

Renaissance Acquisition Corp.  
Form PREM14A  
January 02, 2009

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a)  
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Renaissance Acquisition Corp.**

(Name of Registrant as Specified In Its Charter)

(N/A)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
  - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:

Common Stock, par value \$0.0001 per share, of Renaissance Acquisition Corp.

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- (2) Aggregate number of securities to which transaction applies:

40,410,000 shares of Renaissance Common Stock, par value \$0.0001 per share

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

\$5.70 per share of Renaissance Common Stock

- (4) Proposed maximum aggregate value of transaction:

\$230,337,000

- (5) Total fee paid:

\$206.48

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid: \$8,845.79
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- (2) Form, Schedule or Registration Statement No.: Form S-4, Reg. No.333-154482
  - (3) Filing Party:  
Renaissance Acquisition Corp.
  - (4) Date Filed: October 20, 2008
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**RENAISSANCE ACQUISITION CORP.  
50 EAST SAMPLE ROAD, SUITE 400  
POMPANO BEACH, FL 33064**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
OF RENAISSANCE ACQUISITION CORP.  
TO BE HELD ON**

To the Stockholders of Renaissance Acquisition Corp.:

NOTICE IS HEREBY GIVEN that the special meeting of stockholders of Renaissance Acquisition Corp. ( Renaissance ), a Delaware corporation, will be held at 8:30 a.m. Eastern time, on \_\_\_\_\_, at 50 East Sample Road, Suite 400, Pompano Beach, FL 33064. You are cordially invited to attend the meeting, which will be held for the following purposes:

- (1) to consider and vote upon a proposal to approve the agreement and plan of merger, dated as of September 13, 2008, as amended on December 22, 2008 and December 31, 2008, (collectively, the Merger Agreement ), among Renaissance, Renaissance s wholly-owned subsidiaries formed for the purposes of consummating the merger, FCI Merger Sub I, Inc. ( Merger Sub I ) and FCI Merger Sub II, LLC ( Merger Sub II ), First Communications, Inc. ( First Communications ) and The Gores Group, LLC, solely in its capacity as Stockholders Representative ( Stockholders Representative ), which, among other things, provides for the merger of Merger Sub I with and into First Communications, with First Communications continuing as the surviving corporation ( First Merger ) and First Communications immediately thereafter merging with and into Merger Sub II, with Merger Sub II continuing as the surviving limited liability company ( Second Merger, and together with the First Merger, the Merger ) we refer to this proposal as the merger proposal;
- (2) to consider and vote upon a proposal to amend and restate Renaissance s charter to (i) change Renaissance s corporate name to First Communications, Inc., (ii) increase the number of authorized shares of capital stock, (iii) provide for the company s perpetual existence, (iv) provide for the classification of the board of directors into three classes, (v) delete Article Sixth of Renaissance s current amended and restated certificate of incorporation and (vi) make certain other changes in tense and number that Renaissance s board of directors believes are immaterial we refer to this proposal as the charter amendment proposal;
- (3) to consider and vote upon a proposal to approve the 2008 Equity Incentive Plan (the 2008 Plan ), which is an equity-based incentive compensation plan for directors, officers, employees and certain consultants, pursuant to which Renaissance will reserve up to 3,000,000 shares of common stock for issuance under the 2008 Plan we refer to this proposal as the incentive compensation plan proposal;
- (4) to consider and vote upon election of nine directors to Renaissance s board of directors, effective immediately following and contingent upon closing of the Merger, of whom Barry W. Florescue, Theodore V. Boyd and Joseph R. Morris will serve until the annual meeting to be held in 2009, Raymond Hexamer, Marshall B. Belden Jr. and Mark R. Stone will serve until the annual meeting to be held in 2010 and Richard Bloom, Scott M. Honour and Mark T. Clark will serve until the annual meeting to be held in 2011 and, in each case, until their successors are elected and qualified we refer to this proposal as the director election proposal; and
- (5) to consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies if, based upon the tabulated vote at the time of the special meeting, Renaissance is not authorized to consummate the Merger we refer to this proposal as the adjournment proposal.

These items of business are described in the attached proxy statement, which we encourage you to read in its entirety before voting. Only holders of record of Renaissance common stock at the close of business on

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December 24, 2008 are entitled to notice of the special meeting and to vote and have their votes counted at the special meeting and any adjournments or postponements of the special meeting.

Renaissance's board of directors has determined that the merger proposal and the other proposals are fair to and in the best interests of Renaissance and its stockholders and unanimously recommends that you vote or give instruction to vote FOR the approval of all of the proposals and all of the persons nominated by Renaissance's management for election as directors.

All Renaissance stockholders are cordially invited to attend the special meeting in person. To ensure your representation at the special meeting, however, you are urged to complete, sign, date and return the enclosed proxy card as soon as possible. If you are a stockholder of record of Renaissance common stock, you may also cast your vote in person at the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares or, if you wish to attend the meeting and vote in person, obtain a proxy from your broker or bank. If you do not vote or do not instruct your broker or bank how to vote, it will have the same effect as voting against the charter amendment proposal but will have no effect on the merger proposal, the incentive compensation plan proposal, the director election proposal or the adjournment proposal.

A complete list of Renaissance stockholders of record entitled to vote at the special meeting will be available for ten days before the special meeting at the principal executive offices of Renaissance for inspection by stockholders during ordinary business hours for any purpose germane to the special meeting.

Your vote is important regardless of the number of shares you own. Whether you plan to attend the special meeting or not, please sign, date and return the enclosed proxy card as soon as possible in the envelope provided. If your shares are held in street name or are in a margin or similar account, you should contact your broker to ensure that votes related to the shares you beneficially own are properly counted.

Thank you for your participation. We look forward to your continued support.

By Order of the Board of Directors  
Barry W. Florescue  
*Chairman and Chief Executive Officer*

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**IF YOU RETURN YOUR PROXY CARD WITHOUT AN INDICATION OF HOW YOU WISH TO VOTE, YOUR SHARES WILL BE VOTED IN FAVOR OF EACH OF THE PROPOSALS AND YOU WILL NOT BE ELIGIBLE TO HAVE YOUR SHARES CONVERTED INTO A PRO RATA PORTION OF THE TRUST ACCOUNT IN WHICH A SUBSTANTIAL PORTION OF THE NET PROCEEDS OF RENAISSANCE'S IPO ARE HELD. YOU MUST AFFIRMATIVELY VOTE AGAINST THE MERGER PROPOSAL AND DEMAND THAT RENAISSANCE CONVERT YOUR SHARES INTO CASH NO LATER THAN THE CLOSE OF THE VOTE ON THE MERGER PROPOSAL TO EXERCISE YOUR CONVERSION RIGHTS. IN ORDER TO CONVERT YOUR SHARES, YOU MUST CONTINUE TO HOLD YOUR SHARES THROUGH THE CLOSING DATE OF THE MERGER AND THEN TENDER YOUR STOCK TO RENAISSANCE'S STOCK TRANSFER AGENT WITHIN THE TIME PERIOD SPECIFIED IN A NOTICE YOU WILL RECEIVE FROM OR ON BEHALF OF RENAISSANCE, WHICH PERIOD WILL NOT BE LESS THAN 20 DAYS. YOU MAY TENDER YOUR STOCK BY EITHER DELIVERING YOUR STOCK CERTIFICATE TO THE TRANSFER AGENT OR BY DELIVERING YOUR SHARES ELECTRONICALLY USING DEPOSITORY TRUST COMPANY'S DWAC (DEPOSIT WITHDRAWAL AT CUSTODIAN) SYSTEM. IF THE MERGER IS NOT COMPLETED, THEN THESE SHARES WILL NOT BE CONVERTED INTO CASH. IF YOU HOLD THE SHARES IN STREET NAME, YOU WILL NEED TO INSTRUCT THE ACCOUNT EXECUTIVE AT YOUR BANK OR BROKER TO WITHDRAW THE SHARES FROM YOUR ACCOUNT IN ORDER TO EXERCISE YOUR CONVERSION RIGHTS. SEE SPECIAL MEETING OF RENAISSANCE STOCKHOLDERS CONVERSION RIGHTS FOR MORE SPECIFIC INSTRUCTIONS.**

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**PROXY STATEMENT FOR SPECIAL MEETING OF  
STOCKHOLDERS OF  
RENAISSANCE ACQUISITION CORP.**

Renaissance Acquisition Corp. ( Renaissance ) is pleased to report that its board of directors and the board of directors and stockholders of First Communications, Inc. ( First Communications ) have approved an agreement and plan of merger and Amendment No. 1 to the agreement and plan of merger, and that the boards of directors of Renaissance and First Communications have approved Amendment No. 2 to the agreement and plan of merger. The agreement, as amended, (the Merger Agreement ) provides for a merger of FCI Merger Sub I, Inc. ( Merger Sub I ) with and into First Communications, with First Communications continuing as the surviving corporation ( First Merger ) and First Communications immediately thereafter merging with and into FCI Merger Sub II, LLC ( Merger Sub II ), with Merger Sub II continuing as the surviving limited liability company ( Second Merger, and together with the First Merger, the Merger ). The proposal to approve the Merger Agreement (referred to herein as the merger proposal) and the other proposals discussed in this proxy statement will be presented at the special meeting of stockholders of Renaissance scheduled to be held on \_\_\_\_\_.

If the Merger is completed, First Communications stockholders, including certain warrant holders who make an irrevocable cashless exercise of their warrants immediately prior to and contingent upon the consummation of the Merger (the T1 Warrant Holders ), will receive an aggregate of 14,460,000 shares of Renaissance common stock (the Initial Shares ) and the right to receive up to an aggregate of an additional (i) 13,950,000 shares of Renaissance common stock if a performance milestone is achieved before December 31, 2011 ( EBITDA Condition ) and (ii) 8,500,000 shares of Renaissance common stock if the last sales price of Renaissance common stock has been at least \$8.50 per share on 20 trading days within any 30 trading day period ending on January 28, 2011 ( Warrant Condition ). Based on the closing market price of \$5.80 per share on September 12, 2008, the last trading day prior to the announcement of the Merger Agreement, the Initial Shares had an aggregate value of \$83,868,000. Based on the closing market price of \$5.81 per share on December 15, 2008, the Initial Shares had an aggregate value of \$84,012,600. In addition, holders of First Communications Series A Preferred Stock will receive an aggregate of \$15.0 million in cash consideration, together with an accrued dividend of 12% per annum, pro rated and calculated from September 28, 2008 in exchange for their shares of Series A Preferred Stock.

Renaissance s units, common stock and warrants are currently quoted on the American Stock Exchange under the symbols RAK.U, RAK and RAK.WS, respectively. Renaissance has applied for listing of its securities on the Nasdaq Stock Market ( Nasdaq ). If Renaissance s securities are listed on Nasdaq, the symbols will change to symbols that are reasonably representative of the post-merger combined company s corporate name.

Renaissance is providing this proxy statement and accompanying proxy card to its stockholders in connection with the solicitation of proxies to be voted at the special meeting of stockholders of Renaissance and at any adjournments or postponements of the special meeting. Unless the context requires otherwise, references to you are references to Renaissance stockholders, and references to we , us and our are to Renaissance.

This proxy statement provides you with detailed information about the Merger and other matters to be considered by the Renaissance stockholders. Renaissance encourages you to carefully read the entire document and the documents incorporated by reference. **IN PARTICULAR, YOU SHOULD CAREFULLY CONSIDER THE MATTERS DISCUSSED UNDER RISK FACTORS BEGINNING ON PAGE 27.**

**Renaissance Stockholders Your vote is very important.** Whether or not you expect to attend the special meeting, the details of which are described on the following pages, please complete, date, sign and promptly return the accompanying proxy in the enclosed envelope.

**Neither the Securities and Exchange Commission nor any state securities commission has passed upon the adequacy or accuracy of this proxy statement. Any representation to the contrary is a criminal offense.**

This proxy statement is dated \_\_\_\_\_, and is first being mailed on or about \_\_\_\_\_.

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## SUMMARY OF THE MATERIAL TERMS OF THE MERGER

The parties to the Merger are Renaissance, Merger Sub I, Merger Sub II, First Communications and The Gores Group, LLC, solely in its capacity as Stockholders Representative ( Stockholders Representative ). Pursuant to the Merger Agreement, Merger Sub I will merge with and into First Communications, with First Communications continuing as the surviving corporation and First Communications will immediately thereafter merge with and into Merger Sub II, with Merger Sub II continuing as the surviving limited liability company. See the section entitled *The Merger Proposal*.

First Communications is a leading facilities-based competitive communications and wireless communication tower operator providing services throughout the Midwest and Mid-Atlantic United States. See the section entitled *Business of First Communications*.

The First Communications stockholders including certain warrant holders who make an irrevocable cashless exercise of their warrants immediately prior to and contingent upon the consummation of the Merger (each a First Communications Holder and collectively, the First Communications Holders ) will receive an aggregate of 14,460,000 shares of Renaissance common stock (the Initial Shares ) and the right to receive up to an aggregate of an additional (i) 13,950,000 shares of Renaissance common stock if a performance milestone is achieved before December 31, 2011 and (ii) 8,500,000 shares of Renaissance common stock if the last sales price of Renaissance common stock has been at least \$8.50 per share, on 20 trading days within any 30 trading day period ending on January 28, 2011. Based on the closing market price of \$5.80 per share on September 12, 2008, the last trading day prior to the announcement of the Merger Agreement, the Initial Shares had an aggregate value of \$83,868,000. Based on the closing market price of \$5.81 per share on December 15, 2008, the Initial Shares had an aggregate value of \$84,012,600. In addition, holders of First Communications Series A Preferred Stock will receive an aggregate of \$15.0 million in cash consideration, together with an accrued dividend of 12% per annum, pro rated and calculated from September 28, 2008 in exchange for their shares of Series A Preferred Stock. If a fractional share is required to be issued to a First Communications Holder, Renaissance will issue such First Communications Holder an amount of cash (rounded to the nearest whole cent), without interest, equal to the product of such fraction multiplied by \$6.00. Upon completion of the Merger, assuming that none of the shares Renaissance issued in its initial public offering (the Public Shares ) are converted into cash, the First Communications Holders will own approximately 42.6% of the shares of Renaissance common stock outstanding immediately after the closing of the Merger and the other Renaissance stockholders will own approximately 57.4% of Renaissance s outstanding common stock. If 19.99% of the Public Shares are converted into cash, such percentages would be 47.6% and 52.4%, respectively. The foregoing does not take into account shares that would be released to First Communications Holders upon achievement of the EBITDA Condition or the Warrant Condition or the shares that would be released from escrow to RAC Partners, LLC ( RAC Partners ) upon achievement of the EBITDA Condition as described below. If none of the Public Shares are converted and thereafter the EBITDA Condition and Warrant Condition are satisfied, the current Renaissance stockholders and the First Communications Holders would own 36.4% and 63.6%, respectively, assuming that no other shares are issued. If 19.99% of the Public Shares are converted, such percentages would be 32.3% and 67.7%, respectively. See the sections entitled *Summary of the Proxy Statement* *The Merger* and *The Merger Proposal*.

In addition to the consideration to be issued to First Communications stockholders described above, pursuant to an amended and restated stock escrow agreement (the Amended and Restated Stock Escrow Agreement ) to be delivered to First Communications at closing, RAC Partners, an entity controlled by Barry W. Florescue, Renaissance s chairman and chief executive officer and of which Richard Bloom and Logan D. Delany, Jr., Renaissance directors and/or executive officers, are members, has agreed that 2,000,000 of the shares of Renaissance common stock that it acquired prior to Renaissance s initial public offering ( IPO ), which are being held in an escrow account in connection with Renaissance s IPO, will be released to RAC Partners only in the event that the EBITDA Condition is satisfied. In the event the EBITDA Condition is not satisfied, such shares will be released to the post-merger combined company and cancelled. See the sections entitled *Summary of the Proxy Statement* *The Merger* and *The Merger Proposal*.

The Merger Agreement provides that either Renaissance or First Communications may terminate the agreement if the business combination is not consummated by January 29, 2009. The Merger Agreement may also be terminated, among other reasons, upon material breach of a party. See the section entitled *The Merger Agreement Termination*.

The Renaissance stockholders must approve certain amendments to the amended and restated certificate of incorporation of Renaissance, which include (i) changing Renaissance's corporate name to First Communications, Inc., (ii) increasing the number of authorized shares of capital stock, (iii) providing for the company's perpetual existence, (iv) providing for the classification of the board of directors into three classes, (v) deletion of Article Sixth of Renaissance's current amended and restated certificate of incorporation and (vi) making certain other changes in tense and number that Renaissance's board of directors believes are immaterial (referred to herein as the charter amendment proposal). The stockholders of Renaissance will also vote on proposals to approve the 2008 Equity Incentive Plan (the 2008 Plan) (referred to herein as the incentive compensation plan proposal), to elect nine directors to Renaissance's board of directors (referred to herein as the director election proposal) and, if necessary, to approve an adjournment of the meeting (referred to herein as the adjournment proposal). See the sections entitled *The Charter Amendment Proposal*, *The Incentive Compensation Plan Proposal*, *The Director Election Proposal* and *The Adjournment Proposal*.

After the Merger, if management's nominees are elected, the directors of Renaissance following the Merger will be Theodore V. Boyd, Raymond Hexamer, Joseph R. Morris, Marshall B. Belden Jr., Mark T. Clark, Scott M. Honour and Mark R. Stone, who are designees of certain of the First Communications stockholders, and Barry W. Florescue and Richard A. Bloom, who are designees of Renaissance. Barry W. Florescue is the chairman of the board, chief executive officer and a current director of Renaissance and Richard A. Bloom is Renaissance's chief operating officer. See the section entitled *The Director Election Proposal*.

Following closing of the Merger, certain officers of First Communications will become officers of Renaissance, holding positions similar to the positions such officers held with First Communications. These officers are Raymond Hexamer, who will become chief executive officer of Renaissance, Joseph R. Morris, who will become chief operating and chief financial officer of Renaissance, Richard J. Buyens, who will become president of Renaissance and David Johnson, II who will become senior vice president of sales and marketing of Renaissance. Each of these persons is currently an executive officer of First Communications and has an employment agreement with First Communications which will be assumed by Renaissance as a result of the Merger. See the section entitled *Executive Compensation Post-Merger Employment Agreements*.

After the Merger, Renaissance anticipates having approximately \$106.5 million in cash available from the trust account ( Trust Account ) it established in connection with its IPO completed on February 1, 2007. If you are a holder of Public Shares, you have the right to vote against the merger proposal and demand that Renaissance convert your shares into a pro rata portion of the Trust Account. Renaissance sometimes refers to these rights to vote against the Merger and demand conversion of the Public Shares into a pro rata portion of the Trust Account as conversion rights. If you are a holder of Public Shares and wish to exercise your conversion rights, you must (i) vote against the merger proposal, (ii) demand that Renaissance convert your shares into cash, (iii) continue to hold your shares through the closing of the Merger and (iv) deliver your stock to Renaissance's transfer agent physically or electronically using Depository Trust Company's DWAC System within the period specified in a notice you will receive from or on behalf of Renaissance, which period will be not less than 20 days. Any action that does not include an affirmative vote against the Merger will prevent you from exercising your conversion rights. Your vote on any proposal other than the merger proposal will have no impact on your right to seek conversion. For more information about exercising your conversion rights see the section entitled, *Questions and Answers for Renaissance Stockholders about the Proposals How do I exercise my conversion rights?* If the maximum number of shares issued in its IPO are converted (3,587,999 shares), Renaissance may still consummate the Merger. Such payments would total approximately \$21.3 million based on a conversion price of \$5.93 per share.

When you consider the recommendation of Renaissance's board of directors in favor of approval of the merger proposal, you should keep in mind that Renaissance's executive officers and members of Renaissance's board have interests in the Merger that are different from, or in addition to, your interests as a stockholder. Amongst others, these interests include: (i) the 3,900,000 shares of common stock held by Renaissance's directors and officers that were acquired before the IPO will be worthless if the Merger is not consummated because Renaissance's directors and officers are not entitled to receive any of the proceeds with respect to such shares in the event of a liquidation; (ii) the 4,666,667 warrants issued by Renaissance to RAC Partners, an entity controlled by Barry W. Florescue, Renaissance's chairman and chief executive officer, and Charles Miersch and Morton Farber, two of Renaissance's directors, will become worthless if the Merger is not consummated by January 29, 2009; (iii) Barry W. Florescue and Richard A. Bloom will be directors of Renaissance if the Merger is consummated and will receive any cash fees, stock options or stock awards that the Renaissance board of directors determines to pay to its non-executive directors; (iv) if Renaissance liquidates, Barry W. Florescue will be personally liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by Renaissance for services rendered or contracted for or products sold to Renaissance; and (v) RAC Partners purchased 811,269 shares of Renaissance common stock for an aggregate purchase price of \$4,595,532 and at an average purchase price per share of \$5.66 pursuant to a share purchase plan entered into prior to Renaissance's IPO, under which RAC Partners placed a limit order for \$12 million of Renaissance common stock commencing ten business days after Renaissance filed its Current Report on Form 8-K announcing its execution of the Merger Agreement and ending on the date preceding the record date for this special meeting, and RAC Partners may vote these shares on the Merger any way it chooses, which may result in RAC Partners being able to influence the outcome of the merger proposal and the other proposals under consideration. For more information see the section entitled, *The Merger Proposal - Interests of Renaissance's Directors and Officers in the Merger.*

**QUESTIONS AND ANSWERS  
FOR RENAISSANCE STOCKHOLDERS ABOUT THE PROPOSALS**

***Why am I receiving this proxy statement?***

Renaissance and First Communications have agreed to a business combination under the terms of the agreement and plan of merger and Amendment No. 1 and Amendment No. 2 to the agreement and plan of merger that are described in this proxy statement. This agreement, as amended, is referred to as the Merger Agreement. A copy of the agreement and plan of merger and Amendment No. 1 and Amendment No. 2 to the agreement and plan of merger, which are hereby incorporated by reference, are attached to this proxy statement as Annex A, Annex A-1 and Annex A-2, respectively, which Renaissance encourages you to read.

You are being asked to consider and vote upon a proposal to approve the Merger Agreement, which, among other things, provides for the merger of Merger Sub I with and into First Communications, with First Communications continuing as the surviving corporation and First Communications immediately thereafter merging with and into Merger Sub II, with Merger Sub II continuing as the surviving limited liability company. You are also being requested to vote to approve (i) the amendment and restatement of Renaissance's amended and restated certificate of incorporation to (a) change Renaissance's corporate name to First Communications, Inc., (b) increase the number of authorized shares of capital stock, (c) provide for the company's perpetual existence, (d) provide for the classification of the board of directors into three classes, (e) delete Article Sixth of Renaissance's current amended and restated certificate of incorporation and (f) make certain other changes in tense and number that Renaissance's board of directors believes are immaterial; (ii) the 2008 Plan, (iii) the election of nine directors and (iv) the adjournment proposal. With respect to the charter amendment proposal, Article Sixth and its preamble relate to the operation of Renaissance as a blank check company prior to the consummation of a business combination and will not be applicable after consummation of the merger. Section 6.1 requires that the business combination be submitted to Renaissance's stockholders for approval under the Delaware General Corporation Law ( DGCL ) and be authorized by the vote of a majority of the Public Shares present in person or by proxy and eligible to vote thereon, provided that the business combination shall not be consummated if the holders of 20% or more of the Public Shares exercise their conversion rights. Section 6.2 specifies the procedures for exercising conversion rights. Section 6.3 provides that holders of Public Shares are entitled to receive distributions from the Renaissance's Trust Account only if a business combination is not consummated by the Termination Date (January 29, 2009) or by demanding conversion in accordance with Section 6.2. Section 6.4 provides that Renaissance must consummate the business combination, as defined in the preamble of Article Sixth, before Renaissance can consummate any other type of business combination. Section 6.5 permits Renaissance to have a classified board of directors prior to the business combination. Accordingly, Article Sixth and its preamble will serve no further purpose. See the section entitled *The Charter Amendment Proposal*.

The approval of the merger proposal and the charter amendment proposal is a condition to the consummation of the Merger. If the merger proposal is not approved, the other proposals will not be presented to the stockholders for a vote. If the charter amendment proposal is not approved, the other proposals will not be presented to the stockholders for a vote and the Merger will not be consummated. Renaissance's amended and restated certificate of incorporation, as it will appear if the charter amendment proposal is approved, is attached to this proxy statement as Annex B and you are encouraged to read it in its entirety. The 2008 Plan is attached to this proxy statement as Annex C and you are encouraged to read it in its entirety. In addition to the foregoing proposals, the stockholders will also be asked to consider and vote upon the election of nine directors of Renaissance, which proposal will not be presented for a vote if either the merger proposal or the charter amendment proposal is not approved. The stockholders will also be asked to consider and vote upon a proposal to adjourn the meeting to a later date or dates to permit further solicitation and vote of proxies if, based upon the tabulated vote at the time of the special meeting, Renaissance would not have been authorized to consummate the Merger. Renaissance will hold the special meeting of its stockholders to consider and vote upon these proposals. This proxy statement contains important information about the proposed Merger and the other matters to be acted upon at the special meeting. You should read it carefully.

**Your vote is important. Renaissance encourages you to vote as soon as possible after carefully reviewing this proxy statement.**

***Why is Renaissance proposing the Merger?***

Renaissance was organized to effect an acquisition, capital stock exchange, asset acquisition or other similar business combination with an operating business.

On February 1, 2007, Renaissance issued and sold 15,600,000 units ( Units ) in its IPO and on February 16, 2007, Renaissance issued and sold an additional 2,340,000 Units that were subject to the underwriters' over-allotment option, raising gross proceeds of \$107,640,000 (including proceeds from the exercise of the over-allotment option). Of the gross proceeds: (i) \$102,047,840 was deposited into the Trust Account which amount included \$3,051,240 of deferred underwriting fees; (ii) the underwriters received \$4,811,160 as underwriting fees (excluding the deferred underwriting fees); and (iii) Renaissance retained \$781,000 for offering expenses. In addition, Renaissance deposited into the Trust Account \$2,100,000 that it received from the issuance and sale of 4,666,667 warrants (exercisable at \$6.00 per share) to RAC Partners and Charles Miersch and Morton Farber, two of Renaissance's directors. As of December 24, 2008, the record date, approximately \$106,403,149 was held in deposit in the Trust Account, including \$3,051,240 of deferred underwriting compensation. Renaissance intends to use the funds held in the Trust Account to pay Renaissance stockholders who exercise conversion rights, to redeem First Communications Series A Preferred Stock, to pay (i) expenses related to the business combination, (ii) deferred underwriting compensation and (iii) investment banker's fees and to use the Trust Account funds for working capital and general corporate purposes.

First Communications is a leading facilities-based competitive communications and wireless communication tower operator providing services throughout the Midwest and Mid-Atlantic United States. Based on its due diligence investigations of First Communications and the industry in which it operates, including the financial and other information provided by First Communications, Renaissance believes that First Communications' management has successful experience in First Communications' business and that First Communications has in place the infrastructure for strong business operations and to achieve growth both organically and through accretive strategic acquisitions. As a result, Renaissance also believes that a business combination with First Communications will provide Renaissance stockholders with an opportunity to participate in a company with significant growth potential. See the section entitled *The Merger Proposal Renaissance's Board of Directors Reasons for the Approval of the Merger*. In accordance with Renaissance's certificate of incorporation, if Renaissance is unable to complete the business combination with First Communications by January 29, 2009, its corporate existence will terminate and it will be required to liquidate.

***Do I have conversion rights?***

If you are a holder of Public Shares, you have the right to vote against the merger proposal and demand that Renaissance convert your shares into a pro rata portion of the Trust Account in which a substantial portion of the net proceeds of the IPO are held.

***How do I exercise my conversion rights?***

If you are a holder of Public Shares and wish to exercise your conversion rights, you must (i) vote against the merger proposal, (ii) demand that Renaissance convert your shares into cash, (iii) continue to hold your shares through the closing of the Merger and (iv) deliver your stock to Renaissance's transfer agent physically or electronically using Depository Trust Company's DWAC System within the period specified in a notice you will receive from or on behalf of Renaissance, which period will be not less than 20 days.

Any action that does not include an affirmative vote against the Merger will prevent you from exercising your conversion rights. Your vote on any proposal other than the merger proposal will have no impact on your right to seek conversion.

You may exercise your conversion rights either by checking the box on the proxy card or by submitting your request in writing to Renaissance's secretary at the address listed at the end of this section. If you (i) initially vote for the merger proposal but then wish to vote against it and exercise your conversion rights or (ii) initially vote

against the merger proposal and wish to exercise your conversion rights but do not check the box on the proxy card providing for the exercise of your conversion rights or do not send a written request to Renaissance to exercise your conversion rights or (iii) initially vote against the Merger but later wish to vote for it, you may request that Renaissance send you another proxy card on which you may indicate your intended vote. You may make such request by contacting Renaissance at the phone number or address listed at the end of this section.

Any corrected or changed proxy card or written demand of conversion rights must be received by Renaissance's secretary prior to the special meeting. No demand for conversion will be honored unless the holder's stock has been delivered (either physically or electronically) to the transfer agent after the meeting within the time period (at least 20 days) specified in a letter that will be sent to all Renaissance stockholders who have voted against the merger proposal and demanded to convert their Public Shares into cash promptly after the meeting.

If, notwithstanding your negative vote, the Merger is completed, then, if you have also properly exercised your conversion rights, you will be entitled to receive a pro rata portion of the Trust Account, including any interest earned thereon, calculated as of two business days prior to the date of the consummation of the Merger. As of December 24, 2008, the record date, there was approximately \$106,403,149 in the Trust Account, or approximately \$5.93 per Public Share. If you exercise your conversion rights, then you will be exchanging your shares of Renaissance common stock for cash and will no longer own these shares. Exercise of your conversion rights does not result in either the exercise or loss of any Renaissance warrants that you may hold. Your warrants will continue to be outstanding following a conversion of your common stock and will become exercisable upon consummation of the Merger. A registration statement must be in effect to allow you to exercise any warrants you may hold or to allow Renaissance to call the warrants for redemption if the redemption conditions are satisfied. If the Merger is not consummated and Renaissance does not consummate an acquisition by January 29, 2009, the warrants will not become exercisable and will be worthless.

***Do I have appraisal rights if I object to the proposed acquisition?***

No. Renaissance stockholders do not have appraisal rights in connection with the Merger under the DGCL.

***Do First Communications stockholders have appraisal rights if they object to the proposed acquisition?***

Yes. First Communications stockholders have appraisal rights under the DGCL. Any shares held by a First Communications stockholder who has not voted in favor of the Merger and who has demanded appraisal for such shares in accordance with the DGCL will not be converted into a right to receive the merger consideration, unless such holder fails to perfect, withdraws or otherwise loses such holder's right to appraisal under the DGCL. If, after the consummation of the Merger, such holder fails to perfect, withdraws or otherwise loses such holder's right to appraisal, each such share will be treated as if it had been converted as of the consummation of the Merger into a right to receive the merger consideration.

Renaissance may terminate the Merger Agreement in the event that holders of more than 10% of the outstanding shares of First Communications exercise their appraisal rights. See the section entitled *Merger Proposal Appraisal Rights*.

***What happens to the funds deposited in the Trust Account after consummation of the Merger?***

Upon consummation of the Merger, the funds in the Trust Account will be released to Renaissance and used by Renaissance to pay stockholders who properly exercise their conversion rights, for expenses it incurred in pursuing its business combination, to redeem First Communications Series A Preferred Stock and for working capital and general corporate purposes. Such expenses include \$3,051,240 that will be paid to the underwriters of Renaissance's IPO for deferred underwriting compensation and \$55,000 that will be paid to Houlihan Smith & Company, Inc. for the balance it is owed for the fairness opinion it issued in connection with the Merger. Jefferies & Company, Inc. ( Jefferies ) will also receive a fee of \$2,500,000 for acting as Renaissance's investment banker in connection with the business combination.

***What happens to Renaissance units, common stock and warrants after consummation of the Merger?***

Renaissance expects that assuming its listing application is approved, its units, common stock and warrants will trade on Nasdaq instead of the NYSE Alternext U.S. (formerly known as the American Stock Exchange) ( American Stock Exchange ), upon consummation of the Merger. In addition, the warrants will become exercisable upon consummation of the Merger in accordance with their terms.

***What happens if the Merger is not consummated?***

Renaissance must liquidate if it does not consummate the Merger by January 29, 2009. In any liquidation of Renaissance, the funds deposited in the Trust Account, plus any interest earned thereon, less claims requiring payment from the Trust Account by creditors who have not waived their rights against the Trust Account, if any, will be distributed pro rata to the holders of the Public Shares. Holders of Renaissance common stock issued prior to the IPO, including all of Renaissance's officers and directors, have waived any right to any liquidation distribution with respect to the pre-IPO shares. Barry W. Florescue has personally agreed, pursuant to an agreement with Renaissance and Ladenburg Thalmann & Co., Inc. ( Ladenburg Thalmann ), the representative of the underwriters of the IPO, that if Renaissance liquidates prior to the consummation of a business combination, he will be personally liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by Renaissance for services rendered or contracted for or products sold to Renaissance. Renaissance cannot assure you that he would be able to satisfy those obligations. Pursuant to the underwriting agreement between Renaissance and Ladenburg Thalmann, Renaissance agreed not to commence its due diligence investigation of any operating business which it sought to acquire or obtain the services of any vendor without obtaining an agreement pursuant to which such party would waive any claims against the Trust Account. As of the date of this proxy statement, Renaissance has received waiver agreements from each of its vendors other than its independent registered accounting firm. There is currently an outstanding balance to Renaissance's independent registered accounting firm of approximately \$52,000 and Renaissance intends to pay such fees in full in accordance with its past practices. See the section entitled *Other Information Related to Renaissance Liquidation If No Business Combination* for additional information.

***When do you expect the Merger to be completed?***

Assuming that all regulatory approvals have been obtained, it is currently anticipated that the Merger will be completed on \_\_\_\_\_, one day after the Renaissance special meeting on \_\_\_\_\_. For a description of the conditions for the completion of the Merger, see the section entitled *The Merger Agreement Conditions to Closing of the Merger*.

***What do I need to do now?***

Renaissance urges you to read carefully and consider the information contained in this proxy statement, including the annexes, and to consider how the Merger will affect you as a stockholder of Renaissance. You should then vote as soon as possible in accordance with the instructions provided in this proxy statement and on the enclosed proxy card.

***How do I vote?***

If you are a holder of record of Renaissance common stock, you may vote in person at the special meeting or by submitting a proxy for the special meeting. You may submit your proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage paid envelope. If you hold your shares in street name, which means your shares are held of record by a broker, bank or nominee, you should contact your broker to ensure that votes related to the shares you beneficially own are properly counted. In this regard, you must provide the record holder of your shares with instructions on how to vote your shares or, if you wish to attend the meeting and vote in person, obtain a proxy from your broker, bank or nominee.

***If my shares are held in street name, will my broker, bank or nominee automatically vote my shares for me?***

No. Your broker, bank or nominee cannot vote your shares unless you provide instructions on how to vote in accordance with the information and procedures provided to you by your broker, bank or nominee.

