EXHIBIT 10
Non Advocate Staff
DT 10-025

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	**Chapter 11**
FAIRPOINT COMMUNICATIONS, INC., *et al.*,	**Case No. 09-16335 (BRL)**
Debtors.	**(Jointly Administered)**

DECLARATION OF NEIL AUGUSTINE IN SUPPORT OF CONFIRMATION OF THE DEBTORS' MODIFIED SECOND AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE DATED MARCH 10, 2010

NEIL AUGUSTINE makes this declaration, and says:

1. I am a Managing Director of the investment banking and financial advisory firm Rothschild Inc. ("Rothschild"), which has an office located at 1251 Avenue of the Americas, New York, New York 10020. I submit this declaration in support of confirmation of the Debtors' Modified Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, dated March 10, 2010 (as may be further amended, modified, or supplemented, the "Plan").[1]

2. I have reviewed and am familiar with the terms and provisions of the Plan and the Second Amended Disclosure Statement for the Plan, dated March 10, 2010 (the "Disclosure Statement"). I am also familiar with the documents in the Plan Supplement to Debtors' Plan of Reorganization, filed on April 23, 2010 (the "Plan Supplement"). I have reviewed the requirements for confirmation of the Plan under section 1129 of title 11 of the

[1] Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Plan.

United States Code (the "Bankruptcy Code"). Unless otherwise stated, I have personal knowledge of the facts stated in this declaration.

Qualifications of Declarant

3. Since May 12, 2009, I, along with certain other professionals at Rothschild, have been providing investment banking and financial advisory services to FairPoint (defined below) in connection with its restructuring efforts. Specifically, Rothschild spent a significant amount of time evaluating alternatives for a restructuring, reorganization, or other value maximizing strategy. By order dated January 11, 2010, the Court approved the retention of Rothschild by FairPoint Communications, Inc. ("FairPoint Communications") and its affiliated debtors as debtors in possession (collectively, "FairPoint") to render investment banking and financial advisory services in FairPoint's chapter 11 cases. In my capacity as a financial advisor, I am familiar with the operations, business, and financial affairs of FairPoint.

4. I hold a Bachelor of Arts degree and a Masters of Business Administration from the University of Rochester. I began my career at Chemical Bank where I was actively involved in advising both debtors and creditors as well as providing debtor-in-possession financing. Thereafter, I became one of the founding members of The Blackstone Group's Restructuring and Reorganization Financial Advisory Department. After leaving the Blackstone Group, I held positions as the Director of Distressed Debt Research at Lehman Brothers, Inc. and as the Director of Research at Whippoorwill Associates, Inc., a $600 million money management firm specializing in purchasing claims in financially troubled companies. Prior to joining Rothschild in April 2001, I was the Group Portfolio Manager for the Distressed Debt Group of Morgens, Waterfall, Vintiadis & Company Inc., a New York-based, S.E.C.-registered investment advisor with approximately $1 billion of capital under management. I have previously served on

the boards of United Artists Theatre Company, Safeguard Business Systems, Inc., The Grand Union Company and American Blind and Wallpaper Factory, Inc.

5. I have more than twenty (20) years experience in investing in and advising distressed companies and their creditors. I have substantial experience marketing, structuring and evaluating debtor-in-possession financings, secured debt, exit financing, unsecured debt, rights offerings and preferred and common stock investments.

6. I have been involved in out-of-court and in-court restructurings in the United States, Europe, Canada and Mexico. The bankruptcy-related matters in which I have testified at deposition and/or at trial include, but are not limited to, cases involving the following debtors: Atlantic Express Transportation Group, FairPoint Communications, Inc., Innovative Communications Corp., Milacron Inc., Motor Coach Industries, New World Pasta Corp., Trump Entertainment Restorts, VeraSun Energy, Werner Ladder Co., and WestPoint Stevens, Inc.

Valuation Analysis Results

7. In connection with formulating the Plan, I, along with certain other professionals at Rothschild, performed an analysis for Reorganized FairPoint's theoretical total enterprise value on a going concern basis upon emergence from chapter 11 (the "Enterprise Value"). The Enterprise Value assumes an effective date of the Plan of June 30, 2010.

