First Communications, Inc.
Amendment of Credit Facility

Akron, OH – August 21, 2009 First Communications, Inc. today provides the following update on the successful agreement of a new amended credit facility.

Banking Arrangements

First Communications has been in discussions with its bank group in relation to renegotiating its $127.5 million credit facility entered into on October 2, 2008 with a bank group lead by J.P. Morgan Chase Bank, N.A. First Communications, Inc has now successfully concluded these discussions and reached agreement with the syndicate led by J.P. Morgan Chase Bank, N.A. The amendment includes the following:

- The Company's maximum credit facility has been reduced to $87.5 million. The refinancing includes $40 million to reduce debt and $10 million is provided to free up the Company's revolver and the balance represents a term loan facility. This reduction is the result of the refinancing and subsequent repayment of $50.00 million of Company debt for which Diamond Communications LLC ("Diamond") had provided a limited non-recourse guaranty in connection with the Company's contribution of its Tower Business to Diamond. The Company has no liability of Diamond's refinanced debt. This is related to the Diamond Tower transaction announcement made today by the Company. This benefits the Company by providing a stabilized banking relationship as a foundation to grow and operate the business.

As part of the Amendment, our lenders agreed to waive existing defaults under the Facility.

Mandatory Prepayments

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- We are required to receive at least $10 million of cash capital contributions by January 31, 2010. At least $10 million of such contributions must be used to repay revolving loans that are part of the facility, and the commitment to make revolving loans is permanently reduced by 50% of the aggregate of such repayment. One-half of any remaining amount of the capital contribution will be used to prepay the term loans that are part of the Facility (in inverse order of maturity), with the other one-half being available to us for working capital and/or capital expenditure purposes.

Maturity Date

- The maturity date of the loans under the Facility has been amended so that the scheduled maturity date (March 6, 2013) will occur earlier depending on the amount of additional capital we raise by the end of January 2010.

Amount of Capital Contributed (in thousands)	Scheduled Maturity Date
<$10,000	December 7, 2010
≥$10,000 and <$17,500	September 7, 2011
≥$17,500 and <$25,000	December 7, 2011
≥$25,000	June 7, 2012

Financial Covenants

- The Facility has a minimum EBITDA test, a maximum leverage test, a minimum fixed charge test, and a limitation on capital expenditures which are typical for Facilities of this size and type.
- Minimum EBITDA will be a quarterly test beginning July 1, 2009 with levels of $2.8 million at September 30, 2009, $8.8 million at December 31, 2009, $13.6 million at March 31, 2010, $17.8 million at June 30, 2010, and $18.8 million at September 30, 2010. Until June 30, 2010, EBITDA shall be determined on a cumulative basis since July 1, 2009. Thereafter, it shall be determined on a last twelve months basis.

- Maximum leverage (total debt to EBITDA) of 5.5 to 1.0 at March 31, 2010, 5.0 to 1.0 at June 30, 2010, 4.25 to 1.0 at September 30, 2010, 4.0 to 1.0 at December 31, 2010, and 3.50 to 1.0 thereafter.
- Minimum fixed charge coverage of 1.0 to 1.0 at December 31, 2010 and March 31, 2011, 1.1 to 1.0 at June 30, 2011 and 1.2 to 1.0 thereafter.
- Maximum capital expenditures of $10 million during any consecutive twelve-month period.

<u>Pricing</u>

The new pricing grid, based on leverage, will be as follows. It will apply for both the revolving loans and term loans under the Facility.

Level	**Total Debt to EBITDA**	**Commitment Fee**	**LIBOR Margin**	**ABR Margin**
I	>6.00 to 1.00	100 bps	600 bps	500 bps
II	>4.50 to 1.00 and ≤6.00 to 1.00	75 bps	550 bps	450 bps
III	≤4.50 to 1.00	50 bps	500 bps	400 bps

Ray Hexamer, CEO of First Communications, commented, "Our strong bank group led by J.P. Morgan Chase were outstanding partners in helping us position First Communications, Inc. for future growth as a dominate player in the Midwest providing data and voice service to our customers. We feel this arrangement helps set the foundation for continued growth".

For Further Information:

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