***May I change my vote after I have mailed my signed proxy card?***

Yes. Send a later-dated, signed proxy card to Renaissance's secretary at the address set forth below so that it is received by Renaissance's secretary prior to the special meeting or attend the special meeting in person and vote. You also may revoke your proxy by sending a notice of revocation to Renaissance's secretary, which must be received by Renaissance's secretary prior to the special meeting.

***What should I do with my stock certificates?***

Renaissance stockholders who do not elect to have their shares converted into the pro rata share of the Trust Account should not submit their stock certificates now or after the Merger, because their shares will not be converted or exchanged in the Merger. Renaissance stockholders who vote against the Merger and exercise their conversion rights must deliver their stock to Renaissance's transfer agent (either physically or electronically) as instructed by Renaissance or Renaissance's transfer agent after the meeting.

***What should I do if I receive more than one set of voting materials?***

You may receive more than one set of voting materials, including multiple copies of this proxy statement and multiple proxy cards or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction card that you receive in order to cast a vote with respect to all of your Renaissance shares.

***Who can help answer my questions?***

If you have questions about the Merger or if you need additional copies of the proxy statement or the enclosed proxy card you should contact:

Renaissance Acquisition Corp.  
50 East Sample Road, Suite 400  
Pompano Beach, FL 33064  
Tel: (954) 784-3031  
or  
Morrow & Co., LLC  
470 West Avenue, 3rd Floor  
Stamford, CT 06902  
Tel: (203) 658-9400



You may also obtain additional information about Renaissance from documents filed with the U.S. Securities and Exchange Commission ( SEC ) by following the instructions in the section entitled *Where You Can Find More Information*. If you intend to vote against the Merger and seek conversion of your shares, you will need to deliver your stock (either physically or electronically) to Renaissance's transfer agent at the address below after the meeting and after receiving delivery instructions from or on behalf of Renaissance. If you have questions regarding the certification of your position or delivery of your stock, please contact:

Mark Zimkind  
Continental Stock Transfer & Trust Company  
17 Battery Place  
New York, New York 10004  
(212) 845-3287

### SUMMARY OF THE PROXY STATEMENT

This summary highlights selected information from this proxy statement and does not contain all of the information that is important to you. To better understand the Merger, you should read this entire document carefully, including the agreement and plan of merger and Amendment No. 1 and Amendment No. 2 to the agreement and plan of merger attached as Annex A, Annex A-1 and Annex A-2, respectively, to this proxy statement. The agreement and plan of merger and Amendment No. 1 and Amendment No. 2 to the agreement and plan of merger are the legal documents that governs the Merger and the other transactions that will be undertaken in connection with the Merger. They are also described in detail elsewhere in this proxy statement.

#### The Parties

##### Renaissance

Renaissance Acquisition Corp. is a blank check company formed on April 17, 2006 as a vehicle to effect a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business.

The funds deposited in the Trust Account, with the interest earned thereon, will be released to Renaissance upon consummation of the Merger, and used to pay any amounts payable to Renaissance stockholders who vote against the Merger and exercise their conversion rights, to redeem First Communications Series A Preferred Stock and to pay for expenses incurred in connection with the business combination, including deferred underwriting compensation of \$3,051,240, a fee to Jefferies of \$2,500,000 for acting as Renaissance's investment banker in connection with the business combination and \$55,000 that will be paid to Houlihan Smith & Company, Inc. for the balance it is owed for the fairness opinion it issued in connection with the Merger. Remaining proceeds will be used for working capital, including funding for organic growth and acquisitions.

If Renaissance does not complete the Merger by January 29, 2009, its corporate existence will terminate and it will liquidate and promptly distribute to its public stockholders the amount in the Trust Account plus any remaining non-Trust Account funds after payment of its liabilities.

The Renaissance common stock, warrants to purchase common stock and Units are quoted on the American Stock Exchange under the symbols RAK for the common stock, RAK.WS for the warrants and RAK.U for the Units. Renaissance intends to apply for listing of its securities on Nasdaq in connection with the Merger.

The mailing address of Renaissance's principal executive office is 50 East Sample Road, Suite 400, Pompano Beach, FL 33064. Its telephone number is (954) 784-3031. After the consummation of the Merger, its principal executive office will be located at 3340 West Market Street, Akron, OH 44333 and its telephone number will be (800) 860-1261.

## First Communications

First Communications is a leading facilities-based competitive communications provider offering voice and data solutions to small- and medium-sized businesses and residential customers throughout the Midwest and Mid-Atlantic United States. In addition to its competitive communications business, First Communications operates wireless communications towers on which it leases capacity to wireless carriers such as AT&T, Sprint Nextel, T-Mobile and Verizon Wireless under long-term lease contracts.

First Communications targets small- and medium- sized business customers with four to twenty four access lines (or access line equivalents), or lines, physically located within the footprint of its switching centers. First Communications focuses its sales efforts on communications intensive business customers who purchase multiple products that can be cost effectively serviced on First Communications network.

First Communications offers dedicated data and dynamic integrated services, local service, switched and dedicated long-distance service, Internet access service, as well as value-added products and services, such as collocation and hosting services. The network architecture leverages a traditional time division multiplexing ( TDM ) infrastructure with an Internet Protocol ( IP ) platform, which First Communications has deployed to support its dynamic data and integrated product offerings and other next generation technologies. First Communications business strategy is focused on providing services delivered on high-speed digital transmission connections (T-1 or greater capacity), which, it believes, offer greater value to customers, increase customer retention and provide revenue growth opportunities to First Communications.

As of September 30, 2008, First Communications operated 327 towers that were occupied by 391 wireless tenants. In addition, First Communications has an exclusive agreement with FirstEnergy Corporation ( FirstEnergy Corp. ) which gives it access to 36,000 square miles of land and over 12,000 miles of transmission lines and radio towers, monopoles, distribution poles, property and rights of way which comprise the energy distribution infrastructure of FirstEnergy Corp. The agreement gives First Communications the right to develop additional towers and collocation capacity to meet the current and future collocation demands of its wireless carrier customers and the geographic and structural diversity of the infrastructure to attract new wireless carriers.

First Communications believes that the following strengths will help to execute its strategy:

- significant growth potential;
- unique network infrastructure;
- diverse revenue base and end markets;
- successful history of acquiring and integrating complementary assets; and
- experienced and proven senior management team.

First Communications principal executive offices are located at 3340 West Market Street, Akron, OH 44333 and its telephone number is (800) 860-1261. First Communications website is [www.firstcomm.com](http://www.firstcomm.com). The information contained in, or that can be accessed through, its website is not part of this proxy statement and should not be relied upon in determining whether to vote in favor of the proposals.

## The Merger

The Merger Agreement provides for a business combination transaction by means of the merger of Merger Sub I with and into First Communications, with First Communications continuing as the surviving corporation and First Communications immediately thereafter merging with and into Merger Sub II, with Merger Sub II continuing as the surviving limited liability company. At the closing, the First Communications Holders will receive an aggregate of 14,460,000 shares of Renaissance common stock and the right to receive up to an aggregate of an additional (i) 13,950,000 shares of Renaissance common stock if the EBITDA Condition is satisfied and (ii) 8,500,000 shares of Renaissance common stock if the Warrant Condition is satisfied. Based on the closing market price of \$5.80 per share on September 12, 2008, the last trading day prior to the announcement of the Merger



Agreement, the Initial Shares had an aggregate value of \$83,868,000. Based on the closing market price of \$5.81 per share on December 15, 2008, the Initial Shares had an aggregate value of \$84,012,600. In addition, holders of First Communications Series A Preferred Stock will receive an aggregate of \$15.0 million in cash consideration, together with an accrued dividend of 12% per annum, pro rated and calculated from September 28, 2008 in exchange for their shares of Series A Preferred Stock. If a fractional share is required to be issued to a First Communications Holder, Renaissance will issue such First Communications Holder an amount of cash (rounded to the nearest whole cent), without interest, equal to the product of such fraction multiplied by \$6.00.

In addition, pursuant to the Amended and Restated Stock Escrow Agreement to be delivered to First Communications at closing, RAC Partners, an entity controlled by Barry W. Florescue and of which Richard Bloom and Logan D. Delany, Jr., Renaissance directors and/or executive officers, are members, has agreed that 2,000,000 of the shares of Renaissance common stock that it acquired prior to Renaissance's IPO, which are being held in an escrow account in connection with Renaissance's IPO, will be released to RAC Partners only in the event that the EBITDA Condition is satisfied. In the event the EBITDA Condition is not satisfied, such shares will be released to the post-merger combined company and cancelled.

Renaissance and First Communications plan to complete the Merger promptly after the Renaissance special meeting, so long as, among other things:

holders of a majority of Renaissance's Public Shares present and eligible to vote thereon have approved the merger proposal;

holders of fewer than 20% of Renaissance's Public Shares have voted against the merger proposal and demanded conversion of their shares into cash;

all necessary governmental approvals or waiting periods, including those of the Federal Communications Commission (the FCC) and of certain public utility commissions (each, a State PUC and collectively the State PUCs), have been obtained or expired, as applicable;

First Communications' stockholders holding not more than 10% of the outstanding shares of First Communications have exercised dissenters rights under the DGCL with respect to the transactions contemplated by the Merger Agreement; and

the other conditions specified in the Merger Agreement have been satisfied or waived.

After consideration of the factors identified and discussed in the section entitled *The Merger Proposal Renaissance's Board of Directors Reasons for the Approval of the Merger*, Renaissance's board of directors concluded that the Merger met all of the requirements disclosed in Renaissance's Registration Statement on Form S-1 (Reg. No. 333 134444), that became effective on January 29, 2007, including that First Communications has a fair market value of at least 80% of Renaissance's net assets at the time of the Merger.

Upon completion of the Merger, assuming that none of the holders of the Renaissance's Public Shares elects to convert such shares into cash, the First Communications Holders will own approximately 42.6% of the shares of Renaissance common stock outstanding immediately after the closing of the Merger and the other Renaissance stockholders will own approximately 57.4% of Renaissance's outstanding common stock. If 19.99% of the holders of Public Shares elect to convert their shares into cash, such percentages would be 47.6% and 52.4%, respectively. The foregoing does not take into account shares that would be released to First Communications Holders and RAC Partners upon achievement of the EBITDA Condition or the Warrant Condition. However, if 19.99% of the Public Shares are converted and thereafter the EBITDA Condition and Warrant Condition are satisfied, the current Renaissance stockholders would own 32.3% of the total outstanding stock and the First Communications Holders would own 67.7%, assuming that no other shares are issued. The following table illustrates the relative ownership of Renaissance shares if none, either or both of the EBITDA Condition or the Warrant Condition are met:

## Post Merger Ownership Percentage

	First Communications Holders				Renaissance Stockholders			
	Neither EBITDA nor Warrant Condition Satisfied	EBITDA Condition Satisfied	Warrant Condition Satisfied	EBITDA and Warrant Condition Satisfied	Neither EBITDA nor Warrant Condition Satisfied	EBITDA Condition Satisfied	Warrant Condition Satisfied	EBITDA and Warrant Condition Satisfied
No Public Shares Elect Cash Conversion	42.6%	56.8%	55.0%	63.6%	57.4%	43.2%	45.0%	36.4%
19.99% of Public Shares Elect Cash Conversion	46.7%	61.1%	59.9%	67.7%	52.4%	38.9%	40.1%	32.3%

**Fairness Opinion**

Renaissance engaged Houlihan Smith & Company, Inc. ( Houlihan Smith ) to render an opinion that the consideration to be paid by Renaissance in connection with the Merger with First Communications on the terms and conditions set forth in the Merger Agreement is fair to Renaissance stockholders from a financial point of view and that the fair market value of First Communications is at least 80% of Renaissance's net assets at the time of the Merger. Houlihan Smith is an investment banking firm that regularly is engaged in the evaluation of businesses and their securities in connection with acquisitions, corporate restructurings, private placements and for other purposes. Renaissance's board of directors decided to use the services of Houlihan Smith because it is a recognized investment banking firm that has substantial experience in similar matters. The engagement letter provides that Renaissance will pay Houlihan Smith a fee of \$100,000 (\$50,000 of which will be due upon the closing of the Merger) and will reimburse Houlihan Smith for its reasonable out-of-pocket expenses, which will not exceed \$5,000. As a result of certain changes to the financial statements of First Communications after the rendering of this opinion, Houlihan Smith reaffirmed its opinion in a letter to Renaissance dated September 30, 2008, for which Renaissance agreed to pay a fee of \$5,000 which will be due upon the closing of the Merger.

Houlihan Smith delivered its written opinion to Renaissance's board of directors on September 8, 2008, which opinion stated that, as of such date, and based upon and subject to the assumptions made, matters considered and limitations on its review as set forth in the opinion, (i) the consideration then agreed to be paid by Renaissance in the Merger was fair to its stockholders from a financial point of view, and (ii) the fair market value of First Communications was at least equal to 80% of Renaissance's net assets at the time of the Merger.

The amount of the consideration to be paid by Renaissance to First Communications' stockholders was determined pursuant to negotiations between Renaissance and First Communications and not pursuant to recommendations of Houlihan Smith. The full text of Houlihan Smith's written opinion, attached hereto as Annex D, is incorporated by reference into this proxy statement. You are encouraged to read the Houlihan Smith opinion carefully and in its entirety for descriptions of the assumptions made, matters considered, procedures followed and limitations on the review undertaken by Houlihan Smith in rendering them. The summary of the Houlihan Smith opinion set forth in this proxy statement is qualified in its entirety by reference to the full text of the opinion. See the section entitled *The Merger Proposal - Fairness Opinion*.

**The Charter Amendment Proposal**

The proposed amendments to Renaissance's amended and restated certificate of incorporation addressed by the charter amendment proposal would, upon consummation of the Merger, (i) change Renaissance's corporate name to First Communications, Inc., (ii) increase the number of authorized shares of capital stock, (iii) provide for the Renaissance's perpetual existence, (iv) provide for the classification of the board of directors into three classes, (v) delete Article Sixth of Renaissance's current amended and restated certificate of incorporation and (vi) make certain other changes in tense and number that Renaissance's board of directors believes are immaterial. Renaissance's certificate of incorporation, as it is proposed to be amended and restated, is attached as Annex B to this proxy statement. Renaissance encourages you to read it in its entirety. See the section entitled *The Charter Amendment Proposal*.

### **The Incentive Compensation Plan Proposal**

The 2008 Plan would reserve 3,000,000 shares of Renaissance common stock for issuance to executive officers (including executive officers who are also directors), employees, directors and consultants in accordance with the 2008 Plan's terms. The purpose of the 2008 Plan is to provide Renaissance's directors, executive officers and other employees as well as consultants who, by their position, ability and diligence are able to make important contributions to Renaissance's growth and profitability, with an incentive to assist Renaissance in achieving its long-term corporate objectives, to attract and retain executive officers and other employees of outstanding competence and to provide such persons with an opportunity to acquire an equity interest in Renaissance. The 2008 Plan is attached as Annex C to this proxy statement. Renaissance encourages you to read the 2008 Plan in its entirety. See the section entitled *The Incentive Compensation Plan Proposal*.

### **The Director Election Proposal; Management of Renaissance**

At the special meeting, you will be asked to vote to elect nine directors to Renaissance's board of directors, effective immediately following and contingent upon closing of the Merger, of whom three will serve until the annual meeting of stockholders to be held in 2009, three will serve until the annual meeting to be held in 2010 and three will serve until the annual meeting to be held in 2011 and, in each case, until their successors are elected and qualified. There are no cumulative voting rights when voting for directors.

Following the consummation of the Merger, if management's nominees are elected, the directors of Renaissance will be classified as follows:

Barry W. Florescue, Theodore V. Boyd and Joseph R. Morris in the class to stand for reelection in 2009;

Raymond Hexamer, Marshall B. Belden Jr. and Mark R. Stone in the class to stand for reelection in 2010; and

Richard A. Bloom, Mark T. Clark and Scott M. Honour in the class to stand for reelection in 2011.

Following the consummation of the Merger, the executive officers of Renaissance will be Raymond Hexamer, chief executive officer, Joseph R. Morris, chief operating and chief financial officer, Richard J. Buyens, president and David Johnson, II, senior vice president of sales and marketing. Each of such persons is currently an executive officer of First Communications.

If either the merger proposal or the charter amendment proposal is not approved by Renaissance's stockholders at the special meeting, the director election proposal and the other proposals (except an adjournment proposal, as discussed below) will not be presented to the meeting for a vote and Renaissance's current directors and executive officers will continue in office.

### **The Adjournment Proposal**

If, based on the tabulated vote, there are not sufficient votes at the time of the special meeting to authorize Renaissance to consummate the Merger (because either the merger proposal or the charter amendment proposal is not approved or if holders of 20% or more of the Public Shares vote against the merger proposal and elect to convert their Public Shares into cash), Renaissance's board of directors may submit a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies. See the section entitled *The Adjournment Proposal*.

### **Vote of Renaissance Inside Stockholders**

As of the record date, the percentage of outstanding shares of Renaissance common stock held by directors, officers and their affiliates was 21.6%.

As of December 24, 2008, the record date for the Renaissance special meeting, RAC Partners, an entity controlled by Barry W. Florescue and of which Richard Bloom and Logan D. Delany, Jr. are members, Barry W.

Florescue in his personal capacity, Logan D. Delany, Jr. in his personal capacity, Charles Miersch, Morton Farber and Stanley Kreitman, (collectively, the Renaissance Inside Stockholders ), beneficially owned and were entitled to vote 3,900,000 shares which were issued to them prior to the IPO ( Original Shares ). The Original Shares issued to the Renaissance Inside Stockholders constituted approximately 17.9% of the outstanding shares of Renaissance common stock immediately after the IPO.

In connection with the IPO, Renaissance and Ladenburg Thalmann entered into agreements with each of the Renaissance Inside Stockholders pursuant to which each Renaissance Inside Stockholder agreed to vote his or its Original Shares on the merger proposal in accordance with the majority of the votes cast by the holders of Public Shares. The Renaissance Inside Stockholders have also indicated that they intend to vote their Original Shares in favor of all other proposals being presented at the meeting. The Original Shares have no liquidation rights and will be worthless if no business combination is effected by Renaissance. In connection with the IPO, the Renaissance Inside Stockholders entered into lock-up agreements with Ladenburg Thalmann restricting the sale of their Original Shares until the earlier of twelve months after a business combination or Renaissance s liquidation.

Pursuant to a share purchase plan entered into prior to Renaissance s IPO, RAC Partners, an entity controlled by Barry W. Florescue, Renaissance s chairman and chief executive officer, placed a limit order for \$12 million of Renaissance common stock, which commenced ten business days after Renaissance filed its Current Report on Form 8-K announcing its execution of a definitive agreement for the Merger and ended on the business day immediately preceding the record date for the meeting of stockholders at which this Merger is to be voted upon. Under the terms of the share purchase plan, the purchases must be made in compliance with Rules 10b5-1 and 10b-18 under the Exchange Act. Pursuant to this limit order, RAC Partners purchased 811,269 shares of Renaissance common stock for an aggregate purchase price of \$4,595,532 and at an average purchase price per share of \$5.66. RAC Partners may vote these shares on a proposed business combination any way it chooses. As a result, RAC Partners may be able to influence the outcome of the merger proposal and the other proposals under consideration.

In addition to the shares described above, as of the record date, 10,000 shares, of which 5,000 shares are beneficially owned by each of Barry Florescue (excluding those held by RAC Partners) and Charles Miersch, are Public Shares which may be voted as such holder chooses.

#### **Date, Time and Place of Special Meeting of Renaissance s Stockholders**

The special meeting of the stockholders of Renaissance will be held at 8:30 a.m., Eastern time, on \_\_\_\_\_, at 50 East Sample Road, Suite 400, Pompano Beach, FL 33064 to consider and vote upon the merger proposal, the charter amendment proposal, the incentive compensation plan proposal and the director election proposal. A proposal to adjourn the meeting to a later date or dates may be presented if, based upon the tabulated vote at the time of the special meeting, Renaissance is not authorized to consummate the Merger.

#### **Voting Power; Record Date**

You will be entitled to vote or direct votes to be cast at the special meeting if you owned shares of Renaissance common stock at the close of business on December 24, 2008 which is the record date for the special meeting. You will have one vote for each share of Renaissance common stock you owned at the close of business on the record date. If your shares are held in street name or are in a margin or similar account, you should contact your broker to ensure that votes related to the shares you beneficially own are properly counted. Renaissance warrants do not have voting rights. On the record date, there were 21,840,000 shares of Renaissance common stock outstanding, of which 17,940,000 were Public Shares and 3,900,000 were shares held by the Renaissance Inside Stockholders that were acquired prior to the IPO.

### **Quorum and Vote of Renaissance Stockholders**

A quorum of Renaissance stockholders is necessary to hold a valid meeting. A quorum will be present at the Renaissance special meeting if a majority of the outstanding shares entitled to vote at the meeting are represented in person or by proxy. Abstentions and broker non-votes will count as present for purposes of establishing a quorum. As of the record date, the Renaissance Inside Stockholders hold approximately 21.6% of the outstanding shares of Renaissance common stock, of which 3,900,000 are Original Shares and 821,269 are Public Shares. The Original Shares will be voted on the merger proposal in accordance with the majority of the votes cast by the holders of Public Shares and in favor of all of the other proposals and for the election as directors of management's nominees.

Pursuant to Renaissance's charter, the approval of the merger proposal will require the affirmative vote of the holders of a majority of the Public Shares present at the meeting in person or by proxy and entitled to vote thereon. There are 21,840,000 shares of Renaissance common stock outstanding as of the record date for the special meeting, of which 17,940,000 are Public Shares. The Merger will not be consummated if the holders of 20% or more of the Public Shares (3,588,000 shares or more) properly demand conversion of their Public Shares into cash.

The approval of the charter amendment proposal will require the affirmative vote of the holders of a majority of the outstanding shares of Renaissance common stock on the record date.

The approval of the incentive compensation plan proposal will require the affirmative vote of the holders of a majority of the shares of Renaissance common stock represented in person or by proxy and entitled to vote thereon at the meeting.

The election of directors requires a plurality vote of the shares of common stock present in person or represented by proxy and entitled to vote at the special meeting. Plurality means that the individuals who receive the largest number of votes cast FOR are elected as directors. Consequently, any shares not voted FOR a particular nominee (whether as a result of abstentions or a direction to withhold authority) will not be counted in the nominee's favor.

The approval of the adjournment proposal will require the affirmative vote of the holders of a majority of the shares of Renaissance common stock represented in person or by proxy and entitled to vote thereon at the meeting.

Abstentions will have the same effect as a vote AGAINST the merger proposal, charter amendment proposal, the incentive compensation plan proposal and the adjournment proposal, if the latter is presented. Broker non-votes, while considered present for the purposes of establishing a quorum, will have the effect of votes against the charter amendment proposal to which they apply, but will have no effect on the merger proposal, the incentive compensation plan proposal or the adjournment proposal. Please note that you cannot seek conversion of your shares unless you affirmatively vote against the merger proposal.

The Merger is conditioned upon approval of the merger proposal and the charter amendment proposal but not upon the approval of the incentive compensation plan proposal or the director election proposal. However, the incentive compensation plan and director election proposals will not be presented for a vote at the special meeting unless both the merger proposal and the charter amendment proposal are approved.

### **Conversion Rights**

Pursuant to Renaissance's amended and restated certificate of incorporation, a holder of Public Shares may, if the stockholder affirmatively votes against the Merger, demand that Renaissance convert its shares into cash if the Merger is consummated. See the section entitled *Special Meeting of Renaissance Stockholders Conversion Rights* for the procedures to be followed if you wish to convert your shares into cash. If properly demanded, Renaissance will convert each Public Share into a pro rata portion of the Trust Account, calculated as of two business days prior to the anticipated consummation of the Merger. As of December 24, 2008, the record date, this would amount to approximately \$5.93 per share. If you exercise your conversion rights, then you will be exchanging your



shares of Renaissance common stock for cash and will no longer own the shares. You will be entitled to receive cash for these shares only if you affirmatively vote against the Merger, properly demand conversion and, after the meeting, tender your stock (either physically or electronically) to Renaissance's transfer agent within the time period specified in a notice you will receive from or on behalf of Renaissance, which period will be not less than 20 days from the date of such notice. If the Merger is not completed, these shares will not be converted into cash.

If Renaissance is unable to complete the Merger by January 29, 2009, its corporate existence will terminate and, upon its resulting liquidation, the holders of shares issued in the IPO will receive an amount equal to the amount of funds in the Trust Account at the time of the liquidation distribution divided by the number of Public Shares. Although both the per share liquidation price and the per share conversion price are equal to the amount of funds in the Trust Account divided by the number of Public Shares, the amount a holder of Public Shares would receive at liquidation may be more or less than the amount such a holder would have received had it sought conversion of its shares in connection with the Merger because (i) there may be greater earned interest in the Trust Account at the time of a liquidation distribution since it may occur at a later date than a conversion and (ii) Renaissance may incur expenses it otherwise would not incur if Renaissance consummates the Merger, including, potentially, claims requiring payment from the Trust Account by creditors who have not waived their rights against the Trust Account. Barry W. Florescue has personally agreed, pursuant to an agreement with Renaissance and Ladenburg Thalmann, the representative of the underwriters of the IPO, that if Renaissance liquidates prior to the consummation of a business combination, he will be personally liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by Renaissance for services rendered or contracted for or products sold to Renaissance. Renaissance cannot assure you that he would be able to satisfy those obligations. Pursuant to the underwriting agreement between Renaissance and Ladenburg Thalmann, Renaissance agreed not to commence its due diligence investigation of any operating business which it sought to acquire or obtain the services of any vendor without obtaining an agreement pursuant to which such party would waive any claims against the Trust Account. As of the date of this proxy statement, Renaissance has received waiver agreements from each of its vendors other than its independent registered accounting firm. There is currently an outstanding balance to Renaissance's independent registered accounting firm of approximately \$52,000 and Renaissance intends to pay such fees in full in accordance with its past practices. See the section entitled *Other Information Related to Renaissance Liquidation If No Business Combination* for additional information.

The Merger will not be consummated if the holders of 20% or more of the Public Shares (3,588,000 shares or more) properly demand conversion of their shares into cash.

### **Appraisal Rights**

Renaissance stockholders do not have appraisal rights in connection with the Merger under the DGCL.

Holders of record of First Communications common stock who do not vote in favor of adopting the Merger, and who otherwise comply with the applicable provisions of Section 262 of DGCL will be entitled to exercise appraisal rights under Section 262 of the DGCL. Under the Merger Agreement, if more than 10% of the outstanding shares of First Communications common stock exercise appraisal rights, Renaissance may terminate the Merger Agreement.

### **Proxies**

Proxies may be solicited by mail, telephone or in person. Renaissance has engaged Morrow & Co., LLC to assist in the solicitation of proxies. If you grant a proxy, you may still vote your shares in person if you revoke your proxy before the special meeting. You may also change your vote by submitting a later-dated proxy as described in the section entitled *Special Meeting of Renaissance Stockholders Revoking Your Proxy*.

### Interests of Renaissance's Directors and Officers in the Merger

When you consider the recommendation of Renaissance's board of directors in favor of approval of the merger proposal, you should keep in mind that Renaissance's executive officers and members of Renaissance's board have interests in the Merger that are different from, or in addition to, your interests as a stockholder. These interests include, among other things:

If the Merger is not consummated by January 29, 2009, Renaissance will be liquidated. In such event, the 3,900,000 shares of common stock held by Renaissance's directors and officers that were acquired before the IPO, for an aggregate purchase price of \$25,000, will be worthless because Renaissance's directors and officers are not entitled to receive any of the liquidation proceeds with respect to such shares. Such shares had an aggregate market value of \$22,542,000 based upon the closing price of \$5.78 on the American Stock Exchange on December 24, 2008, the record date for the Renaissance special meeting. Furthermore, proceeding the IPO, Barry Florescue and Charles Miersch each bought 5,000 Public Shares on the open market which each may vote as they choose at the special meeting.

The Company issued and sold 4,666,667 warrants (exercisable at \$6.00 per share) to RAC Partners and Charles Miersch and Morton Farber, two of Renaissance's directors, on February 1, 2007 for an aggregate purchase price of \$2,100,000 (the Insider Warrants). All of the proceeds Renaissance received from these purchases were placed in the Trust Account. The Insider Warrants are identical to the warrants underlying the Units sold in Renaissance's IPO except that (i) they have an exercise price of \$6.00 per share, (ii) Renaissance did not register the sale of the warrants to the public and (iii) the Insider Warrants will be exercisable on a cashless basis at the holders option so long as such warrants are held by such directors, RAC Partners or its affiliates. Renaissance has agreed to register the transfer of the Insider Warrants by RAC Partners to its members in a liquidation or distribution and the resale of the shares underlying the Insider Warrants by RAC Partners and the directors at any time after Renaissance has executed a definitive agreement for a business combination, but the purchasers of the Insider Warrants have agreed that the Insider Warrants will not be sold or, subject to certain limited exceptions (including in a distribution upon liquidation at RAC Partners), transferred by them and they may not exercise the Insider Warrants until 30 days after Renaissance has completed a business combination. Accordingly, the Insider Warrants have been placed in escrow and will not be released until 30 days after the completion of a business combination. Such warrants are not publicly traded and have an exercise price of \$6.00 per warrant. All of the warrants will become worthless if the Merger is not consummated by January 29, 2009 (as will the remainder of the public warrants).

The transactions contemplated by the Merger Agreement provide that Barry W. Florescue and Richard A. Bloom, appointees of Renaissance, will be directors of Renaissance after the closing of the Merger. As such, in the future each will receive any cash fees, stock options or stock awards that the Renaissance board of directors determines to pay to its non-executive directors.

If Renaissance liquidates prior to the consummation of a business combination, Barry W. Florescue will be personally liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by Renaissance for services rendered or contracted for or products sold to Renaissance. Renaissance cannot assure you that he would be able to satisfy those obligations. As of September 30, 2008, Renaissance had accounts payable of approximately \$855,375. It estimates that it will incur additional expenses of approximately \$50,000 that would be required to be paid if the Merger is not consummated. Of such total of \$855,375, creditors to whom approximately \$802,572 is or would be owed have waived their rights to make claims for payment from amounts in the Trust Account. Mr. Florescue would be obligated to indemnify Renaissance for the balance of approximately \$52,803 that would be owed to creditors who have not waived their rights against the Trust Account. However, Renaissance believes that Mr. Florescue does not have any risk of being required to provide indemnification since all persons who have had contractual obligations with

Renaissance but have not waived their rights against the Trust Account have been paid in full (or will be paid in accordance with Renaissance's past practices).

Pursuant to a share purchase plan entered into prior to Renaissance's IPO, RAC Partners, an entity controlled by Barry W. Florescue, Renaissance's chairman and chief executive officer, placed a limit order for \$12 million of Renaissance common stock, which commenced ten business days after Renaissance filed its Current Report on Form 8-K announcing its execution of a definitive agreement for the Merger and ended on the business day immediately preceding the record date for the meeting of stockholders at which this Merger is to be voted upon. Under the terms of the share purchase plan, the purchases must be made in compliance with Rules 10b5-1 and 10b-18 under the Exchange Act. Pursuant to this limit order, RAC Partners purchased 811,269 shares of Renaissance common stock for an aggregate purchase price of \$4,595,532 and at an average purchase price per share of \$5.66. RAC Partners may vote these shares on a proposed business combination any way it chooses. As a result, RAC Partners may be able to influence the outcome of the merger proposal and the other proposals under consideration.

In addition, at any time prior to the special meeting, during a period when they are not then aware of any material nonpublic information regarding Renaissance or its securities, the Renaissance Inside Stockholders, First Communications or First Communications Holders and/or their respective affiliates may purchase shares from institutional and other investors, or execute agreements to purchase such shares from them in the future, or they may enter into transactions with such persons and others to provide them with incentives to acquire shares of Renaissance common stock or vote their shares in favor of the merger proposal. The purpose of such share purchases and other transactions would be to increase the likelihood of satisfaction of the requirements that the holders of a majority of the Public Shares present in person or by proxy and eligible to vote at the special meeting vote in favor of, and that holders of fewer than 20% of the Public Shares vote against, the merger proposal and demand conversion of their Public Shares into cash where it appears that such requirements would otherwise not be met.

While the exact nature of any incentives that would be provided by the Renaissance Inside Stockholders, First Communications or First Communications' stockholders and/or their respective affiliates has not been determined as of the date of this proxy statement, they might include, without limitation, arrangements to protect such investors or holders against potential loss in value of their shares, including the granting of put options and the transfer to such investors or holders of shares or warrants owned by the Renaissance Inside Stockholders for nominal value. Renaissance will not enter into any such arrangement, either prior to or after the consummation of the Merger, and no funds in its Trust Account will be used to make such purchases or to fund other such arrangements.

Entering into any such arrangements may have a depressive effect on Renaissance's stock. For example, as a result of these arrangements, an investor or holder may have the ability to effectively purchase shares at a price lower than market and may therefore be more likely to sell the shares he owns, either prior to or immediately after the special meeting.

If such transactions are effected, the consequence could be to cause the Merger to be approved in circumstances where such approval could not otherwise be obtained. Purchases of shares by the persons described above would allow them to exert more influence over the approval of the merger proposal and other proposals and would likely increase the chances that such proposals would be approved. Moreover, any such purchases may make it less likely that the holders of 20% or more of the Public Shares will vote against the acquisition proposal and exercise their conversion shares.

As of the date of this proxy statement, there have been no such discussions and no agreements to such effect have been entered into with any such investor or holder. Renaissance will file a Current Report on Form 8-K to disclose any arrangements entered into or significant purchases made by any of the aforementioned persons that would affect the vote on the merger proposal and charter amendment proposal or the conversion threshold.

**Recommendation to Stockholders**

Renaissance's board of directors believes that the merger proposal and the other proposals to be presented at the special meeting are fair to and in the best interest of Renaissance's stockholders and unanimously recommends that its stockholders vote FOR each of the proposals.

**Conditions to the Closing of the Merger**

**General Conditions**

Consummation of the Merger is conditioned on (i) the holders of the Public Shares, at a meeting called for this and other related purposes, approving the merger proposal and the charter amendment proposal, (ii) the holders of fewer than 20% of the Public Shares voting against the Merger and exercising their right to convert their Public Shares into a pro-rata portion of the Trust Account, calculated as of two business days prior to the anticipated consummation of the Merger and (iii) stockholders holding not more than 10% of the outstanding shares of First Communications common stock having exercised appraisal rights under the DGCL with respect to the transactions contemplated by the Merger Agreement.

In addition, the consummation of the transactions contemplated by the Merger Agreement is conditioned upon, among other things, (i) at the closing, Renaissance common stock being listed for trading on Nasdaq, (ii) no order, stay, judgment or decree being issued by any governmental authority preventing, restraining or prohibiting in whole or in part, the consummation of such transactions, (iii) the receipt of certain governmental approvals and (iv) the Renaissance stockholders voting for the directors nominated by management.

