordinated Debt until the Senior Debt shall have first been Paid in Full, (ii) contest (or support any other Person contesting) any request by Senior Lender for adequate protection, (iii) contest (or support any other person contesting) any objection by Senior Lender to any motion, relief, action or proceeding based on Senior Lender claiming a lack of adequate protection in the Proceeding of its interest in any collateral, (iv) without the prior written consent of Senior Lender, seek relief from the automatic stay of Section 362 of the Bankruptcy Code or any other stay in any Proceeding, or (v) propose any plan of reorganization or file any motion or pleading in support of any motion or plan inconsistent with or that disturbs the priorities established in this Agreement;

(f) if, in any Proceeding, Senior Lender desires to permit use of any collateral or cash collateral by, or permit or provide financing (the "***DIP Financing***") to, any of the Loan Parties under either Section 363 or 364 of the Bankruptcy Code, the Subordinate Lender agrees that, in its capacity as a holder of Subordinated Debt, (i) adequate notice to it shall have been provided for such financing if it receives notice two (2) Business Days (subject to availability of a court to shorten the period of notice) prior to the hearing seeking approval of such financing; (ii) no objection will be raised by it to such DIP Financing or use of collateral or cash collateral, including any objection based on lack of adequate protection; and (iii) to the extent the liens or security interests securing the Senior Debt are subordinated or pari passu with the liens or security interests securing a DIP Financing, the Subordinate Lender will subordinate its liens or security interests in the collateral (if any) to (A) the liens or security interests securing such DIP Financing (and all obligations relating thereto), (B) any adequate protection provided to Senior Lender in connection therewith and (C) any "carve-out" for professional expenses and United States Trustee fees agreed to by Senior Lender; and

(g) should any direct or indirect payment (in each case, other than payments of interest in kind and not in cash, assets or other property) be made to the Subordinate Lender upon or with respect to the Subordinated Debt prior to the Payment in Full of the Senior Debt as provided herein, the Subordinate Lender will forthwith deliver the same to Senior Lender in precisely the form received (except for the endorsement or assignment by the Subordinate Lender where necessary) for application on the Senior Debt, whether then due or not due. Until so delivered, the payment or distribution shall be held in trust by the Subordinate Lender as property of Senior Lender. In the event of failure of the Subordinate Lender to make any such endorsement or assignment, Senior Lender and each of its officers and employees are hereby irrevocably authorized to make the same.

5. **Permitted Payments.** The Company may pay, and the Subordinate Lender may accept, Permitted Payments. In the event the Subordinate Lender receives any payment on the Subordinated Debt in violation of this Agreement, the Subordinate Lender will hold any such payment in trust for Senior Lender and promptly pay or deliver to Senior Lender, in precisely the form received (except for the endorsement or assignment by the Subordinate Lender where necessary), for application on the Senior Debt, whether then due or not due.

6. Limitation on Exercise of Remedies. The Subordinate Lender agrees that it shall not commence any Enforcement Action unless and until the Senior Debt has been Paid in Full; *provided, however*, that notwithstanding anything to the contrary contained herein, nothing herein shall preclude the Subordinate Lender from (a) filing a claim or statement of interest with respect to the Subordinated Debt in a Proceeding that has been commenced by or against one or more Loan Parties, (b) defending any action, suit, or other legal or equitable proceeding initiated by any Loan Party against the Subordinate Lender, or (c) seeking a declaratory judgment regarding the obligations of any Loan Party with respect to the Subordinated Debt (it being understood that the grant of any collateral or security for the Subordinated Debt is prohibited by this Agreement). Until the Payment in Full of the Senior Debt, the Subordinate Lender agrees that the Subordinate Lender will not commence or continue any Enforcement Action against any Loan Party or any collateral or security for the Subordinated Debt. Any Lien Enforcement Action taken by the Subordinate Lender shall be expressly undertaken, prosecuted, settled, compromised, or otherwise effected at all times subject to the senior and prior rights of the Senior Lender and each Senior Lender in and to the collateral or security securing the Senior Debt.

7. Limitation on Amendments.

(a) The parties hereto agree that, without the prior written consent of Senior Lender, (i) the provisions of the Subordinated Documents may not be amended or modified in any manner which is adverse to the interests of the Senior Lender hereunder and (ii) no Loan Party nor any Subsidiary of any Loan Party may grant any lien, security interest or other encumbrance on its property or assets to secure any Subordinated Debt.

(b) Senior Lender, at any time and from time to time, without the consent of or notice to the Subordinate Lender may enter into such agreements, amendments and modifications with the Borrowers and/or any other Loan Party as they may deem necessary, proper, convenient or desirable extending the time of payment of or renewing or otherwise altering the terms and conditions of the Senior Loan Documents (other than this Agreement).