8. Based in part on information provided by FairPoint, Rothschild concluded that the total Enterprise Value for Reorganized FairPoint as of an assumed effective date of June 30, 2010 ranges from approximately $1.8 billion to $2.1 billion, with a midpoint of $1.9 billion. Rothschild reduced the estimated total Enterprise Value by the estimated net debt levels of Reorganized FairPoint (approximately $1.0 billion) and deducted the estimated values for the Seven-Year Unsecured Creditor Warrants and the ten-year management options to estimate that

Reorganized FairPoint's implied total reorganized equity value will range from $800 million to $1.1 billion with a midpoint of $920 million. Based on Rothschild's valuation, holders of Claims in Class 7 (FairPoint Communications Unsecured Claims) and holders of Equity Interests in Class 11 (Old FairPoint Equity Interests) would not be entitled to receive *any* distribution absent the consent of the holders of claims in Class 4 (Allowed Prepetition Credit Agreement Claims).

Valuation Techniques

9. In preparing the Valuation Analysis, Rothschild, among other things: (i) reviewed certain publicly available financial results of FairPoint; (ii) reviewed certain internal financial and operating data of FairPoint, including the business projections prepared and provided by FairPoint's management and approved by the Board of Directors on September 24, 2009 relating to their business and their prospects for the calendar years 2009 through 2013 (the "Projections"); (iii) discussed with certain senior executives the current operations and prospects of FairPoint, as well as key assumptions related to the Projections; (iv) prepared discounted cash flow analyses based on the Projections, utilizing various discount rates and terminal value multiples; (v) considered the multiples of certain publicly-traded companies in businesses reasonably comparable to the operating businesses of FairPoint; (vi) considered the multiple assigned to certain precedent change-in-control transactions for businesses similar to FairPoint; (vii) separately valued and accounted for the Seven-Year Warrants issued to FairPoint's general unsecured claims and the ten-year management options, utilizing the standard Black-Scholes methodology; (viii) utilized specific tax assumptions and Net Operating Loss Carryforward ("NOL") analysis prepared by FairPoint's management and outside accountants; and

(ix) conducted such other analyses as Rothschild deemed necessary under the circumstances.[2] Rothschild also has considered a range of potential risk factors, including Reorganized FairPoint's: (a) ability to execute and realize savings from planned operational initiatives; (b) capital structure; and (c) ability to meet projected revenue growth targets.

10. In performing its analysis, Rothschild used various valuation techniques, including: (i) a discounted cashflow analysis, in which Rothschild calculated the intrinsic value of FairPoint by calculating the present value of expected future cash flows and the value of the business past the projected horizon or otherwise known as the terminal value and discounting them by the company's weighted average cost of capital using a mid-year convention; (ii) precedent transactions analysis, in which Rothschild analyzed the enterprise value of companies involved in acquisitions and public mergers that have operating and financial characteristics similar to FairPoint. Those enterprise values are commonly expressed as multiples of various measures of operating statistics such as sales, EBITDA, and EBIT. The derived multiples were then applied to FairPoint's operating statistics to determine the enterprise value to a potential buyer; and (iii) trading values analysis, in which Rothschild determined the enterprise value of certain public comparable companies, deemed generally comparable to all or parts of FairPoint's

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[2] Although Rothschild conducted a review and analysis of FairPoint's business, operating assets and liabilities, and the Projections, Rothschild relied on and assumed the accuracy and completeness of information furnished by FairPoint and third parties and all publicly available information. Rothschild did not attempt to independently audit or verify any such information, nor did Rothschild make an independent appraisal of the assets or liabilities of FairPoint. Rothschild discussed financial forecasts with FairPoint's management and, with respect to such forecasts, Rothschild assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of FairPoint and their advisors as to the future financial performance of Reorganized FairPoint. Rothschild relied on the assurances of FairPoint's senior management that they are unaware of any facts that would make the information incomplete or misleading. The estimates contained in Rothschild's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be materially different from those suggested by the analyses. In addition to the assumptions and qualifications herein, the valuation analyses are subject to the assumptions and qualifications set forth in the Disclosure Statement.

operating business, and by examining trading prices for the comparable company's public equity securities and adding the aggregate amount of outstanding net debt for that company. Those enterprise values are commonly expressed as multiples of various measures of operating statistics, most commonly sales, EBITDA and EBITDA less capital expenditures. In addition, Rothschild examined each of the selected public companies' operational performance, operating margins, profitability, leverage and business trends.

Feasibility

11. I have been informed that section 1129(a)(11) of the Bankruptcy Code permits a plan to be confirmed if it is feasible, i.e., not likely to be followed by liquidation or the need for further financial reorganization. For purposes of determining whether FairPoint meets this requirement, I and others at Rothschild, in consultation with FairPoint's management, analyzed FairPoint's ability to meet their obligations under the Plan. Based upon my review of the Projections, it is my conclusion that the funding available from cash on hand and the New Credit Agreement will be sufficient to allow Reorganized FairPoint to satisfy its obligations under the Plan, repay and service debt obligations, and continue operations on a go-forward basis.