**First Communications Conditions to Closing**

The obligations of First Communications to consummate the transactions contemplated by the Merger Agreement also are conditioned upon, among other things:

Renaissance and each Merger Sub's representations and warranties set forth in the Merger Agreement being true and correct in all material respects (except representations which, as written, are already qualified by materiality or material adverse effect, in which case such representations and warranties will be true and correct in all such respects) as of the date of the Merger Agreement, and, except to the extent such representations and warranties speak as of an earlier date, as of the effective time of the First Merger;

Renaissance and each Merger Sub having duly performed in all material respects all obligations, covenants and agreements undertaken by them in the Merger Agreement and having complied in all material respects with all terms and conditions applicable to them under the Merger Agreement to be performed or complied with on or before the closing date;

all necessary third party approvals or consents having been obtained from any person or entity whose approval or consent is necessary to consummate the Merger including, without limitation, the approval of the board of directors of Renaissance and each Merger Sub and the consents of the State PUCs and the FCC;

Renaissance having received approval from its stockholders in a manner consistent with Renaissance's final prospectus dated January 29, 2007 and having delivered evidence of such approval to First Communications; and

since the date of the Merger Agreement there having been no occurrence, event, change, effect or development that, individually or in the aggregate, has had or is reasonably expected to have a material adverse effect on Renaissance.

### **Renaissance's Conditions to Closing**

The obligations of Renaissance to consummate the transactions contemplated by the Merger Agreement also are conditioned upon each of the following, among other things:

First Communications' representations and warranties set forth in the Merger Agreement being true and correct in all material respects (except representations which, as written, are already qualified by materiality or material adverse effect, in which case such representations and warranties shall be true and correct in all such respects) as of the Merger Agreement and, except to the extent such representations and warranties speak as of an earlier date, as of the effective time of the First Merger;

all necessary third party approvals or consents, having been obtained from any person or entity whose approval or consent is necessary to consummate the Merger including, without limitation, the consents of the State PUCs and the FCC;

First Communications having performed in all material respects all obligations, covenants and agreements undertaken by First Communications in the Merger Agreement and having complied in all material respects with all terms and conditions applicable to it under the Merger Agreement to be performed and complied with on or before the closing date;

First Communications' stockholders holding not more than 10% of the outstanding shares of First Communications common stock having exercised or having continuing rights to exercise appraisal rights under the DGCL with respect to the transactions contemplated by the Merger Agreement;

since the date of the Merger Agreement there not having been any occurrence, event, change, effect or development that, individually or in the aggregate, has had or is reasonably expected to have a material adverse effect on First Communications; and

First Communications having obtained an amendment to its existing credit facility waiving the change of control provision therein.

### **Termination**

The Merger Agreement may be terminated, among other reasons, at any time prior to closing:

by mutual written consent of Renaissance and First Communications;

by either Renaissance or First Communications if the Merger is not consummated on or before January 29, 2009;

by either Renaissance or First Communications if a governmental authority has enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order, in each case which has become final and non-appealable, and which permanently restrains, enjoins or otherwise prohibits the Merger;

by either Renaissance or First Communications if, at Renaissance's special meeting (including any adjournments thereof), the Merger shall fail to be approved and adopted by the affirmative vote of the holders of Renaissance common stock required under its amended and restated certificate of incorporation, or the holders of 20% or more of the Public Shares outstanding as of the record date of Renaissance's special meeting exercise their rights to convert the shares of Renaissance common stock held by them into cash in accordance with Renaissance's amended and restated certificate of incorporation; or

by either Renaissance or First Communications, if such party is not in material breach of its obligations under the Merger Agreement and there has been a material breach of the representations and warranties, covenants, or agreements by the other party and such breach has not been cured within 30 days after written notice to the breaching party, if curable.

### **Effect of Termination**

Except as otherwise provided in the Merger Agreement, in the event of proper termination by either Renaissance or First Communications, the Merger Agreement will have no further force and effect, without any liability or obligation on the part of Renaissance or First Communications; provided, however, that those provisions which survive the termination of the Merger Agreement shall not be void and that such termination will not terminate the rights or remedies of any party against another party that has violated or breached the Merger Agreement prior to such termination.

### **Waiver**

Any provision of the Merger Agreement may be waived in writing at any time by the party which is entitled to the benefit of such provision. Neither any failure nor any delay by any party in exercising any right, power, or privilege under the Merger Agreement or any of the documents referred to in the Merger Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. The condition requiring that the holders of fewer than 20% of the Public Shares affirmatively vote against the merger proposal and demand conversion of their shares into cash may not be waived. Renaissance cannot assure you that all of the conditions will be satisfied or waived.

The existence of the financial and personal interests of the directors may result in a conflict of interest on the part of one or more of them between what he may believe is best for Renaissance and what he may believe is best for himself in determining whether or not to grant a waiver in a specific situation.

### **Fees and Expenses**

All fees and expenses incurred in connection with the Merger Agreement and the transactions contemplated thereby will be paid by the party incurring such expenses; provided, however, that if Renaissance fails to obtain stockholder approval and certain conditions to closing have been satisfied, then Renaissance will pay First Communications all of its excess working capital funds available outside of the Trust Account which remain after Renaissance's expenses are paid or accrued for and reasonable liquidation reserves are established.

### **Tax Consequences of the Merger**

Renaissance believes that, for United States federal income tax purposes:

No gain or loss will be recognized by non-converting stockholders of Renaissance; and

A stockholder of Renaissance who exercises conversion rights and effects a termination of the stockholder's interest in Renaissance will be required to recognize capital gain or loss upon the exchange of that stockholder's shares of common stock of Renaissance for cash, if such shares were held as a capital asset on the date of the Merger. Such gain or loss will be measured by the difference between the amount of cash received and the tax basis of that stockholder's shares of Renaissance common stock.

Furthermore, the Merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "IRC").

For a description of the material United States federal income tax consequences of the Merger, please see the information set forth in *The Merger Proposal - Material United States Income Tax Consequences of the Merger*.

### **Anticipated Accounting Treatment**

The Merger will be accounted for as a reverse acquisition in accordance with U.S. generally accepted accounting principles ("GAAP"). Under this method of accounting, Renaissance will be treated as the acquired company for financial reporting purposes. This determination was primarily based on First Communications comprising the ongoing operations of the post-merger combined company and senior management of the post-



merger combined company. In accordance with guidance applicable to these circumstances, the Merger will be considered to be a capital transaction in substance. Accordingly, for accounting purposes, the Merger will be treated as the equivalent of First Communications issuing stock for the net assets of Renaissance, accompanied by a recapitalization. The net assets of Renaissance will be stated at historical cost which approximates fair value, with no goodwill or other intangible assets recorded. Historical operating information prior to the Merger will be that of First Communications.

### **Regulatory Matters**

Completion of the Merger and the transactions contemplated by the Merger Agreement require that Renaissance and First Communications submit filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ( HSR Act ) and satisfy certain waiting periods. Furthermore, Renaissance and First Communications will need to obtain the approvals of the FCC and certain State PUCs for the transfer of control of First Communications' operating subsidiaries. All of the required applications and notices seeking such approvals have been submitted to the FCC and the applicable State PUCs.

### **Risk Factors**

In evaluating the merger proposal, the charter amendment proposal, the incentive compensation plan proposal, the director election proposal and the adjournment proposal, you should carefully read this proxy statement and especially consider the factors discussed in the section entitled *Risk Factors*.



**SELECTED HISTORICAL FINANCIAL INFORMATION**

The following financial information is being provided to assist you in your analysis of the financial aspects of the Merger. The information is only a summary and should be read in conjunction with each company's audited historical consolidated financial statements and related notes contained elsewhere herein. The historical results included below and elsewhere in this proxy statement are not indicative of the future performance of First Communications or Renaissance.

**First Communications Selected Financial Data**

The following table sets forth selected historical financial data of First Communications and its predecessor company, First Communications, LLC. The information presented below was derived from First Communications, Inc. audited financial statements for the period July 2, 2007 (date of inception) through December 31, 2007 and the unaudited financial statements for First Communications for the nine months ended September 30, 2008 and from First Communications, LLC audited financial statements for the period January 1, 2007 through July 1, 2007 and for each of the years ended December 31, 2006, 2005, 2004 and 2003. This information is only a summary. You should read this information together with First Communications' and First Communications, LLC's historical financial statements and accompanying notes contained elsewhere in this proxy statement.

	First Communications (successor)		First Communications, LLC (predecessor)				
	For the Nine Months Ended and as of September 30, 2008	For the Period July 2, 2007 (date of inception) through and as of December 31, 2007	For the Period January 1, 2007 through July 1, 2007	For the Year Ended or as of December 31,			
				2006	2005	2004	2003
	(in thousands, except per share data)						
Net sales	\$ 113,485	\$ 65,553	\$67,152	\$ 107,076	\$ 77,278	\$ 56,194	\$ 47,361
Net income	3,950	929	3,797	7,206	3,495	5,205	6,058
Basic earnings per share	0.15	(0.43)	N/A	N/A	N/A	N/A	N/A
Diluted earnings per share	0.12	(0.43)	N/A	N/A	N/A	N/A	N/A
Total assets	326,093	184,936	55,159	35,607	33,691	23,426	19,750
Long-term debt	104,500			4,035	8,204	5,000	5,000
Redeemable preferred stock	15,000	40,000					

**Renaissance Selected Financial Data**

The following table sets forth selected historical financial data of Renaissance. The information presented below was derived from Renaissance's audited financial statements for the year ended and as of December 31, 2007 and 2006 and from its unaudited financial statements for the nine months ended September 30, 2008 and 2007 and as of September 30, 2008. This information is only a summary. You should read this information together with Renaissance's historical financial statements and accompanying notes contained elsewhere in this proxy statement.

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	Twelve Months Ended December 31, 2007	April 17, 2006 (inception) to December 31, 2006	April 17, 2006 (inception) to September 30, 2008
<b>Consolidated Statement of Operations Data:</b>					
	(unaudited)	(unaudited)			(unaudited)
General and administrative expenses	\$ 1,323,749	\$ 761,264	\$ 847,558	\$ 1,998	\$ 2,173,305
Operating loss	(1,323,749)	(761,264)	(847,558)	(1,998)	(2,173,305)
Income (loss) before provision for income taxes	380,657	2,056,253	3,314,220	(1,518)	3,693,359
Net income (loss) attributable to common stock not subject to possible conversion	\$ (442,144)	\$ 1,374,825	\$ 2,056,175	\$ (1,518)	\$ 1,612,513
Net income (loss) per share attributable to common stock not subject to conversion:					
Basic and diluted	(\$0.02)	\$ 0.08	\$ 0.12	(\$0.00)	
Pro forma diluted	(\$0.02)	\$ 0.07	\$ 0.11	(\$0.00)	
Maximum number of shares subject to possible conversion:					
Weighted average shares outstanding not subject to possible conversion:					
Basic and diluted	18,253,794	16,521,006	16,957,763	3,900,000	
Pro forma diluted	22,601,153	19,468,103	19,417,922	3,900,000	

	As of September 30, 2008	As of December 31, 2007	As of December 31, 2006
<b>Consolidated Balance Sheet Data:</b>			
	(unaudited)		
Cash	\$ 870,793	\$ 1,410,028	\$ 60,165
Total Assets	107,372,039	106,803,634	387,892
Total Liabilities	3,975,615	3,173,568	364,410
Common Equity	\$ 82,123,566	\$ 82,565,710	\$ 23,482
Common stock issued and outstanding	21,840,000	21,840,000	3,900,000
Book value per common share	\$ 3.76	\$ 3.78	\$ 0.01

**SELECTED UNAUDITED PRO FORMA CONDENSED  
FINANCIAL STATEMENTS**

The selected unaudited pro forma condensed financial statements are pro forma for First Communications after giving effect to the acquisitions of Globalcom on September 30, 2008, First Communications, LLC and Xtension Services, Inc. ( Xtension ) on July 2, 2007 and the reverse merger with Renaissance (together known as the Transactions ).

The selected unaudited pro forma condensed balance sheet as of September 30, 2008 is based on the unaudited historical consolidated balance sheets as of September 30, 2008 for Renaissance and First Communications and gives effect to the Transactions and the related financing as if they had occurred on September 30, 2008. The selected unaudited pro forma condensed statement of operations for the year ended December 31, 2007 has been derived from audited consolidated financial statements for the year ended December 31, 2007. The selected unaudited pro forma condensed consolidated statement of operations for the nine months ended September 30, 2008 has been derived from the selected unaudited consolidated financial statements of Renaissance and First Communications for the nine month period ended September 30, 2008. The selected unaudited pro forma condensed statements of operations give effect to the Transactions and borrowings as if they occurred on January 1, 2007.

The following selected unaudited pro forma combined financial information has been derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial statements and related notes thereto included elsewhere in this proxy statement, each of Renaissance's and First Communications' historical consolidated financial statements and related notes, each of Renaissance's and First Communications' Management's Discussion and Analysis of Financial Condition and Results of Operations section and other financial information contained in this proxy statement. The selected unaudited pro forma information presented herein does not intend to represent or be indicative of the financial position or results of operations that would have actually occurred had the Transactions occurred on the dates indicated and should not be taken as representative of the future consolidated financial position or results operations.

**Selected Unaudited Pro Forma Combined Statement of Operations Data**

	For the Nine Months Ended September 30, 2008		For the Twelve Months Ended December 31, 2007	
	Pro Forma Consolidated Assuming No Conversions	Pro Forma Consolidated Assuming Maximum Conversions	Pro Forma Consolidated Assuming No Conversions	Pro Forma Consolidated Assuming Maximum Conversions
	(In thousands)		(In thousands)	
Total Revenues, Net	\$ 155,315	\$ 155,315	\$ 188,623	\$ 188,623
Operating Income	8,551	8,551	10,331	10,331
Interest Expense	(5,279)	(5,279)	(6,992)	(6,992)
Net Income	2,899	2,686	4,135	3,601
Earnings per share				
Basic	\$ 0.08	\$ 0.09	\$ 0.13	\$ 0.12
Diluted	\$ 0.08	\$ 0.08	\$ 0.12	\$ 0.11
Weighted average shares outstanding				
Basic	34,300	30,714	32,680	29,418
Diluted	38,646	35,060	35,755	32,493

## Selected Unaudited Pro Forma Condensed Consolidated Balance Sheet Data

	As of September 30, 2008	
	Pro Forma Consolidated Assuming No Conversions	Pro Forma Consolidated Assuming Maximum Conversions
	(In thousands)	
Cash and cash equivalents	\$ 75,499	\$ 54,226
Working capital	63,046	41,773
Total assets	398,914	377,641
Long-term debt, less current portion	104,500	104,500
Total liabilities	177,629	177,629
Stockholders' equity	221,285	200,012

## RISK FACTORS

You should carefully consider the following risk factors, together with all of the other information included in this proxy statement, before you decide whether to vote or instruct your vote to be cast to approve the proposals described in this proxy statement.

### **Risks Related to Renaissance's Business and Operations Following the Merger with First Communications**

**First Communications' indebtedness may restrict operating flexibility, could adversely affect its financial health and could prevent it from fulfilling certain financial obligations.**

As of September 30, 2008, First Communications had approximately \$126,500,000 of total outstanding indebtedness. The indebtedness could significantly affect its financial health and its ability to fulfill certain financial obligations. For example, a high level of indebtedness could:

make it more difficult to satisfy current and future debt obligations;

make it more difficult to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes;

require First Communications to dedicate a substantial portion of cash flows from operating activities to the payment of principal and interest on the indebtedness, thereby reducing the funds available for operations and other purposes, including investments in service development, capital spending and acquisitions;

place First Communications at a competitive disadvantage to competitors who are not as highly leveraged;

make First Communications vulnerable to interest rate fluctuations, if any indebtedness that bears interest at variable rates is incurred;

impair First Communications' ability to adjust to changing industry and market conditions; and

make First Communications more vulnerable in the event of a downturn in general economic conditions or in business or changing market conditions and regulations.

**The credit agreement governing First Communications' credit facility contains restrictive and operating covenants that limit First Communications' operating flexibility, and it may obtain a credit facility in the future that may include similar or additional restrictions.**

The First Communications credit agreement contains covenants that, among other things, restrict First Communications' ability to take specific actions, even if First Communications believes them to be in its best interest, including restrictions on its ability to:

incur or guarantee additional indebtedness or issue preferred stock;

pay dividends or distributions on, or redeem or repurchase, capital stock;

create liens with respect to its assets;

make investments, loans or advances;

prepay subordinated indebtedness;

enter into transactions with affiliates;

merge, consolidate, reorganize or sell its assets; and

engage in any business other than activities related or complementary to communications.

In addition, any future credit facility may impose financial covenants that will require First Communications to comply with specified financial ratios and tests, including minimum quarterly earnings before interest, taxes, depreciation and amortization ( EBITDA ), senior debt to total capitalization, maximum capital expenditures, maximum leverage ratios and minimum interest coverage ratios. First Communications cannot assure you that it will be able to meet these requirements or satisfy these covenants in the future. If First Communications fails to do so, its indebtedness could accelerate and become payable at a time when First Communications is unable to pay it. This could adversely affect its ability to carry out its business plan and would have a negative effect on its financial condition.

**To service indebtedness, First Communications will require a significant amount of cash. Its ability to generate cash depends on many factors beyond its control.**

First Communications' ability to repay or to refinance its indebtedness and to fund planned capital expenditures will depend on future financial and operating performance. This, to a certain extent, is subject to general economic, financial, competitive, business, legislative, regulatory and other factors that are beyond the control of First Communications. These factors could include operating difficulties, diminished access to necessary network facilities, increased operating costs, significant customer churn, pricing pressures, the response of competitors, regulatory developments and delays in implementing strategic initiatives.

First Communications cannot assure you that its business activities will generate sufficient cash flow from operations or that future borrowings will be available in an amount sufficient to enable the payment of indebtedness or to fund other liquidity needs. First Communications may need to refinance all or a portion of its indebtedness at or before maturity. First Communications cannot assure you that it will be able to refinance any indebtedness, nor credit facility, on commercially reasonable terms or at all. Upon completion of the Merger, a portion of the cash held in the Trust Account will be used to repay First Communications' outstanding indebtedness, including \$15 million to redeem First Communications Series A Preferred Stock and \$10 million to repay amounts owed under First Communications' revolving line of credit. First Communications anticipates that, following the completion of the Merger, the principal amount of the post-merger combined company's outstanding bank indebtedness will be approximately \$113.5 million. However, the post-merger combined company may also choose to use the funds released from the Trust Account to make additional payments on outstanding indebtedness.

**Declining prices for communications services could reduce First Communications' revenues and profitability.**

First Communications may fail to achieve acceptable profits due to pricing. Prices in telecommunications services have declined substantially in recent years, a trend which may continue. Accordingly, First Communications cannot predict to what extent reductions in prices may be needed to remain competitive or whether First Communications will be able to sustain future pricing levels as competitors introduce competing services or similar services at lower prices. First Communications' ability to meet price competition may depend on its ability to operate at costs equal to or lower than competitors or potential competitors.

**Certain commercial customers are entitled to terminate their contracts on short notice.**

Under the terms of their contracts, certain commercial customers who have been customers for more than 12 months may be entitled to terminate their contracts on short notice. If a significant number of customers were to terminate their contracts or terminate their relationships with First Communications, it could have an adverse effect on First Communications' business, results of operations and financial condition.

For example, First Communications derived 5.6% of its revenues for the year ended December 31, 2007 from FirstEnergy Corp. If FirstEnergy Corp. were to terminate its agreement with First Communications, it could affect First Communications' revenues.

In addition, relationships with its top five customers accounted for 54.6% of First Communications' wholesale division revenues for the year ended December 31, 2007. Although they are commercial customers, 99.1% of wholesale customers are currently on a monthly rolling contract basis, which allows these customers to terminate their agreement with only one month's notice. Given its concentrated customer base, the loss of any key wholesale customers could have an adverse effect on First Communications' revenues.

**The communications market in which First Communications operates is highly competitive, and First Communications may not be able to compete effectively against companies that have significantly greater resources, which could cause it to lose customers and impede its ability to attract new customers.**

The communications industry is highly competitive and is affected by the introduction of new services and systems by, and the market activities of, major industry participants. First Communications has not achieved, and does not expect to achieve, a major share of the local access lines for any of the communications services currently offered. In each of its markets, First Communications competes with the incumbent local exchange carrier (each an ILEC and collectively the ILECs) serving that area. Large competitors have the following advantages compared to First Communications:

- long-standing relationships and strong reputation with customers;
- substantially greater financial, technical, marketing, personnel and other resources;
- more funds to deploy communications services and systems that compete with First Communications;
- the potential to subsidize competitive services with revenue from a variety of businesses;
- anticipated increased pricing flexibility and relaxed regulatory oversight;
- larger networks; and
- benefits from existing regulations that favor the ILECs.

First Communications also faces, and expects to continue to face, competition from other current and potential market entrants, such as other competitive local exchange carriers, cable television companies and wireless service providers. While many competitive local exchange carriers have historically targeted small- and medium sized enterprises and multi-location customers, cable television companies are now increasingly also targeting these customers. First Communications is also increasingly subject to competition from providers using voice over Internet protocol (VoIP) over the public Internet or private networks. VoIP providers are currently subject to substantially less regulation than traditional local telephone companies and do not pay certain taxes and regulatory charges that First Communications is required to pay. In addition, the development of new technologies could give rise to significant new competitors in the local market.

In the long distance communications market, First Communications faces competition from the ILECs, large and small interexchange carriers, wireless carriers and IP based service providers. Long distance prices have decreased substantially in recent years and may continue to decline in the future as a result of increased competition. If this trend continues, First Communications anticipates that revenues from network services and other service offerings will likely be subject to significant price pressure.

**Continued industry consolidation could further strengthen First Communications competitors and could adversely affect the business prospects of First Communications.**

Consolidation in the telecommunications industry is occurring at a rapid pace. In addition to the ILEC/interexchange carrier combinations of Verizon/MCI and SBC/AT&T and the ILEC combinations such as AT&T/BellSouth, numerous competitive local exchange carrier combinations have occurred, including several which directly impact First Communications' markets, such as Paetec/US LEC/McLeod, Cavalier/Talk America and Choice One/CTC/Conversent. This consolidation strengthens First Communications' competitors and poses





increased competitive challenges for First Communications. The ILEC/interexchange carrier combinations not only provide the ILECs with national and international long distance networks and subscribers, but eliminate the two most effective and well financed opponents of the ILECs in federal and state legislative and regulatory forums and potentially reduce the availability of non-ILEC network facilities. The competitive local exchange carrier combinations will provide direct competitors with greater financial, network and marketing assets.

**Any slowdown in demand for wireless communications services or for tower space could adversely affect future growth and revenues.**

Demand for antenna space on First Communications towers and for site development services depends on demand for wireless services. In 2001 through 2003, economic downturns in the U.S. economy, including the wireless telecommunications industry, negatively influenced demand for tower space and site development services. Similar slowdowns in the future may adversely affect:

consumer demand for wireless services;

the financial condition of the wireless service providers;

the ability and willingness of wireless service providers to maintain or increase capital expenditures;

the availability and cost of capital, including interest rates;

volatility in the equity and debt markets; and

the willingness of tenants to renew their leases for additional terms.

As a result of these factors, wireless service providers may delay or abandon implementation of new systems and technologies, including third generation ( 3G ), fourth generation ( 4G ) or other wireless services or may elect not to renew existing antenna leases in order to reduce operating expenses.

**First Communications may not secure as many site leasing tenants as planned or lease rates for new tenant leases may decline.**

If tenant demand for tower space or lease rates on new leases decrease, First Communications may not be able to successfully grow its site leasing business as expected. This may have a material adverse effect on First Communications strategy, revenue growth and ability to satisfy financial and other contractual obligations.

**As wireless service provider customers continue to combine their operations, First Communications growth, revenue and ability to service indebtedness could be adversely affected.**

Demand for services may decline with consolidation among wireless service provider customers as they may then reduce capital expenditures in the aggregate or fail to renew existing leases for tower space because many of their existing networks and expansion plans may overlap. Furthermore, to the extent that other wireless service providers consolidate in the future, they may not renew any duplicative leases that they have on First Communications towers and/or may not lease as much space on towers in the future. This would adversely affect growth, revenue and ability to service indebtedness.

Similar consequences may occur if wireless service providers engage in extensive sharing, roaming or resale arrangements as an alternative to leasing First Communications antenna space. Wireless voice service providers frequently enter into roaming agreements with competitors allowing them to use one another's wireless communications facilities to accommodate customers who are out of range of their home provider's services. Wireless voice service providers may view these roaming agreements as a superior alternative to leasing antenna space on communication sites owned or controlled by First Communications or others. The proliferation of these roaming agreements could have a material adverse effect on revenue.



**The financial difficulties faced by others in the telecommunication industry could adversely affect First Communications' public image and financial results.**

Certain competitive communications services providers, long distance carriers and other communications providers have experienced substantial financial difficulties over the past few years. To the extent that carriers in financial difficulty purchase services from First Communications, payment may not come in full or at all for services that have been rendered. Further, the perception of instability of companies in the telecommunications industry may diminish First Communications' ability to obtain further capital and may adversely affect the willingness of potential customers to purchase their communications services from First Communications.

**Certain of First Communications' services are dependent upon contracts with third party suppliers and carriers and any amendment to the terms of such contracts (including as to price and rates) could have an adverse effect on First Communications' results of operations or financial condition.**

In order to provide its customers with certain services, First Communications needs to enter into wholesale agreements with third party suppliers and carriers. First Communications has currently entered into several such agreements, a number of which contain rate change clauses that allow the relevant suppliers or carriers to unilaterally increase rates on 30 to 60 days' notice for domestic traffic and five 5 to 30 days' notice for international traffic. Suppliers and carriers have raised rates pursuant to these clauses in the past and there can be no assurance that existing and future suppliers and carriers will not exercise their rights to increase rates in the future, thereby negatively affecting First Communications' results of operations. If First Communications is unable to pass on such increases to customers or if the price increases result in a loss of customers, this could have an adverse effect on its results of operations and financial condition.

**Carriers periodically issue substantial bills related to services provided during past periods.**

Periodically, carriers issue bills that relate to services provided during past periods. Such bills may be for services for which the carrier has failed to bill or billed at the wrong rate or may contain charges that the carrier had the right to access, but failed to do so. While First Communications generally disputes these bills, resolution could adversely impact its cash flow and finances.

**Difficulties First Communications may experience with ILECs, interexchange carriers and wholesale customers over payment issues may harm its financial performance.**

First Communications has at times experienced difficulties collecting amounts due for services that were provided to ILECs and interexchange carriers. These balances due to First Communications can be material. Generally, First Communications has been able to reach mutually acceptable settlements to collect overdue and disputed payments, but it cannot assure you that it will be able to do so in the future.

In addition, First Communications' interconnection agreements allow ILECs to decrease order processing, disconnect customers and increase security deposit obligations for delinquent payments. If an ILEC makes an enforceable demand for an increased security deposit, First Communications could have less cash available for other expenses. If an ILEC were to cease order processing or disconnect customers, First Communications' business and operations would be materially and adversely affected.

Further, periodically, First Communications' wholesale customers experience financial difficulties. To the extent that the credit quality of its wholesale customers deteriorates or they seek bankruptcy protection, First Communications may have difficulty collecting amounts due for services that it has provided to them. While First Communications maintains security deposits and often retains the right to solicit end-user customers, First Communications cannot assure you that such mechanisms will provide adequate protection.

Finally, First Communications sometimes has disagreements with ILECs and interexchange carriers regarding the interpretation and application of laws, rules, regulations, tariffs and agreements. Adverse resolution of these disagreements could impact First Communications' revenues and costs of service, both prospectively and

retroactively. The resolution of some of these disputes will depend upon public policy determinations not yet made by the FCC and state regulators.

**Ongoing billing disputes with other carriers may cause First Communications to have to pay the carriers money which could materially adversely affect its business, financial condition, results of operations and cash flows.**

First Communications is currently involved in a variety of disputes with carriers relating to billings of approximately \$1.4 million as of September 30, 2008. When it identifies an error in a carrier's bill, First Communications disputes the amount that it believes to be incorrect and often withholds payment for that portion of the invoice. Errors it routinely identifies on bills include, but are not limited to, carriers billing for services which were not consumed, carriers billing for services First Communications did not order, carriers billing for services that should have been billed to another carrier, carriers billing for services using incorrect rates or incorrect tariffs, and carriers failing to provide the necessary supporting detail to allow First Communications to bill its customers or verify the accuracy of the bill. These problems are exacerbated because carriers periodically bill for services months or sometimes years after the services are provided. While First Communications hopes to resolve these disputes through negotiation, it may be compelled to arbitrate these matters. The resolution of these disputes may require First Communications to pay an amount that is greater than the amount for which it has planned or even the amount the carrier claimed if late payment charges are assessed, which could materially adversely affect First Communications' business, financial condition, results of operations and cash flows. In the event that disputes are not resolved in favor of First Communications and it is unable to pay charges in a timely manner, the carrier may deny First Communications access to the network facilities that are required to serve its customers. If a carrier notifies First Communications of an impending embargo of this nature, First Communications may be required to notify its customers of a potential loss of service which may cause a substantial loss of customers. It is not possible at this time to predict the outcome of these disputes.

**First Communications depends on a limited number of third party service providers for long distance and other services, and if any one of these providers were to experience significant interruptions in its business operations, or were to otherwise cease to provide such services, First Communications' ability to provide services to its customers could be materially and adversely affected.**

First Communications depends on a limited number of third party service providers for long distance, data and other services. If any one of these third party providers were to experience significant interruptions in its business operations, terminate its agreements or fail to perform the services or meet the standards of quality required under the terms of agreements with it, First Communications' ability to provide these services to its customers could be materially and adversely affected for a period of time that cannot be predicted. If First Communications had to migrate the provision of these services to an alternative provider, it cannot assure that First Communications would be able to timely locate alternative providers of such services, that such services could be migrated in a short period of time without significant customer disruption so as to avoid a material loss of customers or business, or that the migration could occur at economical rates.

**System disruptions or the failure of First Communications' information systems to perform as expected could result in increased capital expenditures, customer and vendor dissatisfaction, loss of business or the inability to add new customers or additional services.**

First Communications' success ultimately depends on providing reliable service. Although its network has been designed to minimize the possibility of service disruptions or other outages, it may be disrupted by problems in the network, such as equipment failures and problems with a competitor's or vendor's system, such as physical damage to telephone lines or power surges and outages. In addition, First Communications' engineering and operations organizations continually monitor and analyze the utilization of its network. As a result, First Communications may develop projects to modify or eliminate network circuits that are underutilized. This ongoing

process may result in limited network outages for a subset of customers. Any disruption in First Communications' network could cause the loss of customers and result in additional expenses.

Likewise, disruptions caused by security breaches, terrorism or by other factors could harm First Communications' future operating results. The day-to-day operation of First Communications' business is highly dependent on the ability to protect communications and information technology systems from damage or interruptions by events beyond its control. Sabotage, computer viruses or other infiltration by third parties could damage or disrupt service, damage facilities, damage its reputation and cause First Communications to lose customers, among other things. A catastrophic event could materially harm operating results and financial condition. Catastrophic events could include a terrorist attack in markets of operation or a major earthquake, fire, or similar event that would affect First Communications' central offices, corporate headquarters, network operations center or network equipment.

Finally, First Communications relies on complex information systems to support business functions. If systems, individually or collectively, fail or do not perform as expected, First Communications' ability to process and provision orders, to make timely payments to vendors and to ensure that it collects revenue owed to it would be adversely affected. Such failures could result in increased capital expenditures, customer and vendor dissatisfaction, loss of business or the inability to add new customers or additional services.

**Towers are subject to damage from natural disasters.**

Towers are subject to risks associated with natural disasters such as tornadoes, hurricanes and earthquakes. First Communications maintains insurance to cover the estimated cost of replacing damaged towers, but these insurance policies are subject to loss limits and deductibles. First Communications also maintains third party liability insurance, subject to loss limits and deductibles, to protect in the event of an accident involving a tower. A tower accident for which First Communications is uninsured or underinsured, or damage to a significant number of towers, could lead to the incurrence of significant expenditures and may have a material adverse effect on operations or financial condition.

**Certain real estate leases and agreements are important to the business of First Communications, and failure to maintain such leases and agreements could have an adverse effect.**

First Communications' switches are housed in facilities owned by third parties. Its use of these facilities is subject to multiple real estate leases. If First Communications were to lose one or more of these leases, the resulting relocation of one or more of these switches would be costly and disruptive to its business and customers. First Communications cannot assure you that it will be able to maintain all of the real estate leases governing its multiple switch sites.

**Failure to obtain and maintain necessary permits and rights-of-way could interfere with First Communications' network infrastructure and operations.**

To obtain and maintain rights-of-way and similar rights and easements needed to install, operate and maintain fiber optic cable and other network elements, First Communications must negotiate and manage agreements with state highway authorities, local governments, transit authorities, local telephone companies and other utilities, railroads, long distance carriers and other parties. The failure to obtain or maintain any rights-of-way could interfere with First Communications' operations, interfere with network infrastructure and use of that infrastructure and adversely affect the business. For example, if First Communications loses access to a right-of-way, there may be a need to spend significant sums to remove and relocate facilities.

**The communications industry is undergoing rapid technological changes, and new technologies may be superior to the technologies that First Communications uses. First Communications may fail to anticipate and keep up with such changes.**

The communications industry is subject to rapid and significant changes in technology and in customer requirements and preferences. If First Communications fails to anticipate and keep up with such changes, it could lose market share, which could reduce revenue. The business of First Communications has been developed based, in part, on traditional telephone technology. Subsequent technological developments may reduce the competitiveness of First Communications' network and require expensive unanticipated upgrades or additional communications products that could be time consuming to integrate into the business and could cause the loss of customers and impede success in attracting new customers. First Communications may be required to select one technology over another at a time when it might be impossible to predict with any certainty which technology will prove to be more economic, efficient or capable of attracting customers. In addition, even though First Communications utilizes new technologies in its network, such as VoIP, First Communications may not be able to implement them as effectively as other companies with more experience with those new technologies. In addition, while First Communications has recently purchased and deployed new technology, including VoIP soft switches, Ethernet in the First Mile and Multiprotocol Label Switching core and edge routers, all of which provide networks with a more efficient way to manage applications and move information between locations, First Communications may not be able to implement new technology as effectively as other companies with more experience with new technology.

**First Communications may be unable to identify suitable acquisition candidates or may engage in future acquisitions that are not successful or fail to integrate acquired businesses into its operations, which may adversely affect its competitive position and growth prospects.**

Part of First Communications' business strategy is to expand through the acquisition of other businesses that are believed to be complementary to its current business. First Communications may be unable to identify suitable acquisition candidates, or if suitable acquisition candidates are identified, First Communications may not complete those transactions commercially favorable to internal metrics, which may adversely affect its competitive position and potential growth prospects.