8. Notices.

(a) The Subordinate Lender will give Senior Lender copies of all notices to any Loan Party under the Subordinated Documents.

(b) Senior Lender will endeavor to give the Subordinate Lender prompt written notice of (i) the occurrence of an Event of Default under the Senior Loan Documents or (ii) the acceleration of the Senior Debt; *provided that* Senior Lender’s failure to provide such copies shall not be a breach hereof or a default hereunder or in any way impair this Agreement or the agreements of the Subordinate Lender hereunder.

9. Continuing Subordination. The subordination effected by these provisions is a continuing subordination and may not be modified or terminated by the Subordinate Lender until the Senior Debt is Paid in Full. At any time and from time to time, without consent of or notice to the Subordinate Lender, and without impairing or affecting its obligations hereunder:

(a) The time for any Loan Party's performance of, or compliance with, any of its agreements contained in the Senior Loan Documents, or any other agreement, instrument, or document relating to the Senior Debt, may be modified or extended or such performance or compliance may be waived;

(b) Senior Lender may exercise or refrain from exercising any rights or remedies under the Senior Loan Documents, or any other agreement, instrument, or document relating to the Senior Debt;

(c) the Senior Loan Documents, or any other agreement, instrument, or document relating to the Senior Debt (other than this Agreement), may be revised, amended, or otherwise modified for the purpose of adding or changing any provisions thereof, or changing in any manner the rights of Senior Lender, any of its Affiliates or any Loan Party;

(d) payment of the Senior Debt or any portion thereof may be extended, refunded, amended or restated or the Senior Note evidencing the Senior Debt may be renewed in whole or in part;

(e) the maturity of the Senior Debt may be accelerated, and any collateral or security therefore or any other rights or remedies of Senior Lender may be exchanged, sold, surrendered, released, or otherwise dealt with, in accordance with the terms of any present or future agreement with the Borrowers or any other Loan Party and any other agreement of subordination (and the debt covered thereby) may be surrendered, released, or discharged, or the terms thereof modified or otherwise dealt with in any manner;

(f) any Person liable in any manner for payment of any Senior Debt may be released by Senior Lender; and

(g) notwithstanding the occurrence of any of the foregoing, this Agreement and the terms and provisions hereof shall remain in full force and effect, including, without limitation, such terms and provisions with respect to the Senior Debt, as the same shall have been extended, renewed, modified, refunded, amended or restated.

10. **Waivers.** The Subordinate Lender hereby waives, and agrees not to assert: (a) any right, now or hereafter existing, to require Senior Lender to proceed against or exhaust any collateral or security at any time securing the Senior Debt, or to marshal any assets in favor of the Subordinate Lender and (b) any notice of the incurrence of Senior Debt, it being understood that, Senior Lender may, in reliance upon these subordination provisions, make advances under the Senior Loan Documents, or any other agreement, document, or instrument now or hereafter relating to the Senior Debt, without notice to or authorization of the Subordinate Lender.

11. **Subrogation.** Until the Senior Debt is Paid in Full, the Subordinate Lender hereby waives all rights of subrogation with respect to the rights of Senior Lender to receive payments or distributions and with respect to any rights to any collateral or security for the Senior Debt.

12. **Subordination Not Impaired by any Loan Party.** No right of Senior Lender to enforce the subordination of the Subordinated Debt shall be impaired by any act or failure to act by any Loan Party or by any Loan Party's failure to comply with these provisions.

13. **No Prejudice or Impairment.** The provisions of this Agreement are solely for the purposes of defining the relative rights of Senior Lender, on the one hand, and the Subordinate Lender, on the other hand. Senior Lender shall not be prejudiced in the right to enforce subordination of the Subordinated Debt by any act or failure to act by any Loan Party or anyone in custody of its assets or property. Nothing herein shall impair, as between each Loan Party and the Subordinate Lender, the obligation of such Loan Party, which is unconditional and absolute, to pay to the Subordinate Lender the Subordinated Debt as and when the same shall become due in accordance with its terms, nor shall anything herein prevent the Subordinate Lender from exercising all remedies otherwise permitted by applicable law upon default under the Subordinated Documents, *subject, however,* to the terms and provisions of this Agreement and the rights of Senior Lender to the extent provided herein.

14. **No Third-Party Beneficiaries.** This Agreement is not intended to give or confer any rights to any Person other than Senior Lender. No other party, including the Loan Parties, is intended to be a third-party beneficiary of this Agreement.