12. Accordingly, it is my conclusion that Reorganized FairPoint will have the ability to meet its obligations under the Plan and that confirmation of the Plan will not be followed by liquidation or the need for further financial reorganization, thus satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

Exculpation and Releases

13. The Plan contains release, indemnification, and exculpation provisions that were integral components of the complex negotiations and compromises underlying the

Plan. Based on my knowledge of the Plan negotiations, these provisions are fair and equitable, supported by consideration, in the best interests of FairPoint and all parties in interest, and necessary to the reorganization and the realization of the substantial value provided by the Plan for creditors.

14. The releases and exculpations set forth in sections 14.1 and 14.2 of the Plan are the product of extensive negotiations among a large and diverse group of parties and were necessary to the consensus that resulted in the overwhelming support for the Plan. It is my belief that without the releases, FairPoint would not have been able to reach a consensual deal as quickly as it did, which will: (i) enable the payment of certain classes of unsecured creditors in full of all debtor entities other than FairPoint Communications; (ii) provide for the payment in full of allowed Convenience Claims (i.e., Claims asserted in an amount of $10,000 or less) against FairPoint Communications; (iii) provide for overall significant creditor recoveries; and (iv) allow Reorganized FairPoint to emerge as a delevered, reorganized company.

15. Each of the Released Parties made a substantial contribution to FairPoint's reorganization by foregoing certain rights and claims, or by negotiating, designing, implementing, and in some cases funding the Plan, either by contributing funds, expending significant time and effort, or foregoing certain rights.

- FairPoint's directors, officers, and employees made significant sacrifices of time and effort to develop and negotiate the Plan that, among other things, will reduce the debt on FairPoint's balance sheets in the aggregate by $1.7 billion, while managing FairPoint's business operations during the most severe economic downturn since the Great Depression.

- The Prepetition Credit Agreement Lenders, including the Lender Steering Committee and the Prepetition Credit Agreement Agent, and the Ad Hoc Committee of Senior Noteholders devoted a significant amount of time to negotiating a complex and consensual restructuring. In addition, the Prepetition Credit Agreement Lenders have agreed to give up a portion of the recovery to which they would otherwise be entitled in order to facilitate a restructuring that has the overwhelming support of unsecured creditors of FairPoint Communications. Further, their commitment to support FairPoint's Plan in advance of the solicitation has enabled FairPoint to substantially reduce its time in chapter 11, conserve the estates' assets, and enhance the overall value of the estates for all creditors.

- By committing their support of the Plan, the Prepetition Credit Agreement Lenders are allowing FairPoint to pay prepetition obligations to certain trade creditors during these cases and to pay certain general unsecured trade claims in full notwithstanding the fact that the Prepetition Credit Agreement Lenders are receiving less than full payment of their respective Claims. Such a compromise has enabled FairPoint to preserve its trade credit and conduct operations during bankruptcy, each of which is essential to the success of Reorganized FairPoint and has preserved the value of its estates.

- Significant holders of the Prepetition Credit Agreement Claims, as well as the Prepetition Credit Agreement Agent, provided a forbearance that enabled FairPoint to maximize the value of its estates by extending the time during which FairPoint could negotiate a restructuring with its creditors before filing for bankruptcy. The extended period allowed FairPoint to provide meaningful value to other creditors of FairPoint.

- By providing a $75 million debtor-in-possession credit facility, the DIP Agent and the DIP Lenders have preserved the value of its estates for FairPoint's creditors by providing financing that enabled FairPoint to meet its obligations during its chapter 11 cases and demonstrate adequate liquidity to its vendors and customers, thus inspiring confidence to continue its respective business relationships with FairPoint.

16. The significance attached to the releases by the parties whose cooperation was necessary to the reorganization, the significant consideration given by the Released Parties to obtain the releases, the increase in value available to creditors as a result of successfully consummating a restructuring, and the resulting distribution under the Plan all demonstrate that the releases are fair to the parties giving them. Without the consensus facilitated by the releases, FairPoint could not have achieved the successful solicitation of votes to accept or reject the Plan and would have suffered significant lost value, to the detriment of all parties. The fruits of the negotiations and the ultimate consensus can be seen, in part, in the successful agreement that led the Plan, and in the significant recoveries to trade creditors despite impairment of certain claims.

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Signed on

Executed this 8th day of May, 2010.

Neil Augustine
Managing Director
Rothschild, Inc.

Financial Advisors to FairPoint