If First Communications acquires another business, difficulties that may be faced are:

- integrating that business' personnel, services, products or technologies into existing operations;
- retaining key personnel of the acquired business;
- failing to adequately identify or assess liabilities of that business;
- failing to achieve the forecasts used to determine the purchase price of that business; and
- diverting First Communications' management's attention from the normal daily operation of the existing business.

These difficulties could disrupt First Communications' ongoing business and increase expenses.

**First Communications may have difficulty obtaining financing for future acquisitions, and even if it is able to obtain financing it may not be able to service such indebtedness.**

First Communications' ability to complete acquisitions will depend, in part, on its ability to finance these acquisitions, including the costs of acquisition and integration. First Communications' ability to finance these acquisitions may be constrained by its cash flow, the level of indebtedness at the time, restrictive covenants in its agreements governing indebtedness, conditions in the securities markets and other factors, many of which are beyond its control. If First Communications proceeds with one or more acquisitions in which the consideration consists of cash, it may use a substantial portion of its available cash to complete the acquisition. If it finances one or more acquisitions with the proceeds of indebtedness, its interest expense and debt service requirements could

increase materially. The financial impact of acquisitions could materially affect First Communications' business and could cause substantial fluctuations in its quarterly and yearly operating results.

**Limits exist on First Communications' ability to seek indemnification for losses from individuals and entities from whom it has acquired assets and operations.**

When First Communications acquires a company or a company's assets, it generally secures from the sellers indemnity protection against certain types of liabilities. Such indemnity protection is generally subject to a deductible and a cap as well as a time limit. If undisclosed or unknown liabilities fall below the deductible or over the cap or such liabilities are not discovered until after the time limit, the indemnity will not protect First Communications. Moreover, a seller may contest First Communications' indemnity claims or be unable to fund such claims.

**Misappropriation of First Communications' intellectual property and proprietary rights could impair its competitive position, and defending against intellectual property infringement and misappropriation claims could be time consuming and expensive and, if it is not successful, could cause substantial expense and disrupt First Communications' business.**

First Communications relies on a combination of copyright, trademark and trade secret laws, as well as licensing agreements, third party non-disclosure agreements and other contractual provisions and technical measures to protect its existing intellectual property rights. There can be no assurance that these protections will be adequate to prevent competitors from copying or reverse-engineering hardware or software products, or that competitors will not independently develop technologies that are substantially equivalent or superior to First Communications technology.

In addition, First Communications cannot be sure that the products, services, technologies and advertising currently employed in its business do not or will not infringe valid patents, trademarks, copyrights or other intellectual property rights held by third parties. First Communications may be subject to legal proceedings and claims from time to time relating to the intellectual property of others in the ordinary course of its business. Defending against intellectual property infringement or misappropriation claims could be time consuming and expensive regardless of whether First Communications is successful, and could disrupt its business.

**Several providers of VoIP service have been the target of recent intellectual property infringement litigation that may materially and adversely affect the ability of First Communications and/or the ability of other providers to sell or provide VoIP services.**

A number of providers of VoIP service have been and may in the future be targets of intellectual property infringement litigation with respect to the provision of VoIP service. If it were found that First Communications' use of VoIP connections infringes any third party intellectual property, its business could be adversely impacted. First Communications could also be adversely impacted if any of its suppliers or wholesale customers that may be providing VoIP service were to be unable to continue to provide such service as a result of infringement of intellectual property held by others.

**As an Internet access provider, liability may be incurred by First Communications for information disseminated through its network.**

The law relating to the liability of Internet access providers and on-line services companies for information carried on or disseminated through their networks is unsettled. As the law in this area develops, the potential imposition of liability upon First Communications for information carried on and disseminated through its network could require it to implement measures to reduce its exposure to such liability, which may require the expenditure of substantial resources or the discontinuation of certain products or service offerings. Any costs that are incurred as a result of such measures or the imposition of liability could harm its business.



**Successful execution of First Communications business plans may depend on its ability to retain and attract key personnel.**

First Communications believes that its success is due, in part, to its experienced management team. Losing the services of one or more members of this management team could adversely affect First Communications business and expansion efforts, and possibly prevent further improvements to operational, financial and information management systems and controls. First Communications does not maintain key man life insurance on any of its officers. As First Communications continues to grow, it will need to retain and hire additional qualified sales, marketing, administrative, operating and technical personnel and to train and manage new personnel.

First Communications ability to implement its business plan is dependent on its ability to hire and retain a large number of qualified new employees each year. The competition for qualified technical and sales personnel is intense in the telecommunications industry and in its current markets of operation. If First Communications is unable to hire sufficient qualified personnel, customers could experience inadequate customer service and delays in the installation and maintenance of access lines.

**First Communications success depends on its ability to manage and expand operations effectively.**

First Communications ability to manage and expand operations effectively will depend on its ability to:

offer high-quality, reliable services at reasonable costs;

introduce new technologies;

install and operate telecommunications switches and related equipment;

lease access to suitable transmission facilities at competitive prices;

scale operations;

obtain successful outcomes in disputes and in litigation;

successfully negotiate, adopt or arbitrate interconnection agreements with other carriers;

acquire necessary equipment, software and facilities;

integrate existing and newly acquired technology and facilities, such as switches and related equipment;

evaluate markets;

add products;

monitor operations;

control costs;

maintain effective quality controls;

hire, train and retain qualified personnel;

enhance operating and accounting systems;

address operating challenges;

adapt to market and regulatory developments; and

obtain and maintain required governmental authorizations.

In order for First Communications to succeed, these objectives must be achieved in a timely manner and on a cost-effective basis. If these objectives are not achieved, First Communications may not be able to compete in existing markets or expand into new markets.

In addition, First Communications has grown rapidly since inception and expects to continue to grow primarily by expanding product offerings, adding and retaining customers, acquisitions and leveraging network and operational infrastructure. First Communications expects this growth to place a strain on its operational, human and financial resources, particularly if the growth is through acquisitions. The ability to manage operations and expansion effectively depends on the continued development of plans, systems and controls for operational, financial and management needs. First Communications cannot give any assurance that these requirements can be satisfied or that operations and growth can be managed effectively. A failure to satisfy these requirements could have a material adverse effect on First Communications' financial condition and its ability to implement fully its growth and operating plans.

**Failure to successfully and efficiently integrate Globalcom into First Communications' operations may adversely affect First Communications' ability to realize the expected benefits of the merger.**

On September 30, 2008, First Communications acquired GCI Globalcom Holdings, Inc. ( Globalcom ). The integration of Globalcom's facilities into First Communications' operations is a significant undertaking and will require considerable attention from First Communications' management team. This integration is a complex, costly and time-consuming process and First Communications cannot assure you that this process will be successful. In addition, First Communications has made several assumptions regarding synergies for the combined company, many of which are dependent upon the successful integration of the operations of the combined company. In addition, the integration of Globalcom into First Communications' operations will require significant one-time costs for tasks such as site visits and audits and may be difficult to execute. Additional integration challenges include, among other things:

transitioning the branding of the acquired company to First Communications;

persuading employees of First Communications and the acquired company that the business cultures are compatible, maintaining morale, and retaining and integrating key employees;

incorporating new facilities into business operations;

coordinating sales and marketing functions;

combining products and services;

integrating systems; and

maintaining standards, controls, procedures and policies.

If unable to successfully overcome these integration challenges, First Communications may not achieve the benefits previously expected from its merger with Globalcom.

**Adverse rulings on Globalcom's disputes with AT&T and other litigation risks could materially adversely affect First Communications' business, financial condition and results of operations.**

Globalcom purchases certain critical loop and transport circuits in the Chicago market from the ILEC, AT&T-Illinois and is in a dispute with AT&T over the pricing on certain high capacity loops located in three Chicago central offices owned by AT&T. Globalcom's position is that, consistent with an order of the Illinois Commerce Commission, until the interconnection agreement between Globalcom and AT&T is amended to change the pricing it sets forth, the rates should be the ones ordered by the Illinois Commerce Commission for these circuits, plus 15%. AT&T-Illinois' position is that as the result of a federal court ruling favorable to AT&T-Illinois, the special access rates set forth in AT&T-Illinois' tariff, which are substantially higher, apply, effective January 28, 2008.

Globalcom and AT&T are in preliminary negotiations to resolve this dispute, but if AT&T prevails in this dispute, the cost for these high capacity loops could increase significantly on 15% of Globalcom's installed T1 circuits. Further, Globalcom could incur substantial legal costs to resolve this issue and Globalcom management



could be required to devote a substantial amount of time and efforts to reach resolution. An adverse ruling could materially adversely affect First Communications' financial condition.

**Risks Related to Regulation of Renaissance's Business Following the Merger  
with First Communications**

**First Communications is subject to substantial government regulation that may restrict its ability to provide local services and may increase the costs it incurs to provide these services.**

First Communications is subject to varying degrees of federal, state and local regulation that impose restrictions on the way that First Communications operates its business and its costs to do so. Pursuant to the Communications Act, the FCC exercises jurisdiction with respect to interstate and international telecommunications services. First Communications must offer interstate services at just and reasonable rates in a manner that is not unreasonably discriminatory and must maintain geographically averaged interstate rates as required by federal law. It must comply with various FCC consumer protection requirements affecting the format and content of its bills, disclosure of rates and terms and conditions of service, and other matters, and is subject to various FCC reporting requirements and mandatory monetary assessments for regulatory programs. The FCC has the authority to condition, modify, cancel, terminate or revoke First Communications' licenses and authorizations for failure to comply with federal laws or the rules, regulations and policies of the FCC. The FCC may also impose fines or other penalties for such violations. Failure to comply with federal reporting and regulatory requirements may result in the incurrence of fines or other penalties, including loss of First Communications' authority to provide services.

In addition, state regulatory commissions also exercise jurisdiction over First Communications to the extent it provides intrastate telecommunications services. First Communications is required to obtain regulatory authorization and/or file tariffs with regulators in most of the states in which it operates. State regulatory commissions also often regulate the rates, terms and conditions at which First Communications offers service. First Communications has obtained the necessary certifications to provide service, but each state commission retains the authority to revoke these certificates if that commission determines that First Communications has violated any condition of the certification or if it finds that doing so would be in the public interest.

Both federal and state regulators also require First Communications to pay various fees and assessments, file periodic reports and comply with various rules regarding the contents of its bills, protection of subscriber privacy, service quality and similar consumer protection matters on an ongoing basis. Failure to comply with these requirements may cause First Communications to be subject to fines or potentially be asked to show cause as to why its certificate of authority to provide service should not be revoked. While First Communications believes itself to be in compliance with regulatory requirements, interpretations of these obligations may differ from those of regulatory authorities. See the section entitled *Regulation* for discussion of legal and regulatory developments.

**The communications industry faces significant regulatory uncertainties and the adverse resolution of these uncertainties could harm First Communications' business, results of operations and financial condition.**

If current or future regulations change, First Communications cannot assure you that the FCC or state regulators will grant any required regulatory authorization or refrain from taking action against it if First Communications is found to have provided services without obtaining the necessary authorizations or to have violated other requirements of their rules and orders. Delays in receiving required regulatory approvals or the enactment of new adverse regulation or regulatory requirements may slow the growth of First Communications and have a material adverse effect upon its business, results of operations and financial condition. The Telecommunications Act remains subject to judicial review and ongoing proceedings before the FCC and state regulators, including proceedings relating to interconnection pricing, access to and pricing for unbundled network elements and special access services and other issues that could result in significant changes to First Communications' business and business conditions in the communications industry generally. Recent decisions by the FCC have eliminated or reduced access to certain elements of ILEC telecommunications platforms that First Communications uses to serve its customers and

increased the rates it pays for such elements. Other proceedings are pending before the FCC that could potentially further limit First Communications' access to these network elements or further increase the rates it pays for such elements. Likewise, proceedings before the FCC could impact the availability and price of special access facilities. Other proceedings before the FCC could result in an increase in the amount First Communications will pay to other carriers or a reduction in the revenues derived from other carriers in, or retroactive liability for, access charges and reciprocal compensation. Still other proceedings before the FCC could result in increases in the cost of regulatory compliance. A number of states also have proceedings pending that could impact First Communications' access to and the rates it pays for network elements. Other state proceedings could limit First Communications' pricing and billing flexibility. First Communications' business would be substantially impaired if the FCC, the courts, or state commissions were to eliminate access to the facilities and services used to serve customers, substantially increase the rates to be paid for facilities and services or adversely impact the revenues to be received from other carriers or customers. In addition, legislative efforts to rewrite the Telecommunications Act or enact other telecommunications legislation, as well as various state legislative initiatives, may cause major industry and regulatory changes. First Communications cannot predict the outcome of these proceedings or legislative initiatives or the effects, if any, that these proceedings or legislative initiatives may have on business and operations. See the section entitled *Regulation* for a discussion of legal and regulatory developments.

**Elimination or relaxation of regulatory rights and protections could harm First Communications' business, results of operations and financial condition.**

Section 10 of the Communications Act of 1934 (the Communications Act) requires the FCC to forbear from applying individual provisions of the Communications Act or its various enabling regulations upon a showing that a statutory provision or a regulation is unnecessary to ensure that rates and practices remain just, reasonable and non-discriminatory and to otherwise protect consumers and that forbearance is generally in the public interest and would promote competition. Pursuant to Section 10, the FCC has effectively deregulated the provision of certain broadband services to enterprise customers by most major ILECs, including Verizon, AT&T, Qwest, Embarq Corporation and Frontier Communications Corporation. Exercising its forbearance authority, the FCC has also relieved certain ILECs in certain markets (including Omaha, Nebraska, and Anchorage, Alaska) of their obligation to provide other competitive local exchange carriers with unbundled access to network elements at rates mandated by state regulatory commissions. Although First Communications does not provide service in any of the impacted markets and hence is not currently directly affected by these rulings, Verizon and Qwest have petitioned for comparable relief in other markets, and ILECs could file similar petitions with the FCC in the future. First Communications cannot predict the outcome of pending or future forbearance proceedings or the effects that these proceedings may have on its business or operations since such facilities will no longer be available to First Communications as a means to connect its network to customer locations.

In addition, FCC rules currently allow Verizon and other ILECs to unilaterally retire copper loop facilities that provide the last mile connection to certain customers with limited regulatory oversight. Verizon has filed nearly 100 notices of copper plant retirement with the FCC. While some competitive local exchange carriers have petitioned the FCC to strengthen the rules governing copper plant retirement, there are no assurances that the outcome will prove successful. Because it would limit First Communications' availability of facilities necessary to provide certain services to First Communications' customers, wide scale retirement of copper loops by ILECs could have an adverse impact First Communications' business and operations. See *Regulation* for a discussion of legal and regulatory developments.

**If the ILECs with which First Communications has interconnection agreements engage in anticompetitive practices or it experiences difficulties in working with the ILECs, its ability to offer services on a timely and cost-effective basis will be materially and adversely affected.**

First Communications telecommunications business depends on its ability to interconnect with ILEC networks and to lease from them certain essential network elements. First Communications obtains access to these network elements and services under terms established in interconnection agreements that it has entered into with ILECs.

Like many competitive communications services providers, from time to time, First Communications has experienced difficulties in working with ILECs with respect to obtaining information about network facilities, ordering and maintaining network elements and services, interconnecting with their networks and settling financial disputes. These difficulties can impair First Communications' ability to provide local service to customers on a timely and competitive basis. If an ILEC refuses to cooperate or otherwise fails to support First Communications' business needs for any reason, including labor shortages, work stoppages, cost-cutting initiatives or disruption caused by mergers, other organizational changes, natural disasters, or terrorist attacks, First Communications' ability to offer services on a timely and cost-effective basis will be materially and adversely affected.

**First Communications' ability to provide services and systems at competitive prices is dependent on its ability to negotiate and enforce favorable interconnection and other agreements.**

First Communications' ability to continue to obtain favorable interconnection, unbundling, service provisioning and pricing terms, and the time and expense involved in negotiating interconnection agreements and amendments, can be adversely affected by ongoing legal and regulatory activity. A series of FCC rulings have reduced First Communications' ability to access certain elements of ILEC telecommunications platforms in several ways that have affected its operations. First, First Communications no longer has the right to require ILECs to sell it unbundled network platforms. Second, in certain central offices, First Communications no longer has the right to require ILECs to sell it unbundled network elements, or has limited access rights to unbundled network element high capacity circuits that connect its central switching office locations to customers' premises. Third, First Communications no longer has the right to require ILECs to sell to it unbundled network element transport between its switches and ILEC switches. Fourth, First Communications has only limited or no access to unbundled network element DS-1 or DS-3 transport on certain interoffice routes. Petitions currently pending before the FCC could, if granted, further reduce First Communications' access to unbundled network element loops and transport. In these instances where First Communications loses unbundled access to high capacity circuits or interoffice transport, it must either find alternative suppliers or purchase substitute circuits from the ILEC as special access, which increases costs. In the near term, First Communications does not anticipate any significant increases in the pricing of ILEC special access or facilities provided by alternative vendors. Finally, First Communications' access to certain broadband elements of the ILEC network has been limited or eliminated in certain circumstances.

In addition, all of First Communications' interconnection agreements provide either (i) that a party is entitled to demand renegotiation of particular provisions or of the entire agreement based on intervening changes in law resulting from ongoing legal and regulatory activity, or (ii) that a change of law is immediately effective in the agreement, and then set out a dispute resolution process if the parties do not agree upon the change of law. The initial terms of all First Communications' interconnection agreements with ILECs have expired; however, each of the agreements contains an evergreen provision that allows the agreement to continue in effect until terminated. If First Communications were to receive a termination notice from an ILEC, it may be able to negotiate a new agreement or initiate an arbitration proceeding at the relevant state commission before the agreement actually terminates. In addition, the Telecommunications Act of 1996 gives First Communications the right to opt into interconnection agreements which have been entered into by other carriers, provided the agreement is still in effect and provided that the entire agreement is adopted. First Communications cannot assure you that the terms of any renegotiated, arbitrated, or adopted agreement will be comparable to the terms of its existing agreements.

Further, First Communications has entered into commercial agreements with AT&T, Verizon and Qwest to purchase substitute product at rates based on the former unbundled network platform rates plus a surcharge that has increased over time. It has converted substantially all of its unbundled network platform lines to these new products. The commercial agreement with AT&T expires in September 2010, the commercial agreement with Verizon expires in February 2011, and the commercial agreement with Qwest expires in January 2011. These agreements are subject to earlier termination in certain circumstances, including termination if any regulatory authority asserts jurisdiction over an agreement. The expiration, or the early termination by AT&T, Verizon, or Qwest, of the commercial agreements would require First Communications to convert all of the lines served under those agreements to resale at substantially less favorable rates. First Communications cannot assure you that the

commercial agreements will be renewed at the end of their terms or that they will not be terminated before the end of their terms.

**The effects of increased regulation of IP-based service providers are unknown.**

While the FCC has to date generally subjected Internet service providers to less stringent regulatory oversight than traditional common carriers, it has recently imposed certain regulatory obligations on providers of Interconnected VoIP and/or facilities based broadband Internet access providers, including the obligations to contribute to the Universal Service Fund, to provide emergency 911 services and/or to comply with the Communications Assistance for Law Enforcement Act ( CALEA ). Some states have imposed taxes, fees and/or surcharges on VoIP telephony services. In addition, in September 2008, the FCC indicated that it will actively enforce its network neutrality policies with respect to Internet service providers' efforts to manage Internet traffic flowing on their networks. The imposition of additional regulations on Internet service providers could have a material adverse effect on First Communications' business.

**Uncertainty over future activity of Least Cost Routing providers could adversely affect First Communications' profitability.**

First Communications uses a variety of Least Cost Router entities ( LCRs ) to route long haul and interoffice traffic primarily to and from locations where it does not have owned or leased network facilities and therefore relies upon the network facilities of third party telecommunication carriers to complete calls. LCRs typically provide this service at a rate that is materially lower than the rate offered by other carriers. Some LCRs in the industry are suspected of converting traditional long-distance traffic to IP format and terminating such traffic as local traffic to avoid access charges that would otherwise apply to long-distance traffic. If it is determined by the FCC or a court that all traffic carried by LCRs is subject to terminating access charges, then LCRs may exit the market and the prices charged to First Communications by the remaining carriers for transport and transiting services could materially increase. First Communications is subject to a litigation risk as a provider of local termination services to LCRs to the extent that LCR customers may misrepresent the nature of traffic that they contract with First Communications to terminate on their behalf. Identifying the originating nature of traffic that has been converted to a digital signal is challenging, and thus it is difficult to know with absolute certainty the nature of all traffic passed to First Communications by an LCR. There can be no assurance that First Communications will not be materially adversely affected in the event an LCR improperly terminates long-distance traffic through it.

**Risks Related to the Merger**

**If holders of 20% or more of the Public Shares vote against the proposed Merger, Renaissance will be forced to liquidate, stockholders may receive less than \$5.93 per share and the warrants will expire and be worthless.**

Pursuant to Renaissance's amended and restated certificate of incorporation, if holders of 20% or more of the Public Shares vote against the proposed Merger and elect to convert their shares to cash, Renaissance will not be able to close the Merger with First Communications and will be forced to liquidate in accordance with the terms of its certificate of incorporation because it will not be able to consummate a business combination by January 29, 2009. In any liquidation, the net proceeds of Renaissance's IPO held in the Trust Account, plus any interest earned thereon, less up to \$1,875,000 of interest which has been drawn for working capital purposes and less taxes, will be distributed on a pro rata basis to the holders of Public Shares. As of December 24, 2008, the record date, there was approximately \$5.93 per share in the Trust Account after accounting for taxes owing and Renaissance's working capital draw. Upon liquidation there will be no distribution with respect to Renaissance's outstanding warrants and, accordingly, the warrants will expire and be worthless.



**Working capital will be reduced if Renaissance's holders of Public Shares exercise their right to convert their common stock into cash and a reduction in working capital may adversely affect the post-merger combined company's business and future operations.**

Pursuant to Renaissance's amended and restated certificate of incorporation, holders of Public Shares may vote against the merger proposal and demand that Renaissance convert their shares into a pro rata share of the Trust Account, calculated as of two business days prior to the anticipated consummation of the Merger. Renaissance and First Communications will not consummate the Merger if holders of 20% or more of the Public Shares exercise these conversion rights. If no holders elect to convert their Public Shares, the Trust Account will be approximately \$106.5 million at closing. If the Merger is consummated and holders of Public Shares have demanded to convert their shares, there will be a corresponding reduction in the amount of funds available to the post-merger combined company's business and future operations. If conversion rights are exercised with respect to 3,587,999 shares, the maximum potential conversion cost would be approximately \$21.3 million.

**Renaissance's outstanding warrants may be exercised in the future, which would increase the number of shares eligible for future resale in the public market and result in dilution to Renaissance's stockholders.**

Outstanding redeemable warrants to purchase an aggregate of 35,880,000 shares of common stock issued in Renaissance's IPO, and warrants to purchase an aggregate of 4,666,667 shares of common stock issued to Renaissance's Inside Stockholders in a private placement concurrent with the IPO will become exercisable upon the consummation of the Merger, assuming it is completed. These warrants likely will be exercised only if the exercise price is below the market price of Renaissance common stock. To the extent such warrants are exercised, additional shares of Renaissance common stock will be issued, which will result in dilution to Renaissance's stockholders and increase the number of shares of common stock eligible for resale in the public market. Sales of such shares of common stock, as well as the sale of common stock issued pursuant to the 2008 Plan, in the public market could adversely affect the market price of Renaissance common stock.

**If you do not vote your Public Shares at the special meeting AGAINST the Merger or give instructions to your broker to vote AGAINST the Merger and demand that Renaissance convert your shares into cash you will NOT be eligible to exercise your conversion rights and receive a portion of the Trust Account upon consummation of the Merger.**

Pursuant to Renaissance's amended and restated certificate of incorporation, to exercise your conversion rights as a holder of Public Shares, you must (i) vote AGAINST the merger proposal, (ii) demand that Renaissance convert your common stock into cash, (iii) continue to hold your common stock through the closing of the Merger and (iv) deliver your common stock to Renaissance's transfer agent physically or electronically using Depository Trust Company's DWAC System within the period specified in a notice you will receive from or on behalf of Renaissance, which period will be not less than 20 days. **Any action that does not include an affirmative vote AGAINST the Merger will prevent you from exercising your conversion rights.** You may exercise your conversion rights either by checking the box on the proxy card or by submitting your request in writing to Mark Seigel, Renaissance's secretary, at the address listed in this proxy statement.

If, notwithstanding your negative vote, the Merger is completed, then, if you have properly exercised your conversion rights, you will be entitled to receive a pro rata portion of the Trust Account, including any interest earned thereon, calculated as of two business days prior to the date of the consummation of the Merger. If you exercise your conversion rights, then you will be exchanging your shares of Renaissance common stock for cash and you will no longer own these shares. However, if the Merger is not completed and you have not properly exercised your conversion rights, your shares will not be converted into cash. If Renaissance does not consummate a business combination by January 29, 2009, Renaissance will liquidate and stockholders will receive their per-share distribution from the Trust Account.

**Upon the consummation of the Merger, the post-merger combined company's directors and officers and their affiliates will be significant stockholders, which will make it possible for them to have significant influence over the outcome of all matters submitted to stockholders for approval and which influence may be alleged to conflict with the post-merger combined company's interests and the interests of its other stockholders.**

Upon the consummation of the Merger, the post-merger combined company's directors and executive officers and their respective affiliates will own an aggregate of approximately \_\_\_\_\_% of the outstanding shares of Renaissance common stock assuming no shares of Renaissance common stock are issued pursuant to the EBITDA Condition and Warrant Condition and no Public Shares are converted upon consummation of the Merger. These stockholders will have significant influence over the outcome of all matters submitted for stockholder approval, including the election of the post-merger combined company's directors and other corporate actions. In addition, such influence by one or more of these affiliates could have the effect of discouraging others from attempting to purchase or take over the post-merger combined company and/or reducing the market price offered for Renaissance common stock in such an event.

**Renaissance's current directors, executive officers and/or affiliates beneficially own shares of common stock and warrants that will be worthless if the Merger is not approved and consummated by January 29, 2009. Such interests may have influenced their decision to approve the business combination with First Communications.**

Certain Renaissance directors, executive officers and/or their affiliates beneficially own common stock in Renaissance that they purchased prior to Renaissance's IPO. Additionally, some of Renaissance's Inside Stockholders, who also serve as Renaissance's directors and executive officers, purchased 4,666,667 warrants in a private placement that occurred simultaneously with Renaissance's IPO. Renaissance's directors, executive officers and their affiliates are not entitled to receive any of the cash proceeds that will be distributed upon Renaissance's liquidation with respect to common stock these individuals acquired prior to Renaissance's IPO. Therefore, if the Merger is not consummated prior to January 29, 2009 and Renaissance is forced to liquidate, such shares held by such persons will be worthless. This will also be true with respect to their warrants. As of December 24, 2008, the record date, Renaissance's directors, executive officers and their affiliates held \$27,228,934 in common stock (based on a market price of \$5.78) and 4,666,667 warrants which are not publicly traded and have an exercise price of \$6.00 per warrant.

These financial interests of Renaissance's directors, executive officers and their affiliates may have influenced their decision to approve the business combination with First Communications and to continue to pursue such business combination. In considering the recommendations of Renaissance's board of directors to vote for the merger proposal and other proposals, you should consider these interests.

**Renaissance's chairman and chief executive officer is liable to ensure that proceeds of the trust are not reduced by vendor claims in the event the business combination is not consummated. Such liability may have influenced his decision to approve the business combination with First Communications.**

If Renaissance liquidates prior to the consummation of a business combination, Barry W. Florescue, Renaissance's chairman and chief executive officer, will be personally liable under certain circumstances (for example, if a vendor does not waive any rights or claims to the Trust Account) to ensure that the proceeds in the Trust Account are not reduced by the claims of certain prospective target businesses and vendors or other entities that are owed money by Renaissance for services rendered or products sold to Renaissance. Pursuant to the underwriting agreement between Renaissance and Ladenburg Thalmann, Renaissance agreed not to commence its due diligence investigation of any operating business which it sought to acquire or obtain the services of any vendor without obtaining an agreement pursuant to which such party would waive any claims against the Trust Account. As of the date of this proxy statement, Renaissance has received waiver agreements from each of its vendors other than its independent registered accounting firm. There is currently an outstanding balance to Renaissance's independent registered accounting firm of approximately \$52,000 and Renaissance intends to pay such fees in full

in accordance with its past practices. If Renaissance consummates a business combination, on the other hand, Mr. Florescue will not be liable for all such claims.

**If Renaissance is unable to complete the business combination with First Communications by January 29, 2009, Renaissance's corporate existence will terminate and Renaissance will be forced to liquidate. In such event, third parties may bring claims against Renaissance and, as a result, the proceeds held in trust could be reduced and the per-share liquidation price received by stockholders could be less than \$5.93 per share.**

Renaissance must complete the business combination with First Communications by January 29, 2009, when Renaissance's corporate existence will terminate and Renaissance will be required to liquidate. In such event, third parties may bring claims against Renaissance. Although Renaissance has obtained waiver agreements from certain vendors and service providers Renaissance has engaged and owes money to, and the prospective target businesses Renaissance has negotiated with, whereby such parties have waived any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account, there is no guarantee that they or other vendors who did not execute such waivers will not seek recourse against the Trust Account notwithstanding such agreements. Furthermore, there is no guarantee that a court will uphold the validity of such agreements. Accordingly, the proceeds held in the Trust Account could be subject to claims that could take priority over those of Renaissance's stockholders. Additionally, if Renaissance is forced to file a bankruptcy case or an involuntary bankruptcy case is filed against Renaissance which is not dismissed, the proceeds held in the Trust Account could be subject to applicable bankruptcy law, and may be included in Renaissance's bankruptcy estate and subject to the claims of third parties with priority over the claims of Renaissance's stockholders. If any bankruptcy or other claims deplete the Trust Account, Renaissance cannot assure you that Renaissance will be able to return to Renaissance's stockholders at least \$5.93 per share.

**Renaissance's stockholders may be held liable for claims by third parties against Renaissance to the extent of distributions received by Renaissance's stockholders.**

If Renaissance is unable to complete the business combination with First Communications by January 29, 2009, Renaissance will be liquidated. Under Sections 280 through 282 of the DGCL, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them. Pursuant to Section 280, if the corporation complies with certain procedures intended to ensure that it makes reasonable provisions for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of a stockholder with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. Renaissance will seek to conclude this process as soon as possible and as a result does not intend to comply with those procedures.

Because Renaissance will not be complying with those procedures, Renaissance is required, pursuant to Section 281 of the DGCL, to adopt a plan that will provide for Renaissance's payment, based on facts known to Renaissance at such time, of (i) all existing claims, (ii) all pending claims and (iii) all claims that may be potentially brought against Renaissance within the subsequent 10 years. Accordingly, Renaissance would be required to provide for any creditors known to Renaissance at that time or those that Renaissance believes could be potentially brought against Renaissance within the subsequent 10 years prior to distributing the funds held in the trust to Renaissance's stockholders. All claims that may be potentially brought against Renaissance may not be properly assessed. As such, Renaissance's stockholders could potentially be liable for any claims to the extent of distributions received by them in a dissolution and any liability of Renaissance's stockholders may extend well beyond the third anniversary of such dissolution. Accordingly, third parties may seek to recover from Renaissance's stockholders amounts owed to them by Renaissance.

Additionally, if Renaissance is forced to file a bankruptcy case or an involuntary bankruptcy case is filed against Renaissance that is not dismissed, any distributions received by Renaissance's stockholders in Renaissance's dissolution might be viewed under applicable debtor/creditor and/or bankruptcy laws as either a preferential transfer or a fraudulent conveyance. As a result, a bankruptcy court could seek to recover all amounts received by Renaissance's stockholders in Renaissance's dissolution. Furthermore, because Renaissance intends to distribute the proceeds held in the Trust Account to Renaissance's stockholders as soon as possible after Renaissance's dissolution, this may be viewed or interpreted as giving preference to Renaissance's stockholders over any potential creditors with respect to access to or distributions from Renaissance's assets. Furthermore, Renaissance's board of directors may be viewed as having breached their fiduciary duties to Renaissance's creditors and/or may have acted in bad faith, thereby exposing Renaissance's board of directors and the company to claims of punitive damages, by paying Renaissance's stockholders from the Trust Account prior to addressing the claims of creditors and/or complying with certain provisions of the DGCL with respect to Renaissance's dissolution and liquidation. Claims may be brought against Renaissance for these reasons.

**Neither Renaissance nor its stockholders will have the protection of any indemnification, escrow, price adjustment or other provisions that allow for a post-closing adjustment to be made to the merger consideration in the event that any of the representations and warranties made by First Communications in the Merger Agreement ultimately proves to be inaccurate or incorrect.**

As is often the case in stock for stock transactions, the representations and warranties made by Renaissance and First Communications to each other in the Merger Agreement will not survive the completion of the Merger. As a result, Renaissance and its stockholders will not have the protection of any indemnification, escrow, price adjustment or other provisions that allow for a post-closing adjustment to be made to the merger consideration if any representation or warranty made by First Communications in the Merger Agreement proves to be inaccurate or incorrect. Accordingly, to the extent such representation or warranties are incorrect, Renaissance would have no indemnification claim with respect thereto and its financial condition or results of operations could be adversely affected.

**Renaissance and First Communications expect to incur significant costs associated with the Merger, whether or not the Merger is completed, which will reduce the amount of cash available for other corporate purposes.**

Both Renaissance and First Communications expect to incur significant costs associated with the Merger, whether or not the Merger is completed. These costs will reduce the amount of cash available for other corporate purposes. Renaissance estimates that it will incur direct transaction costs of approximately \$5.0 million associated with the Merger, which will be recorded as financing expense for accounting purposes if the Merger is completed. First Communications estimates that it will incur direct transaction costs of approximately \$1.5 million, which will also be recorded as share issuance costs for accounting purposes if the Merger is completed. In addition, upon completion of the Merger, Renaissance will be required to pay \$3,051,240 of previously accrued deferred underwriting fees to the underwriters in its IPO. The actual costs may exceed these estimates. In addition, the post-merger combined company may incur additional material charges reflecting additional costs associated with the arrangement in fiscal quarters subsequent to the quarter in which the Merger is completed. There is no assurance that the significant costs associated with the Merger will prove to be justified in light of the benefits ultimately realized.

**The ownership interest of Renaissance's current stockholders will be substantially reduced, resulting in a dilution of Renaissance's current stockholders' voting power.**

Upon completion of the Merger, based on the current number of outstanding shares of First Communications common stock and assuming the cashless exercise of the T1 warrants immediately prior to the Merger, 14,460,000 million shares will be issued by Renaissance in connection with the Merger. Additionally, if the EBITDA Condition and the Warrant Condition are satisfied, an additional 22,450,000 shares of Renaissance common stock would be issued to First Communications' stockholders. The issuance of 14,460,000 shares of Renaissance common stock,

based on the number of shares of Renaissance common stock outstanding as of the date of this proxy statement will dilute Renaissance's existing stockholders' voting interest from 100% to approximately 57.4% of the post-merger combined company's voting interests (assuming none of Renaissance's stockholders exercise their conversion rights), and approximately 52.4% of the post-merger combined company's voting interests (assuming 19.9% of Renaissance's stockholders exercise their conversion rights). Additionally, in the event both the Warrant Condition and the EBITDA Condition are satisfied, such percentages would be 36.4% and 32.3%, respectively.