15. **Representations and Warranties.**

(a) **Subordinate Lender**. The Subordinate Lender hereby represents and warrants that: (i) the execution and delivery of this Agreement and the performance by the Subordinate Lender of its obligations hereunder do not and will not contravene or conflict with any provision of law or any provision of any material indenture, instrument, or other agreement to which the Subordinate Lender is a party or by which it or its property may be bound or affected; (ii) the Subordinate Lender has full capacity and legal right to make and perform this Agreement; (iii) the Subordinate Lender has not assigned or transferred any indebtedness owing by any Loan Party or any of the collateral or security of the Subordinate Lender; and (iv) this Agreement is the legal, valid, and binding obligation of the Subordinate Lender, enforceable against the Subordinate Lender in accordance with its terms except as enforceability may be limited by debtor relief laws and governing principles of equity.

(b) **Senior Lender**. Senior Lender hereby represents and warrants that: (i) the execution and delivery of this Agreement and the performance by Senior Lender of its obligations hereunder have received all necessary approvals, corporate or otherwise, and do not and will not contravene or conflict with any provision of law or any provision of any indenture, instrument, or other agreement to which Senior Lender is a party or by which it or its property may be bound or affected; (ii) Senior Lender has full power, authority, and legal right to make and perform this Agreement; and (iii) this Agreement is the legal, valid, and binding obligation of Senior Lender, enforceable against Senior Lender in accordance with its terms except as enforceability may be limited by debtor relief laws and governing principles of equity.

16. **No Waiver.** No failure on the part of Senior Lender to exercise, no delay in exercising, and no course of dealing with respect to, any right or remedy hereunder will operate as a waiver thereof; nor will any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right or remedy. Notwithstanding anything to the contrary contained herein, this Agreement may not be amended or modified except by written agreement of the parties hereto, and no consent or waiver hereunder shall be valid unless in writing and signed by Senior Lender.

17. **Successors and Assigns.** This Agreement, and the terms, covenants, and conditions hereof, shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, personal representatives, successors, and permitted assigns.

18. **Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of a signature page of this Agreement by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of such agreement.

19. Address for Notices. Whenever it is provided herein that any notice, demand, request, consent, approval, declaration, or other communication shall or may be given to or served upon any of the parties by another, or whenever any of the parties desires to give or serve upon another any such communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration, or other communication shall be in writing (including by telecopier) and shall be deemed to have been duly given and received, for purposes hereof, when delivered in person, with receipt acknowledged, or three (3) days after being deposited in the mail, postage prepaid, return receipt requested, or, in the case of notice given by telecopy, when sent, in each case addressed or sent to the address or telecopier number, as the case may be, as set forth on the signature pages below, or at such address or telecopy number as may be substituted by notice given as herein provided. The giving of any notice required hereunder may be waived in writing by the party entitled to receive such notice. Failure or delay in delivering copies of any notice, demand, request, consent, approval, declaration or other communication to the Persons designated above to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

20. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THE PERFORMANCE AND CONSTRUCTION OF THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRAINED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) EACH PARTY HERETO HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN NEW YORK, AND ANY OF THE STATE COURTS SO LOCATED FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY THE APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDINGS BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

SENIOR LENDER:

RURAL TELEPHONE FINANCE COOPERATIVE

By: ____
Name:
Title:

Address for Notices:

Rural Telephone Finance Cooperative 20701
Cooperative Way Dulles, VA 20166
Attention: Senior Vice President and Administrative Officer
Fax: 703-467-5170

SUBORDINATE LENDER:

ATLANTIC TELE-NETWORK, INC.

By: ______________________________
Name:
Title:

Address for Notices:

____
____
____
Attention: ______________________________
Fax: ______________________________

LOAN PARTIES:

ATN VI HOLDINGS, LLC, as a Borrower

By: ________________________________
Name:
Title:

CARIBBEAN ASSET HOLDINGS LLC, as a Borrower

By: ________________________________
Name:
Title:

CARIBBEAN COMMUNICATION CORP., as a Guarantor

By: ________________________________
Name:
Title:

ST. CROIX CABLE T.V., INC., as a Guarantor

By: ________________________________
Name:
Title:

ICC T.V., INC., as a Guarantor

By: ________________________________
Name:
Title:

INNOVATIVE LONG DISTANCE, INC., as a Guarantor

By: ________________________________
Name:
Title:

VITELCOM CELLULAR, INC., as a Guarantor

By: ______________________________
Name:
Title:

VI POWERNET, LLC, as a Guarantor

By: ______________________________
Name:
Title:

DTR HOLDINGS, LLC, as a Guarantor

By: ______________________________
Name:
Title:

BVI ASSET HOLDINGS, LLC, as a Guarantor

By: ______________________________
Name:
Title:

STM ASSET HOLDINGS, LLC, as a Guarantor

By: ______________________________
Name:
Title:

Address for Notices to Loan Parties: ______________

____
____
____
Attention: ______________________________
Fax: ______________________________

Exhibit 99.2

EXECUTION VERSION

September 30, 2015

Mr. Michael Prior
Chief Executive Officer
Atlantic Tele-Network, Inc. 600
Cummings Center
Beverly, MA 01915

RE: ATN VI Holdings, LLC Rate Lock Option Offer (MA 802-9001)

Dear Mr. Prior:

Pursuant to Borrower's request, Rural Telephone Finance Cooperative ("RTFC" or "Lender") hereby offers ATN VI Holdings, LLC (hereinafter called "Borrower") this interest rate lock option for drawing certain funds, as more particularly described below ("Rate Lock Option"). The advance amount, applicable dates, interest rates and any other terms for each advance for which RTFC is offering the Rate Lock Option are set forth below, and such attributes together constitute the "Advance" for purposes of the Rate Lock Option. In consideration of RTFC's offer and Borrower's acceptance of it, RTFC and Borrower hereby agree as follows:

(a) The Rate Lock Option is limited to the approved single advance 10-year term loan in the amount of $60,000,000 ("the Loan") and shall not be construed as an offer, agreement or obligation associated with any other advance that has been or may be made by RTFC;

(b) It is contemplated that the Loan will be fully funded in a single draw of $60,000,000 (the "Advance") for the purpose of acquiring Caribbean Asset Holdings, LLC and its subsidiaries (the "Acquisition") and that said funding will occur on the date of closing of the Acquisition ("Advance Date");

(c) RTFC's obligation to fund the Advance is expressly conditioned upon Borrower and RTFC entering into and executing a mutually agreeable loan agreement that governs the terms of the Advance ("Loan Agreement"), and upon Borrower meeting all of the conditions to advance as set forth therein; and

(d) By exercising this Rate Lock Option, Borrower agrees to the following terms:

IF:	**THEN:**
The Advance occurs on or before January 31, 2016	The interest rate shall be fixed for the remaining term of the Loan at 4.00% per annum.

IF:	**THEN:**
Borrower elects to extend the 4.0% fixed rate to be available on the Advance through **January 31, 2017** ("Rate Lock Termination Date"):	A fee of $862,000 ("Rate Lock Fee") will be due within 30 days of the date this letter is executed by the Borrower.
The Acquisition closes on or before the Rate Lock Termination Date and Borrower does not make the Advance or draw any of the funds from the Loan on the Advance Date:	This Rate Lock Option shall terminate and if advances under the Loan remain available, all such advances shall be subject to the interest rate terms defined in the Loan Agreement.
Closing on the Acquisition has not occurred on or before the Rate Lock Termination Date and remains in pending status; and Borrower does not make the Advance or draw any of the funds from the Loan on the Advance Date:	This Rate Lock Option shall terminate, Lender shall not impose, assess or collect any funding loss fee computed in accordance with RTFC's standard formula for calculating reinvestment loss resulting from its commitment to make a fixed rate loan (collectively, "Breakage"), and the Loan shall be subject to the interest rate terms of the Loan Agreement.
Closing on the Acquisition has not occurred due to any breach of the definitive documentation with respect to the Acquisition by the sellers or the target company and its subsidiaries	Any Rate Lock Fee paid shall be fully reimbursed and no Breakage shall be due and payable.
Borrower draws *less* than the full amount of the Advance:	Borrower shall pay to RTFC, on demand, the Breakage, *except* that the Breakage shall be computed only upon the undrawn amount of the Advance; *and* the amount drawn shall be subject to the Rate Lock Option.
Borrower elects the Variable Rate of interest for the Advance on the Advance Date:	This Rate Lock Option shall terminate and the Loan shall be subject to the interest rate terms of the Loan Agreement.

(e) By signing below, the signatory hereby irrevocably exercises the Rate Lock Option on behalf of Borrower and certifies that (1) the signatory is duly authorized to act for, on behalf of, and commit Borrower as described herein, (2) no state regulatory commission or other governmental approval is required to exercise the Rate Lock Option and perform under the terms and conditions set forth herein or, if such approvals are required, then such approvals have been obtained, are in effect, and evidence thereof is attached hereto.

If the foregoing accurately describes our mutual understanding of the Rate Lock Option and the terms and conditions under which it is offered, please execute and return a copy of this letter by e-mail or facsimile before October 5, 2015 at which time this offer for the Rate Lock Option will automatically be deemed withdrawn.

Sincerely,

RURAL TELEPHONE FINANCE COOPERATIVE

By: /s/ Robin C. Reed
Robin C. Reed, Senior Vice
President

ACCEPTED AND AGREED TO THIS 30th DAY OF SEPTEMBER, 2015

ATLANTIC TELE-NETWORK, INC.

By: /s/ Michael T. Prior
Its: Chief Executive Officer