While Renaissance believes that it will have a controlling interest in First Communications following the Merger based on the fact that First Communications is becoming a subsidiary of Renaissance rather than Renaissance making a direct equity investment in First Communications, if the shares of Renaissance common stock held in escrow are released upon satisfaction of the Warrant Condition or the EBITDA Condition, the former shareholders of First Communications would own more than 50% of the voting interests in Renaissance after the Merger and the stockholders of First Communications will have the ability to influence the post-merger combined company's affairs going forward.

While a majority of the proposed members of the post-merger combined board of directors are considered independent under the listing standards of the Nasdaq Stock Market, LLC, the post-merger combined company's board will contain seven members of First Communications' existing board of directors and only two members of Renaissance's current board of directors. In addition, the officers of Renaissance after the Merger will be First Communications' current officers. The directors who were formerly directors of First Communications and the officers who were formerly officers of First Communications may align their interests with those of the former stockholders of First Communications rather than those of the stockholders of Renaissance prior to the business combination.

Furthermore, since they stand to have the shares of Renaissance common stock held in escrow released to them upon the satisfaction of the Warrant Condition or the EBITDA Condition, the former stockholders of First Communications may have interests that differ from the stockholders of Renaissance prior to the business combination.

In addition, following the Merger, Renaissance's outstanding common stock will be subject to substantial potential dilution by outstanding First Communications and Renaissance warrants and if the incentive compensation plan proposal is approved, from future awards granted under the 2008 Plan.

**The post-merger combined company may issue additional equity securities which may dilute your interest in the post-merger combined company.**

In order to expand the post-merger combined company's business, the post-merger combined company may consider offering and issuing additional equity-linked securities. Holders of the post-merger combined company's securities may experience a dilution in the net tangible book value per share held by them if this occurs. The number of shares that the post-merger combined company may issue for cash without stockholder approval will be limited by the rules of the exchange on which the post-merger combined company's securities are listed. However, there are generally exceptions which allow companies to issue a limited number of equity securities which would dilute your ownership.

**If the Merger's benefits do not meet the expectations of financial or industry analysts, the market price of Renaissance common stock may decline.**

The market price of Renaissance common stock may decline as a result of the Merger if:

Renaissance does not achieve the perceived benefits of the Merger as rapidly, or to the extent anticipated by, financial or industry analysts; or

the effect of the Merger on Renaissance's financial results is not consistent with the expectations of financial or industry analysts.

Accordingly, Renaissance's stockholders may experience a loss as a result of a decline in the market price of Renaissance common stock. In addition, a decline in the market price of Renaissance common stock could adversely affect Renaissance's ability to issue additional securities and Renaissance's ability to obtain additional financing in the future.

**If Renaissance is unable to complete the Merger, its corporate existence will terminate and it will be required to liquidate.**

In accordance with Renaissance's certificate of incorporation, if Renaissance is unable to complete the business combination with First Communications by January 29, 2009, its corporate existence will terminate and it will be required to liquidate. In any liquidation, the net proceeds of Renaissance's IPO held in the Trust Account, plus any interest earned thereon, less up to \$1,875,000 of interest which has been drawn for working capital purposes and less taxes, will be distributed on a pro rata basis to the holders of Public Shares. As of December 24, 2008, the record date, there was approximately \$5.93 per Public Share in the Trust Account after accounting for taxes owing and such amounts drawn for Renaissance's working capital draw. Upon liquidation there will be no distribution with respect to Renaissance's outstanding warrants and, accordingly, the warrants will expire and be worthless.

**Renaissance does not have any operations and the post-merger combined company has never operated as a U.S. public company. Fulfilling the post-merger combined company's obligations as a U.S. public company after the Merger will be expensive and time consuming.**

The post-merger combined company has never been listed on a U.S. stock exchange and has not been required to document and assess the effectiveness of its internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002. Although Renaissance has maintained disclosure controls and procedures and internal control over financial reporting as required under the federal securities laws with respect to its activities, Renaissance has not been required to establish and maintain such disclosure controls and procedures and internal controls over financial reporting as will be required with respect to a public company with substantial operations. Under the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC, the post-merger combined company will be required to implement additional corporate governance practices and to adhere to a variety of reporting requirements and accounting rules. Compliance with these obligations will require significant time and resources from the post-merger combined company's management, finance and accounting staff and will significantly increase the post-merger combined company's legal, insurance and financial compliance costs. As a result of the increased costs associated with being a U.S. publicly listed company, the post-merger combined company's operating income as a percentage of revenue is likely to be lower.

**The completion of the Merger could result in disruptions in business, loss of customers or contracts or other adverse effects.**

The completion of the Merger may cause disruptions, including potential loss of customers and other business partners, and have material adverse effects on the post-merger combined company's business and operations. It is possible that First Communications' pre-merger customers and other business partners, in response to the completion of the Merger, may adversely change or terminate their relationships with the post-merger combined company, which could have a material adverse effect on the business of the post-merger combined company.

**The pro forma condensed combined financial statements are not an indication of the post-merger combined company's financial condition or results of operations following the Merger.**

The pro forma condensed combined financial statements contained in this proxy statement are not an indication of the post-merger combined company's financial condition or results of operations following the Merger. The pro forma condensed combined financial statements have been derived from the historical financial statements of Renaissance and First Communications and many adjustments and assumptions have been made regarding the post-merger combined company after giving effect to the Merger. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make

with complete accuracy. As a result, the actual financial condition and results of operations of the post-merger combined company following the arrangement may not be consistent with, or evident from, these pro forma financial statements. In addition, the actual earnings per share (EPS), of the post-merger combined company may decrease below that reflected in the pro forma condensed combined financial information for several reasons. The assumptions used in preparing the pro forma financial information may not prove to be accurate and other factors may affect the post-merger combined company's actual EPS following the Merger.

**If listed, Nasdaq may delist Renaissance's securities from quotation on its exchange which could limit investors' ability to make transactions in Renaissance's securities and subject Renaissance to additional trading restrictions.**

In connection with the Merger, Renaissance intends to apply for listing of its common stock on Nasdaq. Renaissance may not be able to meet Nasdaq's initial listing requirements. Even if such application is accepted and the common stock is so listed, Renaissance may be unable to maintain the listing of its securities in the future.

If Nasdaq delists Renaissance's securities from trading on its exchange, Renaissance could face significant material adverse consequences, including:

- a limited availability of market quotations for Renaissance's securities;
- a limited amount of news and analyst coverage for the post-merger combined company; and
- a decreased ability for Renaissance to issue additional securities or obtain additional financing in the future.

**Activities taken by existing Renaissance's stockholders to increase the likelihood of approval of the acquisition proposal and other proposals could have a depressive effect on the value of Renaissance common stock.**

Pursuant to a share purchase plan entered into prior to Renaissance's IPO, RAC Partners, an entity controlled by Barry W. Florescue, Renaissance's chairman and chief executive officer, placed a limit order for \$12 million of Renaissance common stock, which commenced ten business days after Renaissance filed its Current Report on Form 8-K announcing its execution of a definitive agreement for the Merger and ended on the business day immediately preceding the record date for the meeting of stockholders at which this Merger is to be voted upon. Under the terms of the share purchase plan, the purchases must be made in compliance with Rules 10b5-1 and 10b-18 under the Exchange Act. Pursuant to this limit order, RAC Partners purchased 811,269 shares of Renaissance common stock for an aggregate purchase price of \$4,595,532 and at an average purchase price per share of \$5.66. RAC Partners may vote these shares on a proposed business combination any way it chooses. As a result, RAC Partners may be able to influence the outcome of the merger proposal and the other proposals under consideration.

At any time prior to the special meeting, during a period when they are not then aware of any material non-public information regarding Renaissance or its securities, the Renaissance Inside Stockholders, First Communications and First Communications' stockholders and/or their respective affiliates may purchase shares from institutional and other investors, or execute agreements to purchase such shares from them in the future, or they may enter into transactions with such persons and others to provide them with incentives to acquire shares of Renaissance common stock and vote the acquired shares in favor of the acquisition proposal. The purpose of such share purchases and other transactions would be to increase the likelihood of satisfaction of the requirements that holders of a majority of the Public Shares present at the special meeting in person or by proxy and eligible to vote thereon vote in favor of the merger proposal and that holders of fewer than 20% of the Public Shares vote against the merger proposal and demand conversion of their Public Shares into cash where it appears that such requirements would otherwise not be met. Entering into any such arrangements may have a depressive effect on the value of Renaissance common stock. For example, as a result of these arrangements, an investor or stockholder may have the ability to effectively purchase common stock of Renaissance at a price lower than market and may therefore be more likely to sell the shares he or she owns, either prior to or immediately after the special meeting.

Renaissance will not enter into any such arrangement, either prior to or after the consummation of the Merger, and no funds in its Trust Account will be used to make such purchases or to fund other such arrangements.

**Renaissance's staggered board may entrench management and discourage unsolicited stockholder proposals that may be in the best interests of stockholders.**

Renaissance's proposed amended and restated certificate of incorporation provides that its board of directors will be divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. As a result, at any annual meeting only a minority of the board of directors will be considered for election. Since this staggered board would prevent its stockholders from replacing a majority of its board of directors at any annual meeting, it may entrench management and discourage unsolicited stockholder proposals that may be in the best interests of stockholders. Although its certificate of incorporation currently contemplates that Renaissance would not have a staggered board following consummation of a business combination, in light of the significant number of shares of Renaissance common stock being issued to stockholders of First Communications, the Board of Directors did not want to give those stockholders the ability to elect a significant number of directors at a single annual meeting and thereby impact changes that could be detrimental to the current Renaissance stockholders and, accordingly, determined that it would retain a staggered board.

**Risks If the Adjournment Proposal Is Not Approved**

**If the adjournment proposal is not approved, and an insufficient number of votes is obtained to authorize the consummation of the Merger, Renaissance's board of directors will not have the ability to adjourn the special meeting to a later date in order to solicit further votes, and, therefore, the Merger will not be approved and Renaissance will be required to liquidate.**

Renaissance's board of directors is seeking approval to adjourn the special meeting to a later date or dates if, at the special meeting, based upon the tabulated votes, there are insufficient votes to approve the consummation of the Merger. If the adjournment proposal is not approved, Renaissance's board of directors will not have the ability to adjourn the special meeting to a later date and, therefore, will not have more time to solicit additional votes to approve the consummation of the Merger. In such event, the Merger would not be completed and Renaissance will be required to liquidate if Renaissance does not consummate a business combination by January 29, 2009.



### FORWARD-LOOKING STATEMENTS

Renaissance believes that some of the information in this proxy statement constitutes forward-looking statements within the definition of the Private Securities Litigation Reform Act of 1995. However, because Renaissance is a blank check company, the safe-harbor provisions of that act do not apply to statements made in this proxy statement. You can identify these statements by forward-looking words such as may, expect, anticipate, contemplate, believe, estimate, intends, and continue or similar words. You should read statements that contain these words because they:

discuss future expectations;

contain projections of future results of operations or financial condition; or

state other forward-looking information.

Renaissance believes it is important to communicate its expectations to its stockholders. However, there may be events in the future that it is not able to predict accurately or over which it has no control. The risk factors and cautionary language discussed in this proxy statement provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by it or First Communications in such forward-looking statements, including among other things:

the number and percentage of Renaissance stockholders voting against the merger proposal and seeking conversion;

Renaissance's expectations regarding consummation and timing of the Merger and related transactions, including satisfaction of the closing conditions of the Merger;

the receipt of necessary regulatory approvals;

Renaissance's ability to dissolve and liquidate in a timely manner and as anticipated, if necessary;

the post-merger combined company's expectations regarding competition;

difficulties encountered in integrating the merged businesses;

the amount of cash on hand available to the combined company after the Merger;

general economic conditions;

industry trends;

changes adversely affecting the business in which First Communications is engaged;

legislation or regulatory requirements or changes affecting the businesses in which First Communications is engaged;

management of growth;

First Communications' business strategy and plans;

fluctuations in customer demand;

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the result of future financing efforts; and

outstanding litigation or vendor disputes.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement.

All forward-looking statements included herein attributable to any of Renaissance, First Communications or any person acting on either party's behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, Renaissance

and First Communications undertake no obligations to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement or to reflect the occurrence of unanticipated events.

Before you grant your proxy or instruct how your vote should be cast or vote on the merger proposal or any of the other proposals, you should be aware that the occurrence of the events described in the Risk Factors section and elsewhere in this proxy statement may adversely affect Renaissance and/or First Communications.

## SPECIAL MEETING OF RENAISSANCE STOCKHOLDERS

### General

Renaissance is furnishing this proxy statement to its stockholders as part of the solicitation of proxies by its board of directors for use at the special meeting of Renaissance stockholders to be held on \_\_\_\_\_, and at any adjournment or postponement thereof. This proxy statement is first being furnished to Renaissance stockholders on or about \_\_\_\_\_, in connection with the vote on the merger proposal, the charter amendment proposal, the incentive compensation plan proposal, the director election proposal and the adjournment proposal. This proxy statement provides you with information you need to know to be able to vote or instruct your vote to be cast at the special meeting.

### Date, Time and Place

The special meeting of stockholders will be held on \_\_\_\_\_, at 8:30 a.m., Eastern time, at 50 East Sample Road, Suite 400, Pompano Beach, FL 33064.

### Purpose of the Renaissance Special Meeting

At the special meeting, Renaissance is asking holders of its common stock to:

consider and vote upon a proposal to adopt and approve the Merger Agreement and the transactions contemplated thereby;

consider and vote upon a proposal to amend and restate Renaissance's certificate of incorporation to (i) change its name from Renaissance Acquisition Corp. to First Communications, Inc.; (ii) increase the number of authorized shares of Renaissance common stock from 72 million to 200 million; (iii) change Renaissance's corporate existence to perpetual; (iv) incorporate the classification of directors that would result from the election of directors in the manner described in the director election proposal; (v) delete the present Article Sixth and its preamble, as such provisions will no longer be applicable to Renaissance after the Merger, and to renumber succeeding Articles accordingly; and (vi) make certain other changes that its board of directors believes are immaterial;

consider and vote upon a proposal to approve the adoption of the 2008 Plan;

consider and vote upon a proposal to elect nine directors to Renaissance's board of directors effective immediately following and contingent upon the closing of the Merger, of whom three will serve until the annual meeting to be held in 2009, three will serve until the annual meeting to be held in 2010 and three will serve until the annual meeting to be held in 2011 and, in each case, until their successors are elected and qualified; and

consider and vote upon a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation and vote of proxies in the event that, based upon the tabulated votes at the time of the special meeting, Renaissance would not have been authorized to consummate the Merger.

### Recommendation of Renaissance Board of Directors

Renaissance's board of directors:

has unanimously determined that each of the merger proposal, the charter amendment proposal and the incentive compensation plan proposal is fair to and in the best interests of Renaissance and its stockholders;

has unanimously approved the merger proposal, the charter amendment proposal and the incentive compensation plan proposal;

unanimously recommends that Renaissance common stockholders vote FOR the merger proposal;



unanimously recommends that Renaissance common stockholders vote FOR the charter amendment proposal;

unanimously recommends that Renaissance common stockholders vote FOR the incentive compensation plan proposal;

unanimously recommends that Renaissance common stockholders vote FOR the persons nominated by its management for election as directors; and

unanimously recommends that Renaissance s stockholders vote FOR an adjournment proposal if one is presented to the meeting.

#### **Record Date; Who is Entitled to Vote**

Renaissance has fixed the close of business on December 24, 2008 as the record date for determining Renaissance stockholders entitled to notice of and to attend and vote at the special meeting. As of the close of business on December 24, 2008, there were 21,840,000 shares of common stock outstanding and entitled to vote. Each share of common stock is entitled to one vote per share at the special meeting.

Pursuant to agreements with Renaissance, the 3,900,000 shares of common stock held by the Renaissance Inside Stockholders will be voted on the merger proposal in accordance with the majority of the votes cast at the special meeting on such proposal by the holders of the Public Shares. The vote of such shares will not affect the outcome of the vote on the merger proposal.

#### **Quorum**

The presence, in person or by proxy, of a majority of all the outstanding shares of common stock entitled to vote constitutes a quorum at the special meeting.

#### **Abstentions and Broker Non-Votes**

Proxies that are marked abstain and proxies relating to street name shares that are returned to Renaissance but marked by brokers as not voted will be treated as shares present for purposes of determining the presence of a quorum on all matters. The latter will not be treated as shares entitled to vote on the matter as to which authority to vote is withheld from the broker. If you do not give the broker voting instructions, under applicable self-regulatory organization rules, your broker may not vote your shares on non-routine proposals, such as the merger proposal, the charter amendment proposal and the incentive compensation plan proposal. Since a stockholder must affirmatively vote against the merger proposal to have conversion rights, individuals who fail to vote or who abstain from voting may not exercise their conversion rights. See the information set forth in *Special Meeting of Renaissance Stockholders Conversion Rights*.

#### **Vote of Renaissance s Stockholders Required**

The approval of the merger proposal, the incentive compensation plan proposal and the adjournment proposal, if presented, will require the affirmative vote of the holders of a majority of Renaissance common stock present at the special meeting in person or by proxy and entitled to vote thereon. Abstentions are deemed entitled to vote on such proposals. Therefore, they have the same effect as a vote against either proposal. Broker non-votes are not deemed entitled to vote on such proposals and, therefore, they will have no effect on the vote on such proposals.

The charter amendment proposal will require the affirmative vote of the holders of a majority of Renaissance common stock outstanding on the record date. Because this proposal requires the affirmative vote of a majority of the shares of common stock outstanding for approval, abstentions and broker non-votes will have the same effect as a vote against this proposal.

Directors are elected by a plurality. Plurality means that the individuals who receive the largest number of votes cast FOR are elected as directors. Consequently, any shares not voted FOR a particular nominee (whether

as a result of abstentions, a direction to withhold authority or a broker non-vote) will not be counted in the nominee's favor.

### **Voting Your Shares**

Each share of Renaissance common stock that you own in your name entitles you to one vote. Your proxy card shows the number of shares of Renaissance common stock that you own. If your shares are held in street name or are in a margin or similar account, you should contact your broker to ensure that votes related to the shares you beneficially own are properly counted.

There are two ways to vote your shares of Renaissance common stock at the special meeting:

***You Can Vote By Signing and Returning the Enclosed Proxy Card.*** If you vote by proxy card, your proxy, whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card but do not give instructions on how to vote your shares, your shares will be voted as recommended by Renaissance's board FOR the merger proposal, the charter amendment proposal, the incentive compensation plan proposal, the persons nominated by Renaissance's management for election as directors and, if necessary, an adjournment proposal. Votes received after a matter has been voted upon at the special meeting will not be counted.

***You Can Attend the Special Meeting and Vote in Person.*** Renaissance will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or another nominee, you must get a proxy from the broker, bank or other nominee. That is the only way Renaissance can be sure that the broker, bank or nominee has not already voted your shares.

### **Revoking Your Proxy**

If you give a proxy, you may revoke it at any time before it is exercised by doing any one of the following:

you may send another proxy card with a later date;

you may notify Mark Seigel, Renaissance's secretary, in writing before the special meeting that you have revoked your proxy; or

you may attend the special meeting, revoke your proxy, and vote in person, as indicated above.

### **Who Can Answer Your Questions About Voting Your Shares**

If you have any questions about how to vote or direct a vote in respect of your shares of Renaissance common stock, you may call Morrow & Co., LLC, Renaissance's proxy solicitor, at (203) 658-9400, or Mark Seigel, Renaissance's secretary, at (954) 784-3031.

### **Conversion Rights**

Any stockholders holding Public Shares as of the record date who affirmatively vote their Public Shares against the merger proposal may also demand that Renaissance convert such shares into a pro rata portion of the Trust Account, calculated as of two business days prior to the consummation of the Merger. If demand is properly made and the Merger is consummated, Renaissance will convert these shares into a pro rata portion of funds deposited in the Trust Account plus interest, calculated as of such date.

Renaissance stockholders who seek to exercise this conversion right must affirmatively vote against the merger proposal. Abstentions and broker non-votes do not satisfy this requirement. Additionally, holders demanding conversion must deliver their stock (either physically or electronically using Depository Trust Company's DWAC System to Renaissance's transfer agent promptly after the meeting, within the time period specified in a letter that will be sent by or on behalf of Renaissance to holders who elect to convert, which will be not less than 20 days after the date of the letter.





If you hold the shares in street name, you will have to coordinate with your broker to have your shares certificated or delivered electronically. Certificates that have not been tendered (either physically or electronically) in accordance with these procedures will not be converted into cash.

The closing price of Renaissance common stock on December 24, 2008 (the record date for the Renaissance special meeting) was \$5.78. The cash held in the Trust Account on December 24, 2008 was approximately \$106.4 million (\$5.93 per Public Share). Prior to exercising conversion rights, stockholders should verify the market price of Renaissance common stock as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights if the market price per share is higher than the conversion price. Renaissance cannot assure its stockholders that they will be able to sell their shares of Renaissance common stock in the open market, even if the market price per share is higher than the conversion price stated above, as there may not be sufficient liquidity in Renaissance securities when Renaissance stockholders wish to sell their shares.

If the holders of at least 3,588,000 or more Public Shares (an amount equal to 20% or more of the Public Shares), vote against the merger proposal and properly demand conversion of their shares, Renaissance will not be able to consummate the Merger.

If you exercise your conversion rights, then you will be exchanging your shares of Renaissance common stock for cash and will no longer own those shares. You will be entitled to receive cash for these shares only if you affirmatively vote against the merger proposal, properly demand conversion, and deliver your stock certificate (either physically or electronically) to Renaissance's transfer agent after the meeting within the time period specified in a notice that you will receive from or on behalf of Renaissance, which period will be not less than 20 days after the date of the notice.

#### **Appraisal Rights**

Stockholders of Renaissance do not have appraisal rights in connection with the Merger under the DGCL.

Holders of record of First Communications common stock who do not vote in favor of adopting the Merger, and who otherwise comply with the applicable provisions of Section 262 of DGCL will be entitled to exercise appraisal rights under Section 262 of the DGCL. Under the Merger Agreement, if more than 10% of the outstanding shares of First Communications common stock exercise appraisal rights, Renaissance may terminate the Merger Agreement.

#### **Proxy Solicitation Costs**

Renaissance is soliciting proxies on behalf of its board of directors and will pay the cost of this proxy solicitation. This solicitation is being made by mail but also may be made by telephone or in person. Renaissance and its directors, officers and employees may also solicit proxies in person, by telephone or by other electronic means.

Renaissance has retained Morrow & Co., LLC to assist in the proxy solicitation process, Renaissance will pay that firm a fee of \$12,500 plus expenses for such services.

Renaissance will ask banks, brokers and other institutions, nominees and fiduciaries to forward proxy materials to their principals and to obtain their authority to execute proxies and voting instructions. Renaissance will reimburse them for their reasonable expenses.

#### **Renaissance Inside Stockholders**

As of the record date, the percentage of outstanding shares of Renaissance common stock held by directors, officers and their affiliates was 21.6%. The Renaissance Inside Stockholders beneficially owned and were entitled to vote 3,900,000 Original Shares. The Original Shares issued to the Renaissance Inside Stockholders constituted approximately 17.9% of the outstanding shares of Renaissance common stock immediately after the IPO. In

connection with the IPO, Renaissance and Ladenburg Thalmann entered into agreements with each of the Renaissance Inside Stockholders pursuant to which each Renaissance Inside Stockholder agreed to vote his or its Original Shares on the merger proposal in accordance with the majority of the votes cast by the holders of Public Shares. The Renaissance Inside Stockholders have also indicated that they intend to vote their Original Shares in favor of all other proposals being presented at the meeting. The Original Shares have no liquidation rights and will be worthless if no business combination is effected by Renaissance. In connection with the IPO, the Renaissance Inside Stockholders entered into an escrow agreement pursuant to which their Original Shares would be held in escrow until the earlier of twelve months after a business combination or Renaissance's liquidation. As a condition to closing the Merger, RAC Partners agreed, pursuant to the Amended and Restated Stock Escrow Agreement to be delivered to First Communications at the closing of the Merger, that 2,000,000 of its Original Shares, which are being held in escrow in connection with Renaissance's IPO, will be released only in the event that the EBITDA Condition is satisfied. In the event the EBITDA Condition is not satisfied, the 2,000,000 Original Shares held by RAC Partners will be released to the post-merger combined company and cancelled. The remaining 1,900,000 Original Shares held in this escrow account will be released upon the earlier of twelve months after a business combination or Renaissance's liquidation.

Pursuant to a share purchase plan entered into prior to Renaissance's IPO, RAC Partners, an entity controlled by Barry W. Florescue, Renaissance's chairman and chief executive officer, placed a limit order for \$12 million of Renaissance common stock, which commenced ten business days after Renaissance filed its Current Report on Form 8-K announcing its execution of a definitive agreement for the Merger and ended on the business day immediately preceding the record date for the meeting of stockholders at which this Merger is to be voted upon. Under the terms of the share purchase plan, the purchases must be made in compliance with Rules 10b5-1 and 10b-18 under the Exchange Act. Pursuant to this limit order, RAC Partners purchased 811,269 shares of Renaissance common stock for an aggregate purchase price of \$4,595,532 and at an average purchase price per share of \$5.66. RAC Partners may vote these shares on a proposed business combination any way it chooses. As a result, RAC Partners may be able to influence the outcome of the merger proposal and the other proposals under consideration.

In addition, as of the record date, Mr. Florescue beneficially owned 5,000 Public Shares (excluding those held by RAC Partners) and Charles Miersch beneficially owned 5,000 Public Shares. At any time prior to the special meeting, during a period when they are not then aware of any material nonpublic information regarding Renaissance or its securities, the Renaissance Inside Stockholders, First Communications or First Communications' stockholders and/or their respective affiliates may purchase shares from institutional and other investors, or execute agreements to purchase such shares from them in the future, or they may enter into transactions with such persons and others to provide them with incentives to acquire shares of Renaissance common stock or vote their shares in favor of the merger proposal. The purpose of such share purchases and other transactions would be to increase the likelihood of satisfaction of the requirements that the holders of a majority of the Public Shares cast on the merger proposal vote in its favor and that holders of fewer than 20% of the Public Shares vote against the merger proposal and demand conversion of their Public Shares into cash where it appears that such requirements would otherwise not be met.

While the exact nature of any incentives that would be provided by the Renaissance Inside Stockholders, First Communications or First Communications' stockholders and/or their respective affiliates has not been determined as of the date of this proxy statement, they might include, without limitation, arrangements to protect such investors or holders against potential loss in value of their shares, including the granting of put options and the transfer to such investors or holders of shares or warrants owned by the Renaissance Inside Stockholders for nominal value. Renaissance will not enter into any such arrangement, either prior to or after the consummation of the Merger, and no funds in its Trust Account will be used to make such purchases or to fund other such arrangements.

Entering into any such arrangements may have a depressive effect on Renaissance's common stock. For example, as a result of these arrangements, an investor or holder may have the ability to effectively purchase shares at a price lower than market and may therefore be more likely to sell the shares he owns, either prior to or immediately after the special meeting.

If such transactions are effected, the consequence could be to cause the Merger to be approved in circumstances where such approval could not otherwise be obtained. Purchases of shares by the persons described above would allow them to exert more influence over the approval of the merger proposal and other proposals and would likely increase the chances that such proposals would be approved. Moreover, any such purchases may make it less likely that the holders of 20% or more of the Public Shares will vote against the acquisition proposal and exercise their conversion shares.

Other than the arrangement with Barry Florescue as described above, as of the date of this proxy statement, there have been no such discussions and no agreements to such effect have been entered into with any such investor or holder. Renaissance will file a Current Report on Form 8-K to disclose other arrangements entered into or significant purchases made by any of the aforementioned persons that would affect the vote on the merger and charter amendment proposal or the conversion threshold.

## THE MERGER PROPOSAL

The discussion in this proxy statement of the Merger and the principal terms of the Merger Agreement by and among Renaissance, First Communications and certain of the stockholders of First Communications is subject to, and is qualified in its entirety by reference to, agreement and plan of merger and Amendment No. 1 and Amendment No. 2 to the agreement and plan of merger. A copy of the agreement and plan of merger and Amendment No. 1 and Amendment No. 2 to the agreement and plan of merger are attached as Annex A, Annex A-1 and Annex A-2, respectively, to this proxy statement.

### Structure of the Merger

The Merger Agreement provides for the merger of Merger Sub I with and into First Communications, with First Communications continuing as the surviving corporation and First Communications immediately thereafter merging with and into Merger Sub II, with Merger Sub II continuing as the surviving limited liability company.

### Merger Consideration

Under the terms of the Merger Agreement, in exchange for all of the outstanding shares of First Communications capital stock and certain First Communications warrants which will be irrevocably exercised on a cashless basis immediately prior to and contingent upon the consummation of the Merger, as further described below, Renaissance will issue shares of Renaissance common stock comprised of:

14,460,000 shares of Renaissance common stock, where each share of outstanding First Communications common stock will be converted into the right to receive 0.44932 of a single validly issued, fully paid and nonassessable share of Renaissance common stock;

up to an additional 13,950,000 shares of Renaissance common stock (less the number of shares that would have been issuable to First Communications stockholders who properly exercised their appraisal rights) which will be placed into an escrow account and distributed proportionally to each stockholder based on its ownership interest if, for any fiscal quarter from September 13, 2008 through December 31, 2011, the surviving corporation has an annualized adjusted EBITDA equal to or greater than the EBITDA target, which is more fully described below.

up to an additional 8,500,000 shares of Renaissance common stock (less the number of shares that would have been issuable to First Communications stockholders who properly exercised their appraisal rights) which will be placed into an escrow account and distributed proportionately to each First Communications stockholder as of the closing based on its ownership interest if Renaissance has the right to redeem the warrants it issued in connection with its IPO at any time prior to their exercise and at any time after the warrants become exercisable if the last sale price of Renaissance common stock has been at least \$8.50 per share, on each of 20 trading days within any 30 trading day period ending on January 28, 2011. If all warrants are exercised prior to the date the Warrant Condition is satisfied, Renaissance remains obligated to pay such amount upon satisfaction of the Warrant Condition.

Based on the closing market price of \$5.80 per share on September 12, 2008, the last trading day prior to the announcement of the Merger Agreement, the Initial Shares had an aggregate value of \$83,868,000. Based on the closing market price of \$5.81 per share on December 15, 2008, the Initial Shares had an aggregate value of \$84,012,600.

In addition, holders of First Communications Series A Preferred Stock will receive an aggregate of \$15.0 million in cash consideration, together with an accrued dividend of 12% per annum, pro rated and calculated from September 28, 2008 in exchange for their shares of Series A Preferred Stock.

In addition to the consideration to be issued to First Communications stockholders described above, pursuant to the Amended and Restated Stock Escrow Agreement to be delivered to First Communications at closing, RAC Partners has agreed that 2,000,000 of its Original Shares, which are being held in an escrow account in connection

with Renaissance's IPO, will be released only in the event that the EBITDA Condition is satisfied. In the event the EBITDA Condition is not satisfied, such shares will be released to the post-merger combined company and cancelled.

#### **EBITDA Condition**

13,950,000 shares of Renaissance common stock will be distributed to First Communications' stockholders and 2,000,000 of the Original Shares being held in escrow pursuant to the Amended and Restated Escrow Agreement will be distributed to RAC Partners, if for any fiscal quarter from September 13, 2008 through December 31, 2011, First Communications or the post-merger combined company has an annualized adjusted EBITDA equal to or greater than the EBITDA target. EBITDA is defined as income before provision for income taxes, plus interest expense, less interest income, plus depreciation and amortization, plus amortization of intangible assets, plus any expenses arising solely from the Merger charged to income in such fiscal quarter and will be calculated for an applicable fiscal quarter based on the unaudited reviewed financial statements of First Communications or the post-merger combined company. The EBITDA target is \$50 million plus the sum of any target increases, which will be 1/7 of the aggregate consideration paid by First Communications prior to the Merger or the post-merger combined company, as applicable, for any acquisition consummated between September 13, 2008 and December 31, 2011, other than the acquisition of Globalcom. In determining whether the EBITDA Condition has been satisfied for the fiscal quarter during which such acquisition is consummated, the target increase will be 1/7 of such aggregate consideration multiplied by a fraction (A) the numerator of which shall be the number of days beginning on the date of the consummation of such acquisition and ending on the last day of such fiscal quarter and (B) the denominator of which shall be the total number of days in such fiscal quarter.

If the Merger closes after December 31, 2008, Renaissance will file a Current Report on Form 8-K disclosing whether the EBITDA target was satisfied with respect to the quarter then ended.

If the EBITDA Condition is not satisfied by December 31, 2011, then Renaissance and the Stockholders' Representative will deliver joint written instructions to the escrow agent to release the remaining shares held in escrow pursuant to the EBITDA Condition to Renaissance on February 28, 2012 and such securities will be cancelled.

#### **First Communications Warrants**

As of September 1, 2008, First Communications had the following outstanding:

warrants to purchase a total of 5,333,333 shares of First Communications common stock at an exercise price of \$0.05 per share expiring on July 2, 2012 ( T1 Warrants );

warrants to purchase a total of 8,000,000 shares of First Communications common stock at an exercise price of \$7.50 per share and an expiration date of three years following the redemption of all of the Series A Preferred Stock held by the holder of such warrant ( T2 Warrants ); and

warrants to purchase a total of 2,000,000 shares of First Communications common stock at an exercise price of \$7.50 per share and an expiration date of three years following the redemption of all of the Series A Preferred Stock ( T3 Warrants ).

Each of the holders of the T1 Warrants has agreed pursuant to a separate agreement irrevocably to make a cashless exercise of their T1 Warrants, immediately prior to and conditionally upon, the closing of the Merger. First Communications common stock will have a fair market value of \$5.00 for purposes of this cashless exercise. Each share of First Communications common stock which a holder of a T1 warrant receives upon the exercise of the T1 Warrants will be converted into the right to receive the same merger consideration as the First Communications stockholders. An aggregate of 3,028,661 shares of Renaissance common stock will be issued to the holders of T1 Warrants. Additionally, they will be eligible to receive their proportionate share of any shares issued pursuant to the satisfaction of the Warrant Condition and the EBITDA Condition, which are described above.

Holders of all of the T2 Warrants and approximately 92% of the T3 Warrants entered into an exchange agreement concurrent with the signing of the Merger Agreement pursuant to which they will receive a new warrant entitling them to receive with respect to each share of First Communications common stock for which a T2 Warrant or T3 Warrant is exercisable (A) the right to acquire 0.25 shares of Renaissance common stock exercisable at \$9.00 per share expiring on January 28, 2011 for a total number of new warrants not to exceed 2,500,000 in the aggregate and (B) the right to receive 1/10<sup>th</sup> of a share of Renaissance common stock upon the satisfaction of the Warrant Condition for a total number of shares of Renaissance common stock not to exceed 1,000,000 in the aggregate. Renaissance will deposit into the escrow account up to 1,000,000 shares of its common stock to satisfy the Warrant Condition obligation to the T2 and T3 Warrant Holders. In the event that Warrant Condition is not satisfied by January 28, 2011, then on January 31, 2011, all the shares deposited into the escrow account to will be released to Renaissance and cancelled.

The principal holders of the T2 Warrants and T3 Warrants participated in negotiating the exchange agreement, and they, along with the other holders who have signed the exchange agreement, satisfied themselves that the estimated value of the replacement warrants, including the potential to receive additional incentive shares, approximated the estimated value of the existing T2 Warrants and T3 Warrants. Under the Merger Agreement, First Communications is obligated to use its reasonable efforts to cause all remaining holders of the T3 Warrants who have not previously exercised their T3 Warrants, to exercise and exchange these warrants on the same terms and conditions as the exercising holders pursuant to the exchange agreement. To the extent such holders still do not exercise their rights, such T3 Warrants will remain outstanding in accordance with their terms. As all of the shares of Series A Preferred Stock are being redeemed upon consummation of the Merger, any T3 warrants remaining outstanding after the Merger will expire three years from the date of the Merger.

#### **Fractional Shares**

No fractional shares of Renaissance common stock will be issued in the Merger. In lieu thereof, Renaissance will pay each holder of First Communications common stock who would otherwise be entitled to a fractional share in the Merger, an amount of cash (rounded to the nearest whole cent), without interest, equal to the product of such fraction multiplied by \$6.00.

#### **Appraisal Rights**

Any First Communications Holder who did not vote in favor of the Merger or consent in writing and who has demanded appraisal for such shares in accordance with the DGCL will not receive shares of Renaissance common stock, unless such holder fails to perfect, withdraws or otherwise loses such appraisal right under the DGCL. First Communications is obligated to give Renaissance prompt notice of any demands for appraisal pursuant to the DGCL received by them and the opportunity to participate in all negotiations and proceedings with respect to demands for appraisal under the DGCL prior to the consummation of the Merger. First Communications will not, except with the prior written consent of Renaissance, which will not be unreasonably withheld, make any payment with respect to any such demands for appraisal or offer to settle or settle any such demands.

Renaissance may terminate the Merger Agreement in the event that holders of more than 10% of the outstanding shares of First Communications exercise their dissenters rights.

#### **Voting Agreement**

As a condition to consummation of the Merger, First Communications has agreed to delist its shares of common stock from AIM and to call a general meeting of its stockholders for the purpose of voting upon the delisting. On September 13, 2008, Renaissance, First Communications and certain First Communications Holders, who in the aggregate represented at least 75% of the voting power of First Communications, entered into a voting agreement pursuant to which each First Communications Holder party to the agreement agreed to vote to delist First Communications from the AIM at any meeting of the stockholders called to vote upon such delisting and granted

Renaissance, or any nominee of Renaissance, an irrevocable proxy to vote the shares held by them at any such meeting.

#### **Escrow Agreement**

Upon the closing of the Merger, Renaissance, the Stockholders Representative and an escrow agent will enter into an escrow agreement, a form of which is attached to this proxy statement as Annex E, pursuant to which, upon consummation of the Merger, Renaissance will deposit with the escrow agent an amount of shares of Renaissance common stock sufficient to satisfy its obligations with respect to the EBITDA Condition and the Warrant Condition. If the Warrant Condition is not satisfied by January 28, 2011, then on or prior to January 31, 2011, Renaissance and the Stockholders Representative will deliver joint written instructions to the escrow agent to release all the shares subject to the Warrant Condition deposited into the escrow account to Renaissance and such shares will be cancelled. If the EBITDA Condition is not satisfied by December 31, 2011, then Renaissance and the Stockholders Representative will deliver joint written instructions to the escrow agent to release the remaining shares held in escrow pursuant to the EBITDA Condition to Renaissance on February 28, 2012 and such shares will be cancelled.

#### **Amended and Restated Stock Escrow Agreement**

In connection with the IPO, Renaissance Inside Stockholders entered into a stock escrow agreement pursuant to which their Original Shares would be held in escrow until the earlier of twelve months after a business combination or Renaissance's liquidation. As a condition of closing the Merger, an Amended and Restated Stock Escrow Agreement, a form of which is included in Annex A-1 of this proxy statement, will be entered into by Renaissance, the Renaissance Inside Stockholders, The Gores Group LLC, as stockholders representative and Continental Stock Transfer & Trust Company, as escrow agent, pursuant to which 2,000,000 of RAC Partners Original Shares will be released from such escrow account only in the event the EBITDA Condition is satisfied. In the event the EBITDA Condition is not satisfied, the 2,000,000 Original Shares held by RAC Partners will be released to the post-merger combined company and cancelled. The remaining 1,900,000 Original Shares held in the escrow account will be released upon the earlier of twelve months after a business combination or Renaissance's liquidation.

#### **Name; Headquarters; Stock Symbols**

After completion of the Merger:

the name of Renaissance will be First Communications, Inc.;

the corporate headquarters and principal executive offices of Renaissance will be located at 3340 West Market Street, Akron, OH 44333, which is First Communications' corporate headquarters; and

Renaissance common stock, warrants and Units, which are currently quoted on the American Stock Exchange under the symbols RAK, RAK.WS and RAK.U, respectively, will be listed for trading on Nasdaq if an application made by Renaissance to such effect is granted.

#### **Background of the Merger**

The terms of the Merger Agreement are the result of arm's-length negotiations between representatives of Renaissance and First Communications. The following is a brief discussion of the background of these negotiations, the Merger Agreement and related transactions.

Renaissance is a blank check company incorporated in Delaware on April 17, 2006 in order to serve as a vehicle for the acquisition of an operating business. On February 1, 2007, Renaissance completed its IPO of 15,600,000 Units, and on February 16, 2007, Renaissance completed the closing of an additional 2,340,000 Units that were subject to the underwriter's over-allotment option. Beginning February 15, 2007, Renaissance common stock and warrants began trading separately on the American Stock Exchange. The public offering price of each Unit was \$6.00, and Renaissance generated gross proceeds of \$107,640,000 in the IPO (including proceeds from the exercise

of the over-allotment option). Of the gross proceeds: (i) Renaissance deposited \$104,147,840 in the Trust Account at JPMorgan Chase NY Bank, maintained by Continental Stock Transfer & Trust Company as trustee, which included \$3,051,240 of deferred underwriting fees; (ii) the underwriters received \$4,811,160 as underwriting fees (excluding the deferred underwriting fees); and (iii) Renaissance retained \$781,000 for offering expenses. In addition, Renaissance deposited into the Trust Account \$2,100,000 that it received from the issuance and sale of 4,666,667 warrants to RAC Partners and to its directors Charles Miersch and Morton Farber on February 1, 2007.

During the period from February 2007 through September 2008, Renaissance was involved in sourcing and evaluating prospective businesses in search of potential business combinations. To minimize potential conflicts of interest which may have arisen from multiple corporate affiliations, each of Renaissance's officers and directors agreed, until the earliest of a business combination, liquidation or such time as he ceases to be an officer or director, to present to Renaissance prior to any other entity, any business opportunity which may reasonably be required to be presented to Renaissance under Delaware law, in accordance with his fiduciary obligations. In general, officers and directors of a corporation incorporated under Delaware law are required to present business opportunities to a corporation if:

the corporation could financially undertake the opportunity;

the opportunity is within the corporation's line of business; and

it would not be fair to the corporation and its stockholders for the opportunity not to be brought to the attention of the corporation.

Renaissance was created to serve as a vehicle to effect a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business. As such, its officers and directors are responsible for identifying, evaluating and selecting a target business and in their capacity as officers and directors of Renaissance have focused their work on finding and analyzing potential acquisition targets, analyzing valuation work, negotiating potential transaction terms with potential target companies and reviewing various business case scenarios. In addition, they have assisted Renaissance by preparing investment materials, analyzing market and industry research, coordinating and reviewing due diligence work, providing technical financial modeling, including pro forma financial statements, coordinating and analyzing business plans and assisting in the preparation of applicable SEC financial information and documentation. Renaissance attempted to source opportunities both proactively and reactively, and given the mandate to find a suitable business combination partner, did not limit itself to any one transaction structure (i.e. cash versus stock issued to seller, straight merger, corporate spin-out or management buy-out). Proactive sourcing involved Renaissance management, among other things:

initiating conversations, whether via phone, e-mail or other means and whether directly or via their underwriters with third-party companies they believed may make attractive business combination partners;

contacting professional service providers (lawyers, accountants, consultants and bankers);

utilizing their own network of business associates and friends for leads;

working with third-party intermediaries, including investment bankers;

inquiring of business owners of their interest in selling their business; and

engaging consultants with whom Renaissance entered into success fee based engagement letters.

Reactive sourcing involved fielding inquiries or responding to solicitations by either (i) companies looking for capital or investment alternatives or (ii) investment bankers or other similar professionals who represented a company engaged in a sale or fundraising process.

The efforts of the officers and directors of Renaissance included discussions with other board members that highlighted the particular industry, profiled companies which might be attractive business combination candidates and provided valuation multiples for companies in the sector.





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Promptly following Renaissance's IPO, Renaissance contacted several hundred investment bankers, private equity firms, consulting firms, legal and accounting firms, as well as numerous other business relationships. In addition, in February and March 2007, Renaissance directly solicited owners and executives of privately owned businesses and publicized the fact that Renaissance was looking to merge with a private company. Through these efforts, Renaissance identified and reviewed information with respect to more than 200 target companies.

Between March 2007 and September 2008, based on Renaissance's screening efforts and criteria evaluation, several companies were determined as appropriate targets to advance to the next phase of the selection process. Non-disclosure agreements (and trust waivers) were signed with these potential targets and preliminary discussions were initiated. From this universe of potential targets, seven companies were further pursued to the extent that Renaissance held substantive discussions regarding the type, timing and amount of consideration to be provided in a potential transaction, conducted extensive due diligence and engaged the potential seller in a negotiation process. In each of these cases, Renaissance pursued the transaction because it believed the target company represented a favorable opportunity for Renaissance stockholders. Furthermore, in the cases of the targets in the consumer products, restaurants and finance industries, Renaissance's management had experience in managing these businesses and it had been Renaissance's intention to focus on these businesses from its inception. However, except for First Communications, in each case, Renaissance was unable to reach a mutually acceptable transaction value and structure with the target.

The following table highlights the target businesses on which Renaissance advanced to the negotiation stage, but which were ultimately dismissed as a business combination candidate:

Target Company Business	Activity Period	Reason not Pursued
Plastic Disposable Consumer Products	March 2007 - July 2008	Executed letter of intent; did not win auction process
National Casual Restaurant Chain	March 2007 - June 2007	Executed letter of intent; did not win auction process
National Upscale Restaurant Chain	May 2007 - August 2007	Executed letter of intent; seller decided not to sell after beginning definitive documentation

Target Company Business	Activity Period	Reason not Pursued
Specialty Finance	October 2007 - February 2008	Executed letter of intent; did not agree on valuation and structure
Networking Hardware Equipment	November 2007 - May 2008	Executed letter of intent; seller decided to pursue a different transaction
Investment Banking Firm	November 2007 - January 2008	Could not agree on valuation
Dry Bulk Shipping	April 2008 - August 2008	Executed letter of intent; could not agree on valuation and structure; tax issues

On April 8, 2008, Rick Bloom, president and chief operating officer of Renaissance, was contacted by Dan Esters and Jason Gredell of Jefferies. Messrs. Esters and Gredell explained that First Communications was seeking to raise equity capital in connection with an acquisition opportunity, and that a special purpose acquisition company, such as Renaissance, would address First Communications' equity raising goals while also achieving another objective of moving to a United States market exchange.

On April 10, 2008, Jefferies provided Renaissance with certain non-confidential information regarding First Communications, as well as a confidentiality agreement. The Renaissance team reviewed the materials and began gathering public valuation data and industry research with the assistance of Jefferies.

During April and May 2008, Renaissance continued to review and consider the First Communications opportunity with Jefferies, while also continuing to investigate various other opportunities. Mr. Bloom maintained contact with Scott Honour of The Gores Group, LLC ( Gores ), which holds preferred and common equity in First Communications, regarding the prospective transaction and why it represented a compelling opportunity for both Renaissance and First Communications stockholders. The Renaissance team, led by Barry Florescue, Renaissance's chairman and chief executive officer, analyzed precedent merger and acquisition transaction valuations, as well as publicly comparable company valuations. It also considered First Communications' business plan, including the opportunity to integrate acquisitions, and what Renaissance believed to be a scalable platform due to the operational leverage and ability to add capacity to existing fiber assets.

On June 17, 2008, Mr. Bloom spoke with representatives of Jefferies further regarding a potential transaction, and Jefferies provided Renaissance the additional information requested. At this time, Renaissance began to focus more closely on First Communications as a potential target because the business was well positioned to take advantage of being a public company listed in the United States, and that the current owners' goals were strongly aligned with the special purpose acquisition company structure. Specifically, the existing owners were interested in retaining their existing equity interest, and using Renaissance's cash to take advantage of both organic and acquisition-based growth opportunities. Renaissance's management found this type of transaction structure to be very attractive because it aligned the interests of Renaissance's shareholder base with the existing owners and also because Renaissance's initial due diligence reflected that the opportunities to invest capital into new projects and acquisitions could result in significant shareholder returns. Additionally, Renaissance was encouraged by the fact that First Communications' existing owners were willing to take a substantial portion of their merger consideration in the form of contingent shares—shares that would be earned both through the achievement of increased operating performance as well as through attaining specific share price thresholds. Renaissance noted that this would likely be an attractive form of consideration because it would protect its existing shareholders by effectively reducing total consideration if certain operating projections or expected market valuations were not achieved in the future.

Over the next few days, Renaissance reviewed the additional information in the proposal and submitted a preliminary proposal for a reverse merger transaction to Jefferies on June 26, 2008. The proposal was based on both the valuation and analytical work that had been performed, and was also structured in a manner which addressed Renaissance's goal of providing a strong value to existing Renaissance stockholders while also giving existing First Communications stockholders an ability to earn into an attractive valuation through contingent consideration based on executing First Communications' business plan. Specifically, Renaissance's proposal contemplated that it would issue to First Communications shareholders a total of 28 million shares of Renaissance common stock, with approximately 14 million of those shares issued at closing in the form of non-contingent consideration and the remainder placed in escrow and released on a contingent basis to the extent certain stock price and performance-based targets were achieved after closing. This proposal attributed a total value to First Communications' shares of approximately \$168 million assuming a future Renaissance stock price of \$6.00 (which amount includes the contingent shares).

On July 2, 2008, Mr. Bloom and Mark Seigel, vice president and treasurer of Renaissance, spoke by phone with representatives of both Jefferies and Gores and the parties agreed that Gores would respond formally to Renaissance's preliminary proposal.

Over the course of the next few weeks, Renaissance, Jefferies and Gores maintained frequent communication as they discussed and negotiated the timing of the transaction, the performance criteria for the contingent consideration and the initial and contingent consideration amounts. Gores had responded to Renaissance's June 26, 2008 proposal by noting that its forecast 2008 operating performance was materially better than the assumptions Renaissance had made in that proposal. Gores provided updated financial information in support of its claim and its desire to receive more shares than Renaissance had initially offered. Based upon Renaissance's analysis of the new financial data, as well as subsequent refined valuation work both internally generated and based upon market research provided by Jefferies, Renaissance became comfortable with offering a greater number of shares as merger consideration.

On July 19, 2008, Renaissance submitted a revised written proposal to First Communications. This proposal contemplated that Renaissance would issue to First Communications existing shareholders a total of 37.8 million shares of Renaissance common stock, with approximately 18.8 million of those shares issued at closing in the form of non-contingent consideration and the remaining shares placed in escrow and released on a contingent basis to the extent certain stock price and performance-based targets were achieved after closing. This provided a total value to First Communications shares of approximately \$227 million assuming a future Renaissance stock price of \$6.00.

On July 30 and July 31, 2008, Messrs. Bloom and Seigel met with First Communications management team and Jefferies at First Communications headquarters in Akron, OH and further discussed the terms of a proposed transaction, focusing specifically on timing and the performance criteria for the two components of the contingent consideration.

On August 5, 2008, the board of directors of Renaissance held a telephonic board meeting to discuss Renaissance's progress in the negotiations with First Communications. The board reviewed the general terms of a proposed transaction. Renaissance's board unanimously approved execution of a non-binding letter of intent with First Communications.

On August 15, 2008, Renaissance, First Communications and Gores, as Stockholders Representative, executed a non-binding letter of intent which outlined the terms under which both sides agreed to work towards a definitive agreement and provided limitations on both Renaissance's and First Communications' ability to pursue alternative transactions.

On August 16, 2008, Renaissance provided a detailed business due diligence request list to First Communications. Over the next several weeks First Communications provided due diligence information to Renaissance and its advisors, including Jefferies and Dechert LLP. Renaissance conducted business due diligence on First Communications during this period.

On August 19, 2008, Dechert LLP, on behalf of Renaissance, provided First Communications with a draft merger agreement which formed the basis for the negotiation of a definitive agreement between Renaissance and First Communications. This initial draft included provisions for the indemnification of Renaissance by First Communications stockholders with respect to the representations and warranties contained in the merger agreement, with shares of Renaissance common stock to be held in escrow to satisfy any indemnification obligations. First Communications engaged its outside counsel, Bingham McCutchen LLP, to assist it in the negotiation of the merger agreement with Renaissance. First Communications also received certain due diligence information from Renaissance during this period and reviewed the information regarding Renaissance over the succeeding weeks.

On August 22, 2008, Renaissance held a telephonic meeting of the board of directors, where it updated the board of directors on certain matters relating to the potential transaction with First Communications including the status of due diligence, the Merger Agreement and other relevant matters. Messrs. Florescue, Bloom and Seigel presented to the board of directors various findings relating to accounting and financial due diligence that would impact both the valuation ascribed to the investment as well as the process through which First Communications would pursue an effective registration statement.

At this meeting, the board of directors approved the management's engagement of financial and accounting advisors in connection with Renaissance's evaluation of the proposed transaction.

Renaissance engaged FTI Consulting, Inc. ( FTI ) to conduct financial and accounting due diligence with respect to First Communications in connection with the proposed transaction. Representatives from FTI spent several days with First Communications management at its headquarters in Akron, OH, reviewed audited and interim financial statements and held discussions with management. During the period of its review, FTI provided updates regarding its analysis to Renaissance on a regular basis.

Renaissance engaged Houlihan Smith to render a fairness opinion to the board of directors as to whether, on the date of such opinion, the purchase price was fair, from a financial point of view, to Renaissance's stockholders, and to opine on whether the fair market value of First Communications was at least equal to 80% of the net assets

of Renaissance. Representatives of Houlihan Smith held discussions with Renaissance, Jefferies and the management team of First Communications, reviewed materials including, a draft of the Merger Agreement, dated September 7, 2008, financial statements of First Communications, Globalcom and companies acquired by First Communications, internal financial statements and financial projections prepared by both First Communications and Renaissance, as well as other due diligence materials concerning both First Communications and its industry provided by Renaissance.

Between August 19 and September 8, 2008, the Merger Agreement and related documentation were negotiated by Renaissance and First Communications along with their respective legal representatives.

On August 29, 2008, Renaissance and First Communications agreed to decrease the number of contingent shares to be released from escrow to First Communications existing stockholders upon the achievement of the stock price and performance-based targets from 19,000,000 to 18,000,000, and to release 1,000,000 shares to the holders of the T2 Warrants and the T3 Warrants who would exchange such warrants for warrants to purchase Renaissance common stock upon the achievement of such targets.

In addition, on September 6, 2008, Renaissance and First Communications agreed that the representations and warranties of First Communications would not survive the consummation of the Merger and Renaissance would not be indemnified for any breaches of such representations and warranties.

On September 8, 2008, Renaissance convened a telephonic meeting of the board of directors to discuss the Merger Agreement and related agreements. Renaissance's executive management presented to the board of directors various aspects of the proposed merger and Houlihan Smith delivered a presentation in which it opined that the purchase price was fair, from a financial point of view, to the stockholders of Renaissance, and that the transaction met the 80% net asset test. After a detailed discussion and question and answer session, the board of directors approved the Merger Agreement and other related documents substantially in the form presented to the board of directors and authorized and empowered certain Renaissance officers to execute and deliver the Merger Agreement on behalf of Renaissance. The board of directors further resolved to recommend to the stockholders of Renaissance that they approve and adopt the Merger Agreement.

Renaissance and First Communications continued to negotiate the Merger Agreement and ancillary agreements through September 13, 2008. On September 13, 2008, the parties executed the Merger Agreement and jointly announced their agreement by means of a press release on the morning of September 15, 2008.

On September 22, 2008, Renaissance and First Communications filed a Form 8-K containing an investor presentation which provided further public disclosure on the Merger. A joint public conference call was held that morning to present the Merger and take questions from the public regarding the Merger.

On September 30, 2008, as a result of certain changes to the financial statements of First Communications after the rendering of Houlihan Smith's fairness opinion, Houlihan Smith reaffirmed its opinion in a letter to Renaissance, for which Renaissance paid a fee of \$5,000.

Due to certain changes in the overall capital markets and the economic dislocations that have occurred since September 13, 2008, the date of execution of the original agreement and plan of merger, beginning in October 2008, Renaissance, RAC Partners and First Communications began exploring the impact these factors may have on Renaissance stockholders' decision to vote in favor of the transaction.

On December 1, 2008, Renaissance, RAC Partners and First Communications began discussions about deferring the release of additional shares of Renaissance common stock that First Communications stockholders would have otherwise received upon the closing and deferring the release of shares of Renaissance common stock currently owned by RAC Partners that would otherwise be released from escrow one year after the closing. These discussions focused on releasing such shares only in the event the EBITDA Condition was satisfied.

On December 5, 2008, RAC Partners proposed that the Merger be restructured so that a total of 6,000,000 fewer shares would be outstanding at closing than was provided for under the original agreement and plan of merger. After a series of discussions that occurred between December 6, 2008 and December 12, 2008, the parties agreed

to split the deferral of the shares of Renaissance common stock such that First Communications stockholders would defer 4,000,000 shares at closing and RAC Partners would defer 2,000,000 shares. These additional shares would be escrowed and released to the former First Communications stockholders or to RAC Partners only in the event the EBITDA Condition was satisfied. This would result in 4,000,000 fewer shares being available for sale in the market at closing and an additional 2,000,000 shares out of the market past the one year anniversary of the closing. The parties also agreed that the date by which the EBITDA Condition could be satisfied would be extended by six months from June 30, 2011 to December 31, 2011. In the event the EBITDA Condition was not satisfied by such date, such shares would be released from escrow to the post-merger combined company and cancelled.

On December 13, 2008, both Renaissance and First Communications agreed to return to their respective boards of directors for approval and to recommend approval of the amendment to their respective stockholders. On December 15, 2008, Dechert LLP and Bingham McCutchen LLP prepared Amendment No. 1 to the agreement and plan of merger (the Amendment ).

On December 15, 2008, First Communications board of directors met and approved the Amendment. The stockholders of First Communications approved the Amendment on December 22, 2008.

Between December 17, 2008 and December 21, 2008, the board of directors of Renaissance held several telephonic meetings to discuss the Amendment. On December 22, 2008, Renaissance convened another telephonic meeting of its board of directors to further discuss the Amendment. The board of directors expressed its view that the Amendment would provide for a transaction that would be more favorable to Renaissance stockholders and recognized that RAC Partners had also agreed to give up some of its value in favor of Renaissance stockholders. The board of directors considered requesting that Houlihan Smith provide an updated fairness opinion and a confirmation that the fair market value of First Communications is equal to at least 80% of the net assets of Renaissance. The board of directors determined that obtaining a new opinion was not necessary because it concluded that this 80% test continued to be satisfied although the agreement and plan of merger had been amended, and that the expense to Renaissance of obtaining the opinion and confirmation was not merited. After a detailed discussion and analysis, the board of directors approved the Amendment substantially in the form presented to the board of directors and authorized and empowered certain Renaissance officers to execute and deliver the Amendment on behalf of Renaissance. The board of directors also resolved to recommend that Renaissance stockholders approve the agreement and plan of merger, as amended.

On December 24, 2008, the staff of the Division of Corporation Finance of the SEC advised Renaissance that Renaissance could not register the issuance of the shares of Renaissance common stock to the existing First Communications stockholders in connection with the Merger. From December 24, 2008 through December 31, 2008, Renaissance, First Communications and their counsel negotiated an amendment to the Merger Agreement (the Second Amendment ) providing that Renaissance would file with the SEC a proxy statement in connection with the special meeting of Renaissance s stockholder to vote upon the Merger and, with respect to the Renaissance common stock being issued to the existing First Communications stockholders in the Merger, a registration statement for the resale of such securities after the closing of the Merger and use their best efforts to have such document become effective within 12 months of closing of the Merger.

On December 31, 2008, the board of directors of Renaissance held a telephonic meeting to discuss the Second Amendment. The board of directors recognized that the amendment was necessary to comply with the requirements of the securities laws. After a detailed discussion and analysis, the board of directors approved the Second Amendment substantially in the form presented to the board of directors and authorized and empowered certain Renaissance officers to execute and deliver the Second Amendment on behalf of Renaissance. The board of directors also resolved to recommend that Renaissance stockholders approve the agreement and plan of merger, as so further amended.

On December 31, 2008, the board of directors of First Communications met and approved the Second Amendment.

**Renaissance's Board of Directors' Reasons for the Approval of the Merger**

The Renaissance board of directors has concluded that the Merger with First Communications is in the best interests of Renaissance's stockholders and unanimously recommends that you vote FOR the merger proposal.

In arriving at its determination to approve the Merger Agreement with First Communications, the board of directors of Renaissance relied on information (including financial information) relating to First Communications, the regulatory environment, industry dynamics, the reports of outside due diligence consultants and its own collective experience in investing in, managing and financing growth companies.

The Renaissance board of directors also confirmed that the Merger with First Communications would satisfy the conditions for a merger candidate as set forth in the Renaissance final prospectus dated January 29, 2007 for Renaissance's IPO, including the requirement that First Communications' fair market value as the target business equal at least 80% of Renaissance's net assets (excluding the amount held in the Trust Account representing a portion of the underwriters' discount). The fair market value of First Communications was determined by the board of directors based on a variety of factors generally accepted by the financial community in valuing companies, including a comparative company analysis in which the board of directors analyzed other telecommunications companies. The board of directors also considered the opinion of Houlihan Smith dated September 8, 2008 to the effect that, as of such date, the fair market value of First Communications as indicated by Houlihan Smith's financial analyses was at least equal to \$83 million. A copy of Houlihan Smith's opinion, which sets forth the procedures followed, assumptions made, qualifications and limitations on the review undertaken and other matters considered by Houlihan Smith in preparing its opinion is attached as Annex D and is discussed below under the section entitled *Merger Proposal - Fairness Opinion*.

The Renaissance board of directors considered financial data for selected telecommunications companies with publicly traded securities that it deemed similar to First Communications in one or more financial, operating or other respects as part of its analysis, as well as similar analyses which Houlihan Smith reviewed with the board of directors in connection with rendering its opinion.

The Renaissance board of directors considered a wide variety of factors in connection with its evaluation of the Merger. In light of the complexity of those factors, the Renaissance board of directors did not consider it practicable to, nor did it attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its decision. In addition, individual members of the Renaissance board may have given different weight to different factors. Such factors included, among other things:

- First Communications' financial condition and results of operations;
- First Communications' growth potential;
- the experience and skills of First Communications' management and the availability of additional personnel;
- First Communications' competitive position;
- barriers to entry;
- the regulatory environment for First Communications;
- the valuation of comparable companies;
- the valuation of comparable merger/acquisition transactions;
- First Communications' industry dynamics, including the competitive landscape;
- favorable long-term growth prospects;
- the reports of outside due diligence consultants retained by Renaissance;

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research reports published by third-parties on markets and/or companies similar to First Communications;

future capital requirements;



costs associated with effecting the transaction;

the oral opinion of Houlihan Smith to the board of directors of Renaissance on September 8, 2008 (which was subsequently confirmed in writing by delivery of Houlihan Smith's written opinion dated September 8, 2008) with respect to whether the fair market value of First Communications as indicated by Houlihan Smith's financial analyses was at least equal to \$83 million;

the underlying businesses and components of First Communications; and

Renaissance's management's experience in building, managing and financing growth companies, including various relationships or strategies that Renaissance could bring to bear with First Communications to potentially accelerate growth, enter new markets, increase market share, improve profitability and trade at premium multiples relative to its peer group going forward.

The analysis of the Renaissance's board of directors in reaching this conclusion is described in more detail below. In considering the Merger, the Renaissance's board gave considerable weight to the following positive factors:

First Communications' record of revenue growth and high potential for future growth, as well as its historical financial performance;

First Communications' diversified revenue stream in terms of multiple business segments and geographic markets and a lack of customer concentration;

First Communications' prospective position as an acquisition platform in a highly fragmented industry and compelling acquisition opportunities; and

Renaissance board of directors' belief that First Communications has the ability to continue its growth because opportunities exist to:

expand current business both organically and through acquisitions;

build wireless towers and attachments to existing towers; and

fund additional sales and marketing initiatives.

#### ***The Experience of First Communications' Management***

An important criterion to Renaissance's board of directors in identifying an acquisition target was that the target must have a seasoned management team with specialized knowledge of the markets within which it operates and the ability to lead a growth company. First Communications' management team is led by Ray Hexamer, First Communications' chief executive officer, who has more than 25 years of experience in the communications industry and participated in the initial acquisitions that created First Communications. Ray Hexamer will be complemented by a management team with relevant experience which includes Rick Buyens, president, who has held senior positions in the telecommunications industry for the past 20 years, Joseph R. Morris, chief operating officer and chief financial officer, who has held various financial and executive positions with First Communications since its inception and David Johnson, II who has served as First Communications senior vice president of sales and marketing, also since inception.

#### ***Comparable Company and Comparable Transaction Valuation Metrics***

The Renaissance board of directors reviewed valuation metrics from management's analysis and that of third party investment banks for companies and transactions that it believed were somewhat representative of both First Communications and the proposed merger. Comparable companies considered included:

the competitive local exchange carrier and/or fiber companies of Cbeyond, Inc., Global Crossing Ltd., Level 3 Communications Inc., PAETEC Holding Corp. and tw telecom inc.; and



the wireless tower companies of American Tower Corp., Crown Castle International Corp. and SBA Communications Corp.

Comparable transactions included:

the competitive local exchange carrier transactions of McLeodUSA Inc., NEON Communications Group, Eschelon Telecom, Inc., United Communications, Inc., Broadwing Corporation, Cavalier Telephone & TV Talk America, US LEC Corp., OneEighty Communications, Inc., Xspedius Communications, LLC, Mountain Telecommunications, Inc., Looking Glass Networks, Inc., OnFiber Communications, Inc., Mpower Communications, TelCove, Inc., ICG Communications, Inc., Electric Lightwave, Inc. and Oregon Telecom, Inc.; and

the wireless tower transactions of Vodafone Australia-Tower Divestiture, Sprint Nextel-Tower Divestiture, Light Tower LLC, Optasite, Global Tower, National Grid Wireless Infrastructure, Global Signal, Mountain Union Telecom, SpectraSite, TrinTel Communications and Sprint Sites.

### ***The Terms of the Merger Agreement***

The terms of the Merger Agreement, including the closing conditions, restrictions on Renaissance's and First Communications' ability to respond to competing proposals and the termination provisions are customary and reasonable.

### ***Additional Factors***

Renaissance's board of directors believes that the above factors strongly supported its determination and recommendation to approve the Merger. The Renaissance board of directors did, however, consider potentially negative factors, among others, including the risk factors included in this proxy statement, in its deliberations concerning the Merger.

Renaissance's board of directors also considered the risk that the current public stockholders of Renaissance would vote against the Merger and demand to redeem their shares for cash upon consummation of the Merger, thereby depleting the amount of cash available to the combined company following the Merger. For the reasons stated below, Renaissance's board of directors deemed this risk to be less with regard to First Communications than it would be for other target companies and believes that First Communications will still be able to implement its business plan even if the maximum number of public stockholders exercise their conversion rights and the post-merger combined company receives only approximately 80% of the funds deposited in the Trust Account.

Renaissance's board of directors also believes that a transaction with First Communications presents less risk than other investments based on the quantitative and qualitative analysis conducted by Renaissance's board. The quantitative analysis focused on First Communications' balance sheet and past results of operations and First Communications' management's projections and expected operating leverage. The qualitative analysis of the investment includes the potential value represented by First Communications' strong management team and industry fundamentals that support First Communications' ability to grow market share organically and through acquisitions. It further includes the analysis that First Communications has rights of way access along utility transmission lines which will allow it to add additional wireless towers and attachments at prices that give it a strong competitive advantage against wireless tower owners who do not have such rights of ways. Given the early stage of these business prospects, Renaissance's directors did not ascribe specific quantitative value to these assets in their analysis of First Communications.

Renaissance's board of directors also considered the fact that certain officers and directors of Renaissance may have interests in the Merger that are different from, or are in addition to, the interests of Renaissance stockholders generally, including the matters described below under the section entitled *Merger Proposal - Interests of Renaissance's Directors and Officers in the Merger*. However, this fact would exist with respect to a merger with any target company.

Renaissance's board of directors also considered the fact that there is no indemnification in the Merger Agreement, and the fact that First Communications' representations and warranties do not survive the Merger on a post-closing basis. The board of directors of Renaissance determined that First Communications' status as a public company listed on the AIM made such lack of indemnification customary when compared with other business combinations involving a private company.

After deliberation, the Renaissance board of directors determined that these potentially negative factors were outweighed by the potential benefits of the Merger, including the opportunity for Renaissance stockholders to share in First Communications' future possible growth prospects. Renaissance expects First Communications to benefit from strong organic growth in performance as well as acquisitions at accretive purchase multiples as Renaissance believes First Communications will be able to quickly lower overhead when combining with a competitor in an adjacent or overlapping market.

#### **Satisfaction of 80% Test**

It is a requirement that any business acquired by Renaissance have a fair market value equal to at least 80% of Renaissance's net assets at the time of acquisition, which assets shall include the amount in the Trust Account. Based on the financial analysis of First Communications generally used to approve the transaction, including a comparison of comparable companies and a discounted cash flow analysis, the Renaissance board of directors determined that this requirement was met. The board determined that the consideration being paid in the Merger, which amount was negotiated at arms-length, was fair to and in the best interests of Renaissance and its stockholders and appropriately reflected First Communications' value. In reaching this determination, the board concluded that it was appropriate to base such valuation on qualitative factors such as management strength and depth, competitive positioning, customer and labor relationships and technical skills as well as quantitative factors such as First Communications' historical growth rate and its potential for future growth in revenues and profits and its historical return on equity. The Renaissance board of directors believes because of the financial skills and background of several of its members, it was qualified to conclude that the acquisition of First Communications met this requirement. However, Renaissance has also received an opinion from Houlihan Smith that the 80% test has been met.

#### **Interests of Renaissance's Directors and Officers in the Merger**

In considering the recommendation of the board of directors of Renaissance to vote to approve the merger proposal, the charter amendment proposal and the incentive compensation plan proposal, you should be aware that certain members of the Renaissance board and management have agreements or arrangements that provide them with interests in the Merger that differ from, or are in addition to, those of Renaissance stockholders generally. In particular:

If the Merger is not consummated by January 29, 2009, Renaissance will be liquidated. In such event, the 3,900,000 shares held by the Renaissance Inside Stockholders that were acquired prior to the IPO, for an aggregate purchase price of approximately \$25,000, would be worthless because Renaissance's directors and officers are not entitled to receive any of the liquidation proceeds with respect to such shares. Such shares had an aggregate market value of \$22,542,000 based upon the closing price of \$5.78 on the American Stock Exchange on December 24, 2008, the record date for the Renaissance special meeting.

The Company issued and sold 4,666,667 warrants (exercisable at \$6.00 per share) to RAC Partners and Charles Miersch and Morton Farber, two of Renaissance's directors, on February 1, 2007. All of the proceeds Renaissance received from these purchases were placed in the Trust Account. The Insider Warrants are identical to the warrants underlying the Units sold in Renaissance's IPO except that (i) they have an exercise price of \$6.00 per share, (ii) Renaissance did not register the sale of the warrants to the public and (iii) the Insider Warrants will be exercisable on a cashless basis at the holders' option so long as such warrants are held by such directors, RAC Partners or its affiliates. Renaissance has agreed to register the transfer of the Insider Warrants by RAC Partners to its members in a liquidation or distribution and the resale of the shares underlying

the Insider Warrants by RAC Partners and the directors at any time after Renaissance executes a definitive agreement for a business combination, but the purchasers of the Insider Warrants have agreed that the Insider Warrants will not be sold or, subject to certain limited exceptions (including in a distribution upon liquidation at RAC Partners), transferred by them and they may not exercise the Insider Warrants until 30 days after Renaissance has completed a business combination. Accordingly, the Insider Warrants have been placed in escrow and will not be released until 30 days after the completion of a business combination. Such warrants are not traded publicly and have an exercise price of \$6.00 per warrant. All of the warrants will become worthless if the Merger is not consummated (as will the remainder of the public warrants).

In addition, pursuant to a share purchase plan entered into prior to Renaissance's IPO, RAC Partners, an entity controlled by Barry W. Florescue, placed a limit order for \$12 million of Renaissance common stock which commenced ten business days after Renaissance filed its Current Report on Form 8-K announcing its execution of a definitive agreement for the Merger and ended on the business day immediately preceding the record date for the meeting of stockholders at which this Merger is to be voted upon. Pursuant to this limit order, RAC Partners purchased 811,269 shares of Renaissance common stock for an aggregate purchase price of \$4,595,532 and at an average purchase price per share of \$5.66. RAC Partners may vote these shares on a proposed business combination any way it chooses. As a result, RAC Partners may be able to influence the outcome of the merger proposal and the other proposals under consideration. The purchases were at a price equal to the per share amount held in the Trust Account as reported in the Form 8-K filed in connection with the execution of the Merger Agreement and were made by R.M. Stark & Co., Inc. in such amounts and at such times as R.M. Stark & Co., Inc. determined, so long as the purchase price did not exceed the above-referenced per share purchase price. Mr. Florescue has agreed that he will not sell or transfer any shares of common stock purchased by him pursuant to this agreement until one year after Renaissance has completed this Merger.

As of the record date, Mr. Florescue beneficially owned 5,000 Public Shares (excluding those held by RAC Partners) and Charles Miersch beneficially owned 5,000 Public Shares. Additionally, at any time prior to the special meeting, during a period when they are not then aware of any material nonpublic information regarding Renaissance or its securities, the Renaissance Inside Stockholders, First Communications or First Communications stockholders and/or their respective affiliates may purchase shares from institutional and other investors, or execute agreements to purchase such shares from them in the future, or they may enter into transactions with such persons and others to provide them with incentives to acquire shares of Renaissance common stock or vote their shares in favor of the merger proposal. The purpose of such share purchases and other transactions would be to increase the likelihood of satisfaction of the requirements that the holders of a majority of the Public Shares cast on the merger proposal vote in its favor and that holders of fewer than 20% of the Public Shares vote against the merger proposal and demand conversion of their Public Shares into cash where it appears that such requirements would otherwise not be met. While the exact nature of any incentives that would be provided by the Renaissance Inside Stockholders, First Communications or First Communications stockholders and/or their respective affiliates has not been determined as of the date of this proxy statement, they might include, without limitation, arrangements to protect such investors or holders against potential loss in value of their shares, including the granting of put options and the transfer to such investors or holders of shares or warrants owned by the Renaissance Inside Stockholders for nominal value. Renaissance will not enter into any such arrangement, either prior to or after the consummation of the Merger, and no funds in its Trust Account will be used to make such purchases or to fund other such arrangements.

If Renaissance liquidates prior to the consummation of a business combination, Barry W. Florescue will be personally liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by Renaissance for services rendered or contracted for or products sold to Renaissance. Renaissance cannot assure you that he would be able to satisfy those obligations. As of September 30, 2008, Renaissance had accounts payable of approximately \$855,375. It estimates that it will incur additional expenses of approximately \$50,000 that would be required to be paid if the Merger is not consummated. Of such total of \$855,375, creditors to whom approximately \$802,572 is or would be owed have waived their rights

to make claims for payment from amounts in the Trust Account. Mr. Florescue would be obligated to indemnify Renaissance for the balance of approximately \$52,803 that would be owed to creditors who have not waived their rights against the Trust Account. However, Renaissance believes that Mr. Florescue does not have any risk of being required to provide indemnification since all persons who have had contractual obligations with Renaissance but have not waived their rights against the Trust Account have been paid in full (or will be paid in accordance with Renaissance's past practices).

### **Recommendation of Renaissance's Board of Directors**

After careful consideration of the matters described above, particularly First Communications' record of growth, high return on equity, potential for growth and profitability, the experience of First Communications' management, its competitive positioning, its customer and employee relationships, and technical skills, Renaissance's board of directors determined unanimously that each of the merger proposal, the charter amendment proposal and the incentive compensation plan proposal is fair to and in the best interests of Renaissance and its stockholders. Renaissance's board of directors has approved and declared advisable and unanimously recommends that you vote or give instructions to vote FOR each of these proposals.

The foregoing discussion of the information and factors considered by the Renaissance board of directors is not meant to be exhaustive, but includes the material information and factors considered by the Renaissance board of directors.

### **First Communications Board of Directors' Reasons for Approving the Merger**

The board of directors of First Communications has approved the Merger Agreement and the transactions contemplated thereunder, and believes that the terms of the Merger Agreement are fair to, and in the best interests of, First Communications and its stockholders.

The board of directors of First Communications believes that the Merger will create a corporate structure that will allow First Communications to maintain and expand its business, thus maximizing stockholder value. The Merger will combine First Communications' telecommunications and tower operations with Renaissance's United States public market access, public market management experience and strong balance sheet, thereby enabling the post-merger combined company to expand its business, while providing certain benefits of being a United States publicly traded company.

The board of First Communications has considered various transactions in the past as steps toward achieving the continuity of First Communications and has explored alternatives for enhancing its balance sheet and providing some liquidity opportunities to its stockholders, including its listing on the AIM. From time to time, First Communications has studied the United States public markets as an alternative source of capital as well for other benefits that it may provide.

In reaching its determination to merge with Renaissance, the First Communications board considered a number of factors. A potential merger with Renaissance was considered to be complementary with First Communications' long-term objectives and was structured to provide an opportunity to attain the following potential benefits to First Communications and its stockholders:

A proposed merger with a special purpose acquisition company, such as Renaissance, provides a mechanism to achieve a public market in the United States for First Communications without many of the costs, management time expenditures and risks inherent in completing a traditional United States initial public offering. First Communications' board believes that the proposed approach of merging with Renaissance would be beneficial to First Communications and its stockholders, especially when taking into account the various uncertainties in the public equity markets.

First Communications' board believes that becoming a publicly traded company in the United States will provide certain benefits that are meaningful to First Communications. The board of First Communications believes that the higher profile of being publicly traded in the United States and listed on Nasdaq, compared

to its current status as a listed company on AIM, may enhance First Communications' recognition in the United States telecommunications and tower markets as it seeks to obtain new customers and to expand its relationships with existing customers. The board also believes that the currency of a United States publicly traded stock will provide First Communications with additional methods of financing and completing acquisitions without the added strain of depleting First Communications' balance sheet.

The Merger will also enhance and diversify the composition of First Communications' board of directors. The Merger Agreement contemplates that the post-merger combined company will have two members nominated by Renaissance on its board of directors—Barry W. Florescue and Richard A. Bloom—and First Communications believes these new members will add their expertise in the financial markets to the continuing members of the First Communications board and management team.

The board of directors believes that the value of the consideration to be received by First Communications, compared to its book value and earnings per share, and the fact that the shares to be received as consideration will be registered for re-sale on a registration statement to be filed by Renaissance, maximize stockholder value and will provide a valuable form of liquidity for First Communications stockholders.

Maintaining a strong balance sheet is an important consideration to the First Communications board and the First Communications management team. With the Renaissance transaction, the cash that Renaissance has raised through its public offering will allow First Communications to maintain the strength of its balance sheet, and will provide a publicly traded currency for acquisitions, thus allowing First Communications to retain some of that cash even as it explores additional strategic acquisitions.

The Merger will also allow the post-merger combined company to maintain the existing First Communications management team. The First Communications board believes that the continuity of management of the post-merger combined company will allow for a continuation of the historically strong performance of First Communications, both with respect to its ability to complete and integrate complementary acquisitions, and its ability to provide strong financial results. The First Communications board also believes that the performance of the post-merger combined company will be enhanced by the added tools and benefits of being a United States publicly traded company.

The First Communications board of directors considered a wide variety of factors in connection with its evaluation of the Merger. In light of the complexity of those factors, the First Communications board of directors did not consider it practicable to, nor did it attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its decision. In addition, individual members of the First Communications board may have given different weight to different factors.

The board of First Communications believes that becoming a United States publicly traded company is a benefit to the stockholders and business of First Communications. The Merger with Renaissance reduces some of the risk associated with affecting the creation of a United States public market for First Communications common stock.

#### **Interests of First Communications' Directors and Executive Officers in the Merger**

You should be aware that certain members of the First Communications board and certain executive officers of First Communications have agreements or arrangements that provide them with interests in the Merger. In particular:

Marshall Belden, Mark Clark, Raymond Hexamer, Scott Honour, Joseph R. Morris and Mark Stone have been nominated as directors of Renaissance effective upon consummation of the transaction contemplated by the Merger Agreement, and Theodore Boyd has been nominated as the chairman of the board of directors of Renaissance. As employee directors, Messrs. Hexamer and Morris will not receive any additional compensation for serving on the board of directors of Renaissance. The independent directors will, in the future, receive any cash fees, stock options or stock awards that the Renaissance board of directors approves following a determination of fair compensation for its directors.

Pursuant to the transactions contemplated by the Merger Agreement, Messrs. Hexamer and Morris and Richard Buyens and David Johnson, II are expected to become executive officers of Renaissance. Following the

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consummation of the transactions contemplated by the Merger Agreement, these individuals will continue to serve pursuant to the terms of their existing employment agreements with First Communications. Set forth below is information with respect to these individuals:

Name	Term of Employment Agreement and Position	Annual Base Salary
Raymond Hexamer	Expires July 2009 (automatic renewal) Chief Executive Officer	\$265,000
Joseph R. Morris	Expires July 2009 (automatic renewal) Chief Financial Officer and Chief Operating Officer	\$250,000
Richard J. Buyens	Expires May 6, 2010 (automatic renewal) President	\$250,000
David Johnson, II	Expires July 2009 (automatic renewal) Senior Vice President, Sales and Marketing	\$125,000

Each of the First Communications executive officers listed above will also receive as part of his employment arrangements:

*Bonus.* A discretionary bonus based on a policy to be established by the board of directors or compensation committee of Renaissance. Currently bonus potential is as follows for each executive:

	Percentage of Base
Raymond Hexamer	60%
Joseph R. Morris	50%
Richard J. Buyens	50%
David Johnson, II	120%

*Termination Payment.* If Mr. Hexamer's, Mr. Morris' or Mr. Johnson's employment is terminated without cause, Renaissance will continue to pay the executive his base salary for the 12 month period following the date of termination and pay the annual bonus earned as of the date of termination. If Mr. Buyens' employment is terminated by Renaissance without cause, or by Mr. Buyens for good reason, prior to November 6, 2008, Renaissance will pay him his annual base salary for 60 days after such termination. If Mr. Buyens' employment is terminated by Renaissance without cause or by Mr. Buyens for good reason, on or after November 6, 2008 and before May 7, 2009, Renaissance will pay him his annual base salary for 90 days after such termination. If Mr. Buyens' employment is terminated by Renaissance without cause, or by Mr. Buyens for good reason, on or after May 7, 2009, Renaissance will pay him his annual base salary for 12 months after such termination. If a termination without cause or for good reason occurs at any time within a 12 month period following a change in control of First Communications, Mr. Buyens will be entitled to be paid his annual base salary for 12 months following such termination and a pro rated portion of his annual bonus.



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*Other Benefits.* Limited personal use of other prerequisites as may be provided under the policies and practices then in place at the time of the closing date and/or by the compensation committee of Renaissance, including club membership dues and expenses.

Additionally, pursuant to the Merger Agreement, Renaissance has agreed to approve the grant of options and restricted stock to certain First Communications employees contingent upon the consummation of the Merger and approval by Renaissance stockholders of the 2008 Plan. Messrs Hexamer and Morris will each be entitled

to options exercisable for 80,000 shares of Renaissance stock and 40,500 restricted shares of Renaissance common stock, Mr. Buyens will be entitled to options exercisable for 413,850 shares of Renaissance common stock and Mr. Johnson will be entitled to options exercisable for 60,000 shares of Renaissance common stock and 30,500 restricted shares of Renaissance common stock.

The transactions contemplated by the Merger Agreement provide that each of the First Communications stockholders will receive shares of Renaissance common stock in exchange for their shares of First Communications common stock and a cash payment in exchange for their shares of First Communications preferred stock. Those shares of First Communications common stock and preferred stock held by the executive officers, by individual members of the board of directors of First Communications, or by entities with which the individual members are affiliated, will be treated the same way and will be exchanged for the same consideration in the Merger as all other shares of common stock or preferred stock of First Communications. In addition, holders of T2 Warrants and T3 Warrants who agree to exchange their warrants will be entitled to receive warrants and, potentially, common stock (as further described herein) of Renaissance. Warrants held by entities with which members of the board are affiliated will be treated the same way and such entities will be entitled to the same consideration for their warrants as any T2 Warrant Holder or T3 Warrant Holder. Please see *Beneficial Ownership of Securities* for a discussion of the beneficial ownership of First Communications and Renaissance shares of the key personnel and affiliates of First Communications, including those members of the board of directors of First Communications who have been nominated to join the board of directors of Renaissance as part of the transactions contemplated by the Merger Agreement.

### **Fairness Opinion**

In connection with its determination to approve the Merger Agreement at its meeting on September 8, 2008, Renaissance's board of directors engaged Houlihan Smith to provide it with a fairness opinion as to whether the Merger with First Communications on the terms and conditions set forth in the Merger Agreement is fair to Renaissance stockholders from a financial point of view and that the fair market value of First Communications is at least equal to 80% of Renaissance's net assets at the time of the Merger.

In selecting a valuation and financial advisory firm to render a fairness opinion, Renaissance's board of directors solicited referrals of firms experienced in rendering opinions of similar size and scope to the proposed transaction with First Communications from its legal counsel and the underwriters of Renaissance's initial public offering. Subsequently, Renaissance interviewed three firms and determined that Houlihan Smith offered the most appealing combination of experience, availability of personnel and cost. Renaissance requested references from Houlihan Smith to verify the firm's prior work product. After receiving favorable references from sponsors of two special purpose acquisition companies that had used Houlihan Smith fairness opinions in connection with their transactions, Renaissance's board of directors authorized hiring Houlihan Smith to render the fairness opinion.

Houlihan Smith delivered a presentation to Renaissance's board of directors on September 8, 2008 and subsequently delivered its written opinion to Renaissance dated September 8, 2008, which stated that, based upon and subject to the assumptions made, matters considered, and limitations on its review as set forth in the opinion, (i) the purchase price is fair, from a financial point of view, to Renaissance's stockholders, and (ii) the fair market value of First Communications is at least equal to 80% of Renaissance's net assets at the time of the Merger. As a result of certain changes to the financial statements of First Communications after the rendering of this opinion, Houlihan Smith reaffirmed its opinion in a letter to Renaissance dated September 30, 2008, for which it received a fee of \$5,000. The amount of the purchase price was determined pursuant to negotiations between Renaissance and First Communications and not pursuant to recommendations of Houlihan Smith. The full text of the written opinion of Houlihan Smith is attached as Annex D and is incorporated by reference into this proxy statement.

You are urged to read the Houlihan Smith opinion carefully and in its entirety for a description of the assumptions made, matters considered, procedures followed and limitations on the review undertaken by Houlihan Smith in rendering its opinion. Houlihan Smith has consented to the incorporation by reference of its opinion in this proxy statement. The summary of the Houlihan Smith opinion set forth in this proxy statement is qualified

in its entirety by reference to the full text of the opinion. Houlihan Smith has no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of the rendering of the opinion. However, as noted above, as result of certain changes to the financial statements of First Communications after the rendering of its original opinion, Houlihan Smith reaffirmed its opinion in a letter to Renaissance dated September 30, 2008.

In accordance with its engagement letter, Houlihan Smith's opinions are addressed solely to Renaissance's board of directors for the board of directors' use in connection with its review and evaluation of the acquisition. It is, therefore, Houlihan Smith's view that its duties in connection with its fairness opinion extend solely to Renaissance's board of directors and that it has no legal responsibilities in respect thereof to any other person or entity (including a Renaissance stockholder) under the law of the State of Illinois, the laws which have been selected by Houlihan Smith and Renaissance as governing the engagement letter. Houlihan Smith has consistently taken this view with respect to all of its fairness opinions, which Renaissance believes is a generally accepted practice of issuers of such opinions. Renaissance acceded to Houlihan Smith's position because it was made a condition to its engagement of Houlihan Smith. Houlihan Smith would likely assert the substance of this view and the disclaimer described above as a defense to claims and allegations, if any, that might hypothetically be brought or asserted against it by any persons or entities other than Renaissance's board of directors with respect to the aforementioned opinion and the financial analyses thereunder. However, because no court has definitively ruled to date on the availability of this defense to a financial advisor who furnished to its client for its exclusive use of a fairness opinion, this issue necessarily would have to be judicially resolved on the merits in a final and non-appealable judgment of a court of competent jurisdiction. Furthermore, there can be no assurances that such a court would apply the laws of the State of Illinois to the analyses and ultimate resolution of this issue if it were to be properly briefed by the relevant litigants and presented to the court. In all cases, the hypothetical assertion or availability of such a defense would have absolutely no effect on Houlihan Smith's rights and responsibilities under U.S. federal securities laws, or the rights and responsibilities of Renaissance's board of directors under applicable state law or under U.S. federal securities laws.

The Houlihan Smith opinion is for the use and benefit of Renaissance's board of directors in connection with its consideration of the Merger and is not intended to be and does not constitute a recommendation to you as to how you should vote or proceed with respect to the Merger. Houlihan Smith was not requested to opine as to, and its opinion does not in any manner address, the relative merits of the Merger as compared to any alternative business strategy that might exist for Renaissance, Renaissance's underlying business decision to proceed with or effect the Merger, and other alternatives to the Merger that might exist for Renaissance. Houlihan Smith does not express any opinion as to the future performance of Renaissance or First Communications or the price at which either of Renaissance's securities might trade at any time in the future. Renaissance did not provide any specific instructions or limitations to Houlihan Smith regarding the fairness opinion.

In arriving at its opinion, Houlihan Smith took into account an assessment of general economic, market and financial conditions, as well as its experience in connection with similar transactions and securities valuations generally. In so doing, among other things, Houlihan Smith:

reviewed a draft of the Merger Agreement, dated September 7, 2008;

reviewed and analyzed First Communications' audited Annual Report for 2007;

reviewed and analyzed First Communications' audited historical financial statements for the fiscal years ending 2004 through 2006;

reviewed and analyzed financial projections (pro forma for the completion of the Globalcom acquisition) for the years ending December 31, 2008 through December 31, 2012 for First Communications provided by Renaissance management;

reviewed Globalcom's audited financial statements for the fiscal years ending 2004 through 2007;

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reviewed publicly available financial information and other data with respect to Renaissance, including the Annual Report on Form 10-K for the year ended December 31, 2007 and Form 10-Q for the period ended June 30, 2008;

reviewed a confidential information memorandum for private investors regarding a term loan commitment increase prepared by JP Morgan, dated June 18, 2008;

held discussions with Renaissance management and First Communications management regarding, among other items, the telephone communications and communication services industries, generally, and the competitive local exchange carrier ( CLEC ) and communication tower ( Tower ) industries, specifically; Renaissance's decision to form a business combination with First Communications;

reviewed the financial terms of certain recent business combinations in the telephone communications, communications services and wireless communication industries specifically, and in other industries generally;

reviewed certain Renaissance board of directors materials regarding First Communications, dated August 5, 2008;

reviewed financial and operating information with respect to certain publicly-traded companies in the telecommunication services, wireless communications, information technology and infrastructure industries which Houlihan Smith believes to be generally comparable to the business of First Communications, as well as other research related to the size and growth of markets in which First Communications operates or may operate;

reviewed a company overview presentation for First Communications, dated July 2008;

reviewed a confidential information memorandum prepared by Jefferies regarding certain senior secured credit facilities, dated November 2007;

reviewed a summary of the capital structures of First Communications on both a pre-transaction and post-transaction basis regarding the Merger prepared by Jefferies;

reviewed a current First Communications organizational chart; and

performed other financial studies, analyses and investigations, and considered such other information, as Houlihan Smith deemed necessary or appropriate.

In arriving at its opinion, Houlihan Smith relied upon and assumed the accuracy and completeness of all of the financial and other information that was used without assuming any responsibility for any independent verification of any such information. Further, Houlihan Smith relied upon the assurances of the managements of Renaissance and First Communications that they were not aware of any facts or circumstances that would make any such information inaccurate or misleading. With respect to the financial information and projections utilized, Houlihan Smith assumed that such information has been reasonably prepared on a basis reflecting the best currently available estimates and judgments, and that such information provides a reasonable basis upon which it could make an analysis and form an opinion. The projections were solely used in connection with the rendering of Houlihan Smith's fairness opinion. Investors should not place undue reliance upon such projections, as they are not necessarily an indication of what Renaissance's revenues and profit margins will be in the future. The projections were prepared by First Communications management and were not meant to be interpreted as projections of future performance (or guidance) by Renaissance management. Houlihan Smith did not evaluate the solvency or fair value of First Communications under any foreign, state or federal laws relating to bankruptcy, insolvency or similar matters. Houlihan Smith did not make a physical inspection of the properties and facilities of First Communications and did not make or obtain any evaluations or appraisals of First Communications' assets and liabilities (contingent or otherwise). In addition, Houlihan Smith did not attempt to confirm whether First Communications had good title to its assets.

Houlihan Smith assumed that the Merger will be consummated in a manner that complies in all respects with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as

amended, and all other applicable foreign, federal and state statutes, rules and regulations. Houlihan Smith assumed that the Merger will be consummated substantially in accordance with the terms set forth in the Merger Agreement, without any further amendments thereto, and that any amendments, revisions or waivers thereto will not be detrimental to Renaissance's stockholders.

Houlihan Smith's analysis and opinion are necessarily based upon market, economic and other conditions, as they existed on, and could be evaluated as of, September 8, 2008. Accordingly, although subsequent developments may affect its opinion, Houlihan Smith has not assumed any obligation to update, review or reaffirm its opinion.

In connection with rendering its opinion, Houlihan Smith performed certain financial, comparative and other analyses as summarized below. Each of the analyses conducted by Houlihan Smith was carried out to provide a different perspective on the Merger, and to enhance the total mix of information available. Houlihan Smith did not form a conclusion as to whether any individual analysis, considered in isolation, supported or failed to support an opinion as to the fairness, from a financial point of view, of the purchase price to Renaissance's stockholders and whether the fair market value of First Communications was at least equal to 80% of Renaissance's net assets at the time of the Merger. Further, the summary of Houlihan Smith's analyses described below is not a complete description of the analyses underlying Houlihan Smith's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, Houlihan Smith made qualitative judgments as to the relevance of each analysis and factors that it considered. In addition, Houlihan Smith may have given various analyses more or less weight than other analyses, and may have deemed various assumptions more or less probable than other assumptions, so that the range of valuations resulting from any particular analysis described above should not be taken to be Houlihan Smith's view of the value of First Communications' assets. The estimates contained in Houlihan Smith's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than suggested by such analyses. In addition, analyses relating to the value of businesses or assets neither purport to be appraisals nor do they necessarily reflect the prices at which businesses or assets may actually be sold. Accordingly, Houlihan Smith's analyses and estimates are inherently subject to substantial uncertainty. Houlihan Smith believes that its analyses must be considered as a whole and that selecting portions of its analyses or the factors it considered, without considering all analyses and factors collectively, could create an incomplete and misleading view of the process underlying the analyses performed by Houlihan Smith in connection with the preparation of its opinion.

The analyses performed were prepared solely as part of Houlihan Smith's analysis of the fairness, from a financial point of view, of the purchase price to Renaissance's stockholders and whether the fair market value of First Communications was at least equal to 80% of Renaissance's net assets at the time of the Merger, and were provided to Renaissance's board of directors in connection with the delivery of Houlihan Smith's opinion. The opinion of Houlihan Smith was just one of the many factors taken into account by Renaissance's board of directors in making its determination to approve the Merger, including those described elsewhere in this proxy statement.

As described in more detail below, Houlihan Smith conducted three different types of financial analyses commonly used in the investing community: a guideline public company analysis, a comparable transaction analysis and a discounted cash flow analysis.

Houlihan Smith determined that the valuations derived from EBITDA (defined as earnings before interest, taxes, depreciation and amortization, as adjusted for add-backs for owner's compensation, management fees and one-time charges) and revenue multiples of the guideline companies would provide the most meaningful indications of value. Given First Communications' two main streams of revenue, Houlihan Smith found guideline public companies in both the CLEC (six companies) and Tower (three companies) industries. Houlihan Smith determined the indicated enterprise values per each unit of the business, CLEC and Tower, and summed the values to derive the minimum and maximum total indicated enterprise value for First Communications. The range of enterprise values using the guideline public company analysis was \$383.6 million to \$417.3 million.

Houlihan Smith found comparable transactions within the CLEC (twelve transactions) and Tower (five transactions) industries. Houlihan Smith applied the median enterprise value to revenue and enterprise value to EBITDA multiples of the comparable transactions to First Communications' respective latest twelve months ended June 30, 2008 revenue and EBITDA for the CLEC and Tower businesses and summed these indicated values to conclude a range of indicated enterprise values based upon the comparable transactions method. The range of enterprise values using the comparable transaction analysis was \$431.0 million to \$452.8 million.

First Communications' management provided Houlihan Smith with financial projections prepared by First Communications' management, which Houlihan Smith used in its discounted cash flow analysis. Houlihan Smith performed a discounted cash flow analysis and concluded a discounted cash flow method range of enterprise values of \$295.6 million to \$411.8 million.

Houlihan Smith analyzed the value of the merger consideration as part of its review of the Merger and its analysis of the fairness of the Merger. Specifically, Houlihan Smith considered the payments made upon achievement of EBITDA milestones and the exercise or redemption of warrants. Houlihan Smith determined that the estimated value of the total merger consideration will be within the range of approximately \$251.4 million to \$368.1 million. Houlihan Smith concluded the merger consideration to be fair to the stockholders of Renaissance from a financial point of view. Houlihan Smith based its conclusion on the fact that certain portions of the consideration are contingent upon the performance of First Communications. Houlihan Smith based the high end range of its fair value analysis on the assumption that the full contingent payment (including warrant consideration) is earned, while the low end range of its fair value analysis was based on the assumption that none of the contingent payments are earned.

#### *Discounted Cash Flow Method*

A discounted cash flow analysis estimates value based upon a company's projected future free cash flow discounted at a rate reflecting risks inherent in its business and capital structure. Unlevered free cash flow represents the amount of cash generated and available for principal, interest and dividend payments after providing for ongoing business operations.

Renaissance's management provided Houlihan Smith with financial information prepared by First Communications' management, which Houlihan Smith used in its discounted cash flow analysis. Houlihan Smith used the financial information to determine the enterprise net cash flows of First Communications over the projected five-year period. In its calculation, Houlihan Smith added additional annual expenses to First Communications' management's projections based on its view that accounting and reporting costs would exceed management's estimates. Houlihan Smith used the enterprise net cash flows to calculate a fair market enterprise value applying the discounted cash flow method.

The First Communications projections are based upon organic growth expectations and expense assumptions derived from past performance as well as management's future expectations. The projections do not include potential revenue and profitability growth from acquisitions. Revenue growth projections were derived from past performance as well as data from new product and service sales. Projected costs of facilities and selling, general and administrative expenses account for cost savings obtained as a result of the Globalcom integration plan, as well as the incurrence of additional corporate overhead.

The projections were initially compiled based on individual projections from each of First Communications' business divisions where revenue backlog, performance run rates and future margin assumptions are analyzed. First Communications' corporate finance department aggregated these divisional projections and then layered in corporate overhead expenses which took into account future staffing needs in the company's finance department as well as incremental professional costs in connection with becoming a United States publicly traded company. The Globalcom integration plan, which has a material impact on the projections, was created based on First Communications' experience in integrating nine previous acquisitions. It consists of specifically identifiable cost savings, principally headcount reductions and reduced telecommunications rates, achieved through leveraging First Communications' existing fiber network and superior purchasing power.

Houlihan Smith determined the discount rate applied in the discounted cash flow method by applying a weighted average cost of capital build-up method. Houlihan Smith uses an equity risk premium, industry risk premium and size premium based upon statistical studies performed (*Ibbotson Associates: Stocks, Bonds, Bills and Inflation 2008* and *Long-Run Stock Returns: Participating in the Real Economy*, Ibbotson and Chen, 2007). The risk free rate used is the 30 year long term U.S. Treasury yield near the date of the transaction and the average cost of debt is estimated via First Communications' interest rate.

The targeted capital structure is based upon completion of the potential merger. Houlihan Smith determined the range of discounts by considering a range of plus one percent and minus one percent of the weighted average cost of capital of 14.0% calculated. The range was applied to test the sensitivity of the discount rate in determining the indicated enterprise value of First Communications.

#### ***Guideline Public Company Method***

The guideline public company method applies the trading multiples of publicly traded companies to the subject company to derive an indication of value. The analyst searches for guideline companies in industries similar to the subject company with operating structures and target customers as similar to the subject company as possible.

Houlihan Smith searched the universe of publicly traded companies on public exchanges and found companies that met its criteria for guideline companies. Houlihan Smith selected comparable publicly-traded companies based upon geographic location and the industry in which the comparable companies operate. In addition, Houlihan Smith considered the size, growth, leverage, profitability, turnover and liquidity of the comparable companies to that of First Communications. The six companies included in Houlihan Smith's guideline public company analysis for the CLEC industries were: tw telecom inc., PAETEC Holding Corp., Level 3 Communications Inc., Global Crossing Ltd., Cbeyond, Inc. and FiberNet Telecom Group Inc. The three companies included in Houlihan Smith's guideline public company analysis for the Towers industries were: Crown Castle International Corp., American Tower Corp and SBA Communications Corp. These companies are in industries similar to First Communications' two main streams of revenue business units. The median multiples used for the guideline public company method were 1.5X for enterprise value/revenue and 9.3X for enterprise value/EBITDA for the CLEC business and 12.8X for enterprise value/revenue and 20.5X for enterprise value/EBITDA for the Tower business. Houlihan Smith used the latest twelve-month revenue and EBITDA for First Communications of \$208.6 million and \$27.5 million for the CLEC business and \$8.4 million and \$6.2 million for the Tower business, respectively.

#### ***Comparable Transaction Method***

The comparable transactions method is a market approach which analyzes transactions involving target companies operating in industries similar to First Communications. While it is known that no two companies are exactly alike, nor are any two transactions structured exactly the same, consideration is given to the similarity in capital structure, operations, size and profitability, as well as other operating characteristics of the target companies. Houlihan Smith selected comparable transactions based upon transaction size, industry classification and the size of the targets of the transactions.

In its search for comparable transactions for the CLEC business, Houlihan Smith considered target companies which were primarily U.S. public companies in the CLEC industry with last twelve months revenue of less than \$1.5 billion and last twelve months EBITDA of less than \$1.0 billion and transactions which had closed during the last five years.

In its search for comparable transactions for the Towers business, Houlihan Smith considered target companies which were primarily U.S. public companies in the Tower industry with last twelve months revenue of less than \$1.5 billion and last twelve months EBITDA of less than \$1.0 billion and transactions which had closed during the last five years.

The comparable transactions for the CLEC business used in this analysis are those involving acquisitions of Covad Communications Group Inc. in 2008, McLeodUSA Incorporated in 2008, NEON Communications Group

in 2008, Eschelon Telecom, Inc. in 2008, United Communications, Inc. in 2008, Broadwing Corporation in 2008, Talk America Holdings, Inc. in 2006, US LEC Corp in 2008, OneEighty Communications, Inc. in 2006, Mountain Telecommunications Inc. in 2006, Looking Glass Networks, Inc. in 2006 and OnFiber Communications, Inc. in 2006. The comparable transactions for the Tower business used in this analysis are those involving acquisitions of Global Signal in 2007, Mountain Union Telecom in 2006, AAT in 2006, SpectraSite in 2005 and TrinTel Communications in 2005. Houlihan Smith also considered the following transactions within the Tower industry; however, Houlihan Smith did not apply these multiples in its analysis because the transactions were not closed as of the date of the opinion: Sprint Nextel Corp., Lighttower Wireless, LLC, and Optasite.

Houlihan Smith applied the median enterprise value to revenue, and enterprise value to EBITDA multiples of the comparable transactions to First Communications' respective latest twelve months ended June 30, 2008 revenue and EBITDA for the CLEC and Tower business and summed these indicated values to conclude a range of indicated enterprise values based upon the comparable transactions method. The median multiples used for the comparable transactions method were 1.6X for enterprise value/revenue and 10.6X for enterprise value/EBITDA for the CLEC business and 11.6X for enterprise value/revenue and 26.0X for enterprise value/EBITDA for the Towers business. Houlihan Smith used the latest twelve-month revenue and EBITDA for First Communications of \$208.6 million and \$27.5 million, respectively, for the CLEC business and \$8.4 million and \$6.2 million, respectively, for the Tower business.

#### ***80% Test***

Renaissance's initial business combination must be with a target business whose fair market value is at least equal to 80% of Renaissance's net assets at the time of such acquisition. Houlihan Smith reviewed the balance in the Trust Account as of June 30, 2008 and compared that to First Communications' indicated range of enterprise value. Houlihan Smith noted that the fair market value of First Communications exceeds 80% of Renaissance's net assets.

Based on the information and analyses set forth above, Houlihan Smith delivered its written opinion to Renaissance's board of directors on September 8, 2008, which stated that, based upon and subject to the assumptions made, matters considered, and limitations on its review as set forth in the opinion, (i) the purchase price is fair, from a financial point of view, to Renaissance's stockholders, and (ii) the fair market value of First Communications is at least equal to 80% of Renaissance's net assets at the time of the Merger.

#### ***Engagement of Houlihan Smith***

Houlihan Smith is an investment banking firm that, as part of its investment banking business, regularly is engaged in the evaluation of businesses and their securities in connection with mergers, acquisitions, corporate restructurings, private placements, and for other purposes. Renaissance determined to use the services of Houlihan Smith because it is a recognized investment banking firm that has substantial experience in similar matters. Houlihan Smith has received a fee in connection with the preparation and issuance of its opinion and will be reimbursed for its reasonable out-of-pocket expenses, including attorneys' fees. In addition, Renaissance has agreed to indemnify Houlihan Smith for certain liabilities that may arise out of the rendering of its opinion. Houlihan Smith does not beneficially own any interest in either Renaissance or First Communications and has not provided either company with any other services. The engagement letter provides that Renaissance will pay Houlihan Smith a fee of \$100,000 (\$50,000 of which will be due upon the closing of the Merger) and will reimburse Houlihan Smith for its reasonable out-of-pocket expenses, which will not exceed \$5,000. As a result of certain changes to the financial statements of First Communications after the rendering of this opinion, Houlihan Smith reaffirmed its opinion in a letter to Renaissance dated September 30, 2008, for which it received a fee of \$5,000, which will be due upon the closing of the Merger.



### **Material Federal United States Income Tax Consequences of the Merger**

The following section is a summary description of the material United States federal income tax consequences of the Merger to Renaissance and to the United States Holders (as that term is defined below) of Renaissance common stock. This discussion addresses only those United States Holders of Renaissance common stock that hold their stock as a capital asset within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended (the "IRC") and does not address all the United States federal income tax consequences that may be relevant to particular holders in light of their individual circumstances or to holders that are subject to special rules, such as:

financial institutions;

investors in pass-through entities;

a person that has a functional currency other than the U.S. dollar;

an insurance company;

tax-exempt organizations;

dealers in securities or currencies;

traders in securities that elect to use a mark to market method of accounting;

persons that hold stock as part of a straddle, hedge, constructive sale or conversion transaction; and

persons who are not citizens or residents of the United States.

This summary is based upon the IRC, applicable treasury regulations thereunder, published rulings and court decisions, all as currently in effect as of the date hereof, and all of which are subject to change, possibly with retroactive effect. Tax considerations under state, local and foreign laws, or federal laws other than those pertaining to the income tax, are not addressed.

For purposes of this discussion, a United States Holder is:

an individual who is a citizen or resident of the United States for United States federal income tax purposes;

a corporation, or any entity treated as a corporation for United States federal income tax purposes, created or organized under the laws of the United States, any state thereof or the District of Columbia;

any estate that is subject to United States federal income tax regardless of its source; or

a trust if (i) a United States court is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust, or (ii) the trust has a valid election in effect to be treated as a United States person for United States federal income tax purposes.

If a partnership holds Renaissance common stock, the tax treatment of a partner generally depends upon the status of the partner and the activities of the partnership. A partner of a partnership holding such stock should consult their own tax advisor.

Neither Renaissance nor First Communications has requested, or intends to request any ruling from the Internal Revenue Service as to the United States federal income tax consequences of the Merger, and no assurance can be given that the Internal Revenue Service or the courts will

agree with the following summary description.

**Tax Consequences of the Merger to United States Holders of Renaissance Common Stock**

Renaissance believes that no gain or loss will be recognized by Renaissance or by the United States Holders of Renaissance common stock Renaissance as a result of the Merger if their conversion rights are not exercised.

Renaissance also believes that a United States Holder of Renaissance common stock who exercises conversion rights and effects a termination of such stockholder's interest in Renaissance will be required to recognize gain

or loss upon the exchange of that stockholder's shares of common stock of Renaissance for cash. Such gain or loss will be measured by the difference between the amount of cash received and the tax basis of that stockholder's shares of Renaissance common stock. This gain or loss will be a capital gain or loss if such shares were held as a capital asset on the date of the Merger and will be a long-term capital gain or loss if the holding period for the share of Renaissance common stock is more than one year. There are limitations on the extent to which United States Holders may deduct capital losses from ordinary income.

This discussion is intended to provide only a summary of the material United States federal income tax consequences of the Merger. It does not address tax consequences that may vary with, or are contingent on, your individual circumstances. In addition, the discussion does not address any non-income tax or any foreign, state or local tax consequences of the Merger. Accordingly, you are strongly urged to consult with your tax advisor to determine the particular United States federal, state, local or foreign income or other tax consequences to you of the Merger.

If a United States Holder of Renaissance common stock who receives cash in exchange for all of the United States Holder's shares of Renaissance stock constructively or otherwise owns Renaissance common stock after the conversion, all or a portion of the cash received by the United States Holder may be taxed as a dividend, and those United States Holders should consult their tax advisors to determine the amount and character of the income recognized in connection with the Merger.

#### **Anticipated Accounting Treatment**

The Merger will be accounted for as a reverse acquisition in accordance with GAAP. Under this method of accounting, Renaissance will be treated as the acquired company for financial reporting purposes. This determination was primarily based on First Communications comprising the ongoing operations of the post-merger combined company. In accordance with guidance applicable to these circumstances, the Merger will be considered to be a capital transaction in substance. Accordingly, for accounting purposes, the Merger will be treated as the equivalent of First Communications issuing stock for the net assets of Renaissance, accompanied by a recapitalization. The net assets of Renaissance will be stated at historical cost with no goodwill or other intangible assets recorded. Operations prior to the Merger will be those of First Communications.

#### **Regulatory Matters**

Completion of the Merger and the transactions contemplated by the Merger Agreement require that Renaissance and First Communications submit filings under the HSR Act and satisfy certain waiting periods. Furthermore, Renaissance and First Communications will need to obtain the approvals of the FCC and certain State PUCs for the transfer of control of First Communications' operating subsidiaries.

#### **Required Vote**

The approval of the merger proposal will require the affirmative vote of the holders of a majority of the Public Shares cast on the proposal at the Renaissance special meeting.

**RENAISSANCE'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT RENAISSANCE'S STOCKHOLDERS VOTE FOR THE MERGER PROPOSAL.**

## THE MERGER AGREEMENT

For a discussion of the Merger structure and merger consideration, see the section entitled *The Merger Proposal*. Such discussion and the following summary of other material provisions of the agreement and plan of merger and Amendment No. 1 and Amendment No. 2 to the agreement and plan of merger are qualified by reference to the complete text of the agreement and plan of merger and Amendment No. 1 and Amendment No. 2 to the agreement and plan of merger, copies of which are attached as Annex A, Annex A-1 and Annex A-2, respectively, to this proxy statement. All stockholders are encouraged to read the Merger Agreement in its entirety for a more complete description of the terms and conditions of the Merger.

### Closing and Effective Time of the Merger

The closing of the Merger will take place on the second business day following the satisfaction of the last of the conditions described below under the subsection entitled *Conditions to Closing of the Merger*, unless Renaissance and First Communications agree in writing to another time. The Merger is expected to be consummated as soon as practicable after the special meeting of Renaissance's stockholders described in this proxy statement.

### Representations and Warranties

The Merger Agreement contains representations and warranties of each of Renaissance and First Communications relating, among other things, to:

proper organization, valid existence and good standing under the laws of its respective state of incorporation;

subsidiaries (First Communications only);

capital structure of each company;

the authorization, execution, delivery and enforceability of the Merger Agreement;

board approval;

stockholder approval (First Communications only);

real and tangible personal property;

litigation;

absence of conflicts or violations under organizational documents, certain agreements and applicable laws or decrees as a result of the contemplated transaction;

tax matters;

financial information (First Communications only);

absence of undisclosed liabilities;

material contracts;

intellectual property;

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insurance (First Communications only);

employee matters and employee benefits (First Communications only);

environmental matters (First Communications only);

compliance with laws;

accounts receivable (First Communications only);

brokers and finders fees;

warranties (First Communications only);

absence of certain changes;

suppliers and customers (First Communications only);

permits and licenses (First Communications only);

related party transactions;

prohibited payments (First Communications only);

books and records (First Communications only);

information included in this proxy (First Communications only);

business activities (Renaissance only);

SEC filings (Renaissance only);

indebtedness (Renaissance only); and

the Trust Account (Renaissance only).

#### **First Communications Financial Statements**

As of the date of the Merger Agreement, First Communications was completing a re-audit of its financial statements as of and for the six month period ended December 31, 2007 which resulted in the restatement of one or more items in the financial statements as of and for the fiscal year ended December 31, 2007. Upon completion of this re-audit, First Communications had a right to deliver a replacement version of the financial statements as of and for the fiscal year ended December 31, 2007 which would be deemed an amendment to the disclosure schedules of the Merger Agreement unless Renaissance exercised its right to terminate the Merger Agreement within 48 hours of delivery if such statements contained restated items that adversely affected First Communications' financial results for such fiscal period. The replacement financial statements were delivered on September 29, 2008 and were deemed to amend the disclosure schedules as Renaissance did not exercise its termination right.

#### **Materiality and Material Adverse Effect**

Certain of the representations and warranties are qualified by the concept of material adverse effect. For purposes of the Merger Agreement, a material adverse effect as to First Communications means a material adverse effect on the business, assets, results of operations or financial condition of First Communications and its subsidiaries taken as a whole. A material adverse effect on Renaissance means a material adverse effect on the business, assets, results of operations or financial condition of Renaissance.

None of the following will constitute, either alone or in combination, or will be taken into account in determining whether there has been or would be, a material adverse effect with respect to First Communications or Renaissance, respectively:

any facts, changes, developments, events, occurrences, actions, omissions or effects generally affecting (A) the economy, or financial or capital markets, in the United States or elsewhere in the world, to the extent that they do not disproportionately affect First Communications or Renaissance, respectively, in relation to other companies in the industry in which such company primarily operates or (B) the industry in which First Communications or Renaissance, respectively, operates to the extent that they do not disproportionately affect First Communications or Renaissance in relation to other companies in the industry in which they respectively

primarily operate; or

any facts, changes, developments, events, occurrences, actions, omissions or effects arising out of, resulting from or attributable to (1) changes (after the date of the Merger Agreement) in law or in generally accepted accounting principles or in accounting standards or (2) any decline in the market price, or change

in trading volume, of the capital stock of First Communications or Renaissance, respectively, or any failure to meet publicly announced revenue or earnings projections or internal projections.

### **Mutual Covenants**

The parties to the Merger Agreement have agreed to various mutual covenants regarding general matters which include, but are not limited to:

cooperating to obtain needed FCC and State PUC consents and comply with the HSR Act;

cooperating with respect to certain tax-related matters;

the use of reasonable good faith efforts to hold in confidence and not use for their own benefit any proprietary and non-public information concerning the other parties obtained in connection with the Merger, subject to certain exceptions;

using commercially reasonable efforts to take all actions and to do all things necessary, proper or advisable to consummate and make effective as promptly as practicable, the Merger;

cooperating with respect to certain filings with the SEC and other filings required under the Securities Act or any other federal, foreign or blue sky laws relating to the Merger; and

cooperation with respect to obtaining approval of the Merger by Renaissance stockholders.

### **Covenants Relating to Interim Operations**

Renaissance and First Communications have agreed to continue to operate their respective businesses in the ordinary course prior to the closing of the Merger and not to take the following actions, amongst others, without the prior written consent of the other party (except, in the case of First Communications, as contemplated by the acquisition of Globalcom):

make certain changes to accounting or tax practices;

enter into any new line of business;

fail to pay any taxes when they become due and payable, other than taxes being contested in good faith through appropriate proceedings and, in the case of First Communications, for which adequate reserves are reflected in its financial statements in accordance with GAAP;

issue any additional shares of capital stock (other than shares of stock issued in connection with existing warrants or upon exercise of outstanding options by persons who are stockholders of Renaissance or First Communications, as applicable, as of the date of the Merger Agreement) or any options, warrants or other rights to purchase, or securities convertible into or exchangeable for, shares of stock;

declare, set aside or pay any dividends or other distribution in respect of any stock;

split, combine or reclassify any shares of its capital stock;

knowingly or intentionally take any action that results or is reasonably likely to result in any of the representations and warranties of First Communications or Renaissance, as applicable, being untrue in any material respect or certain conditions specified in the Merger Agreement not to be satisfied;



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take or omit to take any action, the taking or omission of which could reasonably be expected to have a material adverse effect; or agree to do, or take any action in furtherance of, any of the foregoing.

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In addition, First Communications will not take any of the following actions without the prior written consent of Renaissance:

amend or propose to amend its amended and restated certificate of incorporation or bylaws;

adopt a plan of or effect any complete or partial liquidation or adopt resolutions providing for such liquidation or adopt a plan of or effect any dissolution, merger, consolidation, restructuring, recapitalization or reorganization;

create or make any changes to the terms or collateral of any debt or receivables (other than trade payables and receivables in the ordinary course of business consistent in type and amount with prior practice), or any employee or officer loans or advances, except incurrences that constitute a refinancing of existing obligations on terms that are no less favorable to First Communications than the existing terms;

assume, guarantee, endorse or otherwise become liable or responsible for the obligations of any person or entity except to the extent permitted under the terms of First Communications' current credit facility;

except in accordance with First Communications' budgeted capital expenditures and to the extent permitted under the terms of its current credit facility, make any capital expenditures;

make any loans, advances or capital contributions to, or investments in, any other person or entity (other than customary travel, relocation or business advances to employees consistent with past practices);

acquire stock or assets of, or merge or consolidate with, any other entity;

incur any material liability or obligation except to the extent permitted under the terms of First Communications' current credit facility;

agree to sell, transfer, mortgage, pledge, lease, encumber or otherwise dispose of, any assets or properties other than inventory held for sale or the disposition and replacement of obsolete personal property in the ordinary course of business, or to secure permitted debt;

incur any indebtedness other than under its existing credit facility or other ordinary course of business indebtedness except to the extent permitted under the terms of First Communications' current credit facility;

subject to certain limited exceptions, increase the compensation or other benefits of any of its officers or employees or enter into, amend or terminate any employment or benefits arrangement with any officer, director or employee other than as required by applicable law or pursuant to the terms of agreements in effect on the date of the Merger Agreement or in the ordinary course of business with employees;

hire any employees except in the ordinary course of business;

fail to make contributions to any employee benefit plan in accordance with the terms thereof or with past practice;

commence or settle any litigation or other proceedings with any entity or person in excess of amounts reserved for such litigation on the most recent balance sheet or excess of \$2 million;

waive the benefits of, agree to modify in any manner, terminate, release any person or entity from or knowingly fail to enforce any material confidentiality or similar agreement to which it is a party or of which it is a beneficiary outside the ordinary course of business; or

enter into any agreement or group of related agreements which would be considered a material contract, modify, amend or terminate any material contract, or waive, release or assign any rights or claims thereunder, or enter into any agreement that if entered into prior to the date hereof would be a material contract or in any such case outside the ordinary course of business, or enter into or amend any contract or agreement with any affiliate of First Communications.



#### **Additional First Communications Covenants**

The additional covenants that First Communications has made in the Merger Agreement include, but are not limited to the following:

First Communications will use its reasonable good faith efforts to become compliant with all applicable provisions of and rules under the Securities Act, Exchange Act, Sarbanes-Oxley Act of 2002 within the time frame and waiver periods permitted by the SEC with respect to all its SEC filings and system of internal accounting controls;

First Communications, for itself and each of its subsidiaries, affiliated entities, directors, officers, employees, stockholders, representatives, advisors and all other associates and affiliates, has waived all rights, title, interest or claim of any kind against Renaissance to collect from the Trust Account any monies that may be owed to them by First Communications for any reason whatsoever, including but not limited to a breach of the Merger Agreement by Renaissance or any negotiations, agreements or understandings with Renaissance (whether in the past, present or future), and will not seek recourse against the Trust Account at any time for any reason whatsoever; and

First Communications will use reasonable best efforts to take, or cause to be taken, all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its part under applicable rules and policies of the AIM to enable the delisting from AIM by First Communications of its common stock.

#### **Additional Renaissance Covenants**

The additional covenants that Renaissance has made in the Merger Agreement include, but are not limited to:

filing as soon as possible after the closing of the Merger, and using its best efforts to become effective within 12 months after such closing, a registration statement under the Securities Act with respect to shares of Renaissance common stock issued pursuant to the Merger Agreement;

advising First Communications, as reasonably requested, and on a daily basis on each of the last 7 business days prior to the Renaissance stockholders meeting, as to the aggregate tally of proxies and votes received in respect of such special meeting and the number of shares of Renaissance common stock for which notices of conversion have been delivered to Renaissance; and

as of and after the effective time of the Merger, Renaissance (i) changing its name to First Communications, Inc. and (ii) causing the symbol under which Renaissance common stock and any warrants to purchase Renaissance common stock are traded on the Nasdaq to be reasonably representative of the corporate name or business of First Communications.

#### **Renaissance No Shop/Non-Solicit Provision**

The Merger Agreement provides that from September 13, 2008 until the earlier of the (x) termination of the Merger Agreement in accordance with its terms or (y) consummation of the Merger, Renaissance:

will not, and will cause its stockholders, officers, directors, affiliates, representatives and advisors not to enter into any written agreement with any other person or entity regarding a Renaissance third party acquisition (as defined below) other than the transactions contemplated by the Merger Agreement;

will not and will cause its stockholders, officers, directors, affiliates, representatives and advisors not to solicit, offer, initiate, knowingly encourage, conduct or engage in any discussions, investigations or negotiations or enter into any agreement with any other person or entity regarding a Renaissance third party acquisition; and

agrees it shall promptly, after obtaining knowledge thereof, advise First Communications of any inquiry or proposal regarding a Renaissance third party acquisition that is received by them, including the terms of the proposal and the identity of the inquirer or offeror.



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For purposes of the Merger Agreement, a Renaissance third party acquisition means:

any purchase of 15% or more of the consolidated assets of a third party and its subsidiaries, or 15% or more of the equity or voting securities of a third party or a material subsidiary thereof;

any tender offer or exchange offer that, if consummated, would result in Renaissance beneficially owning 15% or more of a third party's equity or voting securities or any material subsidiary thereof; or

a merger, consolidation, business combination, share exchange, purchase of substantially all the assets, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving Renaissance and any third party, in each such case in this clause that would result in Renaissance beneficially owning 15% or more of any class of equity or voting securities of such third party or any material subsidiary thereof, or 15% or more of the consolidated assets of such third party.

### **First Communications No Shop/Non-Solicit Provision**

The Merger Agreement provides that from September 13, 2008 until the earlier of the (x) termination of the Merger Agreement in accordance with its terms or (y) consummation of the Merger, First Communications:

will not, and will cause its stockholders, officers, directors, affiliates, representatives and advisors not to enter into any written agreement with any other person or entity regarding a First Communications third party acquisition (as defined below) other than the transactions contemplated by the Merger Agreement;

will not and will cause its stockholders, officers, directors, affiliates, representatives and advisors not to solicit, offer, initiate, knowingly encourage, conduct or engage in any discussions, investigations or negotiations or enter into any agreement or understanding with any other person or entity regarding a First Communications third party acquisition, other than the transactions contemplated in the Merger Agreement; and

after obtaining knowledge thereof, advise Renaissance of any inquiry or proposal regarding a First Communications third party acquisition that is received by them, including the terms of the proposal and the identity of the inquirer or offeror.

For purposes of the Merger Agreement, a First Communications third party acquisition means:

any sale of 15% or more of the consolidated assets of First Communications and its subsidiaries, or 15% or more of the equity or voting securities of First Communications or any subsidiary whose assets, individually or in the aggregate, constitute 15% or more of the consolidated assets of First Communications (each referred to as a material subsidiary);

any tender offer or exchange offer that, if consummated, would result in a third party beneficially owning 15% or more of the equity or voting securities of First Communications or of any material subsidiary; and

a merger, consolidation, business combination, share exchange, sale of substantially all the assets, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving the First Communications or any material subsidiary, in each such case in this clause that would result in either (x) a third party beneficially owning 15% or more of any class of equity or voting securities of First Communications or any material subsidiary, or 15% or more of the consolidated assets of First Communications or (y) the stockholders of First Communications receiving securities traded in the U.S. on any nationally-recognized exchange or over-the-counter market;

For purposes of the Merger Agreement, a First Communications third party acquisition does *not* include the acquisition of Globalcom or any other transaction pursuant to which First Communications or a material subsidiary is the acquiring party, provided that, except in the case of the acquisition of Globalcom, such purchase shall not materially impede the consummation of the Merger between Renaissance and First Communications.



## Conditions to Closing of the Merger

### General Conditions

Consummation of the Merger by Renaissance and First Communications is conditioned upon, among other things:

Renaissance receiving the approval of the Merger by its stockholders in accordance with the DGCL and its amended and restated certificate of incorporation; and,

an executed copy of its amended and restated certificate of incorporation having been filed with the Secretary of State of the State of Delaware to be effective as of the closing of the Merger;

the Trust Account containing at least \$81,000,000 having been disbursed to Renaissance;

holders of 20% or more of the Public Shares having not exercised their rights to convert their shares into a pro rata share of the Trust Account in accordance with Renaissance's amended and restated certificate of incorporation;

the shares of Renaissance common stock having been approved for listing on Nasdaq, subject to official notice of issuance;

no governmental authority of competent jurisdiction having enacted, issued, enforced or entered any law, rule, injunction, judgment, order, decree, ruling or charge that is in effect and (a) restrains, enjoins or otherwise prohibits or challenges the validity or legality of the Merger, (b) limits or otherwise adversely affects the right of Renaissance to own and control First Communications, or to operate all or any material portion of either the business or the assets of First Communications or any material portion of the business or the assets of Renaissance or (c) compels Renaissance or any of its affiliates to dispose of all or any material portion of either the business or the assets of First Communications and no person having instituted or overtly threatened any action, suit or proceeding that would be reasonably expected to, result in any of the foregoing;

all applicable waiting periods (and any extension thereof) under the HSR Act having expired or otherwise been terminated and all notices, reports, registrations and other filings with, and all consents, approvals and authorizations from the FCC and State PUCs having been made or obtained, as the case may be;

the stockholders of Renaissance having voted to elect to Renaissance's board of directors the seven First Communications recommended directors and the two Renaissance recommended directors, effective immediately after the closing of the Merger, as specified in the Merger Agreement; and

Renaissance having appointed Raymond Hexamer, Joseph Morris and Richard Buyens as executive officers of Renaissance, effective immediately after the closing of the Merger, as specified in the Merger Agreement.

Either party may waive one or more conditions to the consummation of the Merger. However, to the extent a material condition is waived by one of the parties, which waiver would render any prior disclosure materially misleading, Renaissance intends to resolicit the approval of its stockholders of the Merger.

### First Communications Conditions to Closing

The obligations of First Communications to consummate the transactions contemplated by the Merger Agreement also are conditioned upon, among other things:

Renaissance and each Merger Sub's representations and warranties set forth in Merger Agreement being true and correct in all material respects (except representations which, as written, are already qualified by materiality or material adverse effect, in which case such representations and warranties will be true and correct in all such respects) as of the date of the Merger Agreement, and, except to the extent such representations and warranties speak as of an earlier date, as of the effective time of the First Merger;





Renaissance and each Merger Sub having duly performed in all material respects all obligations, covenants and agreements undertaken by them in the Merger Agreement and having complied in all material respects with all terms and conditions applicable to them under the Merger Agreement to be performed or complied with on or before the closing date;

all necessary third party approvals or consents, having been obtained from any person or entity whose approval or consent is necessary to consummate the Merger including, without limitation, the approval of the board of directors of Renaissance and each Merger Sub and the consents of the State PUCs and the FCC;

Renaissance having confirmed that it is prepared to deposit the merger consideration;

Renaissance having received approval from its stockholders in a manner consistent with Renaissance's final prospectus dated January 29, 2007 and having delivered such approval to First Communications;

immediately prior to the closing, Renaissance being in compliance with the reporting requirements under the Exchange Act; and

since the date of the Merger Agreement there having been no occurrence, event, change, effect or development that, individually or in the aggregate, has had or is reasonably expected to have a material adverse effect on Renaissance.

#### **Renaissance's Conditions to Closing**

The obligations of Renaissance to consummate the transactions contemplated by the Merger Agreement also are conditioned upon each of the following, among other things:

First Communications' representations and warranties set forth in the Merger Agreement being true and correct in all material respects (except representations which, as written, are already qualified by materiality or material adverse effect, in which case such representations and warranties shall be true and correct in all such respects) as of the Merger Agreement and, except to the extent such representations and warranties speak as of an earlier date, as of the effective time of the First Merger;

all necessary third party approvals or consents, having been obtained from any person or entity whose approval or consent is necessary to consummate the Merger including, without limitation, the approval of the board of directors and stockholders of First Communications and the consents of the State PUCs and the FCC;

First Communications having performed in all material respects all obligations, covenants and agreements undertaken by First Communications in the Merger Agreement and having complied in all material respects with all terms and conditions applicable to it under the Merger Agreement to be performed and complied with on or before the closing date;

First Communications' stockholders holding not more than 10% of the outstanding shares of First Communications common stock having exercised or having continuing rights to exercise appraisal rights under the DGCL with respect to the transactions contemplated by the Merger Agreement;

since the date of the Merger Agreement there not having been any occurrence, event, change, effect or development that, individually or in the aggregate, has had or is reasonably expected to have a material adverse effect on First Communications; and

First Communications having obtained an amendment to its existing credit facility waiving the change of control provision therein.

### **Waiver**

Any provision of the Merger Agreement may be waived in writing at any time by the party which is entitled to the benefit of such provision. Neither any failure nor any delay by any party in exercising any right, power, or privilege under the Merger Agreement or any of the documents referred to in the Merger Agreement will operate as a waiver of such right, power or privilege, and no single or partial exercise of such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. The condition requiring that the holders of fewer than 20% of the Public Shares affirmatively vote against the merger proposal and demand conversion of their shares into cash may not be waived. Renaissance cannot assure you that all of the conditions will be satisfied or waived.

The existence of the financial and personal interests of the directors may result in a conflict of interest on the part of one or more of them between what he may believe is best for Renaissance and what he may believe is best for himself in determining whether or not to grant a waiver in a specific situation.

### **Termination**

The Merger Agreement may be terminated, among other reasons, at any time prior to Closing:

by mutual written consent of Renaissance and First Communications;

by either Renaissance or First Communications if the Merger is not consummated on or before January 29, 2009;

by either Renaissance or First Communications if a governmental authority has enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order, in each case which has become final and non-appealable, and which permanently restrains, enjoins or otherwise prohibits the Merger;

by either Renaissance or First Communications if, at Renaissance's special meeting (including any adjournments thereof), the Merger shall fail to be approved and adopted by the affirmative vote of the holders of Renaissance common stock required under its amended and restated certificate of incorporation, or the holders of 20% or more of the Public Shares outstanding as of the record date of Renaissance's special meeting exercise their rights to convert the shares of Renaissance common stock held by them into cash in accordance with Renaissance's amended and restated certificate of incorporation; or

by either Renaissance or First Communications, if such party is not in material breach of its obligations under the Merger Agreement and there has been a material breach of the representations and warranties, covenants, or agreements by the other party and such breach has not been cured within 30 days after written notice to the breaching party, if curable.

### **Effect of Termination**

Except as otherwise provided in the Merger Agreement, in the event of proper termination by either Renaissance or First Communications, the Merger Agreement will have no further force and effect, without any liability or obligation on the part of Renaissance or First Communications; provided, however, that those provisions which survive the termination of the Merger Agreement shall not be void and that such termination will not terminate the rights or remedies of any party against another party that has violated or breached the Merger Agreement prior to such termination.

### **Indemnification of Directors and Officers**

Renaissance has agreed that the post-merger combined company will, for six years from the date of the closing of the Merger, indemnify and hold harmless First Communications and Renaissance's present and former officers, directors, employees and representatives for acts and omissions occurring prior to the Merger to the fullest extent

permitted by law or under their respective organizational documents in effect immediately prior to the Merger and provide tail insurance for each individual currently covered by First Communications officers and directors liability insurance policy on terms not materially less favorable than existing coverage.

**Fees and Expenses**

All fees and expenses incurred in connection with the Merger Agreement and the transactions contemplated thereby will be paid by the party incurring such expenses; provided, however, that if Renaissance fails to obtain stockholder approval and certain conditions to closing have been satisfied, then Renaissance will pay First Communications all of its excess working capital funds available outside of the Trust Account which remain after Renaissance's expenses are paid or accrued for and reasonable liquidation reserves are established.

**Confidentiality; Access to Information**

Renaissance and First Communications will afford to the other party and its financial advisors, accountants, counsel and other representatives prior to the completion of the Merger reasonable access during normal business hours, upon reasonable notice, to all of their respective properties, books, records and personnel to obtain all information concerning the business, including the status of product development efforts, properties, results of operations and personnel, as each party may reasonably request. Renaissance and First Communications will maintain in confidence any non-public information received from the other party, and use such non-public information only for purposes of consummating the transactions contemplated by the Merger Agreement.

**Amendments**

The Merger Agreement may be amended by the parties at any time by execution of an instrument in writing signed on behalf of each of the parties. Furthermore, from time to time prior to the closing, under certain limited circumstances and subject to the reasonable approval of Renaissance, First Communications will be entitled to update, amend or supplement the disclosure schedules to the Merger Agreement.

**UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION**

The following tables set forth certain of the pro forma financial information about First Communications after giving effect to the acquisitions of Globalcom on September 30, 2008, First Communications LLC and Xtension Services, Inc. on July 2, 2007 and the merger (the Transactions).

The unaudited pro forma condensed consolidated balance sheet as of September 30, 2008 is based on the unaudited historical consolidated balance sheets as of September 30, 2008 for Renaissance and First Communications and gives effect to the Transactions and the related financing as if they had occurred on September 30, 2008. The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2007 has been derived from audited consolidated financial statements for the year ended December 31, 2007. The unaudited pro forma condensed consolidated statement of operations for the nine months ended September 30, 2008 has been derived from the unaudited consolidated financial statements of Renaissance and First Communications for the nine month period ended September 30, 2008. The pro forma condensed consolidated statements of operations give effect to the Transactions and borrowings as if they occurred on January 1, 2007.

The acquisition of Globalcom will be accounted for using the purchase method of accounting. Accordingly, First Communications' cost to acquire Globalcom will be allocated to the assets acquired, including identifiable intangible assets, and liabilities assumed at their respective fair values as of the September 30, 2008 acquisition date.

The Merger will be accounted for as a reverse acquisition in accordance with GAAP. Under this method of accounting, Renaissance will be treated as the acquired company for financial reporting purposes. The net assets of Renaissance will be stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Merger will be those of First Communications.

The unaudited pro forma financial statements should be read in conjunction with the accompanying notes to the unaudited pro forma financial statements, each of Renaissance's and First Communications' historical consolidated financial statements and related notes, Management's Discussion and Analysis of Financial Condition and Results of Operations and other financial information contained in this proxy statement. The unaudited pro forma information presented herein does not intend to represent or be indicative of the financial position or results of operations that would have actually occurred had the Transactions occurred on the dates indicated and should not be taken as representative of the future consolidated financial position or results operations.

The selected consolidated unaudited pro forma financial information includes estimated adjustments to record assets acquired and liabilities assumed at their respective fair values and represents management's estimates based on available information. The pro forma adjustments included herein may be revised as additional information becomes available and as additional analyses are performed. The final allocation of the Globalcom purchase price will be determined after the acquisition is completed and after completion of a final analysis to determine the fair values of the tangible, and identifiable intangible, assets and liabilities as of the closing date. Accordingly, the final purchase accounting adjustments and integration charges may be materially different from the pro forma adjustments presented in this proxy statement. Increases or decreases in the fair value of the net assets, commitments, contracts and other items of Globalcom compared to the information shown in this proxy statement may change the amount of the purchase price allocated to goodwill and other assets and liabilities and may impact the statement of operations.

**FIRST COMMUNICATIONS, INC.**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**  
**September 30, 2008**  
(in thousands)

	<u>First Communications</u>	<u>Renaissance</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma Consolidated Assuming No Conversions</u>	<u>Pro Forma Adjustments Assuming Maximum Conversions</u>	<u>Pro Forma Consolidated Assuming Maximum Conversions</u>
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 2,771	\$ 871	\$ 106,408(d)	\$ 75,499	\$ (21,273)(f)	\$ 54,226
			(15,000)(b)			
			(10,000)(d)			
			(3,051)(e)			
			(1,500)(a)			
			(5,000)(a)			
Accounts receivable, net	20,473			20,473		20,473
Accounts receivable related party	1,675			1,675		1,675
Federal income tax refund receivable	1,722			1,722		1,722
Inventory	2,888			2,888		2,888
Prepaid expenses	5,915	90		6,005		6,005
<b>TOTAL CURRENT ASSETS</b>	<b>35,444</b>	<b>961</b>	<b>71,857</b>	<b>108,262</b>	<b>(21,273)</b>	<b>86,989</b>
<b>NET PROPERTY AND EQUIPMENT</b>						
	62,632	3		62,635		62,635
<b>OTHER ASSETS</b>						
Goodwill	123,527			123,527		123,527
Other intangibles net	96,383			96,383		96,383
Deposits and other assets	8,107	106,408	(106,408)(d)	8,107		8,107
<b>TOTAL OTHER ASSETS</b>	<b>228,017</b>	<b>106,408</b>	<b>(106,408)</b>	<b>228,017</b>		<b>228,017</b>
<b>TOTAL ASSETS</b>	<b>\$ 326,093</b>	<b>\$ 107,372</b>	<b>\$ (34,551)</b>	<b>\$ 398,914</b>	<b>\$ (21,273)</b>	<b>\$ 377,641</b>
<b>CURRENT LIABILITIES</b>						
Revolver and line of credit	\$ 10,000	\$	\$ (10,000)(d)	\$	\$	\$
Current portion of long-term debt	12,000			12,000		12,000
Accounts payable trade	13,628	855		14,483		14,483
Accrued expenses	10,742	3,120	(3,051)(e)	10,811		10,811
Deferred revenue current	7,277			7,277		7,277
Deferred federal taxes	645			645		645
<b>TOTAL CURRENT LIABILITIES</b>	<b>54,292</b>	<b>3,975</b>	<b>(13,051)</b>	<b>45,216</b>		<b>45,216</b>
<b>NON-CURRENT LIABILITIES</b>						
Long-term debt, less current portion	104,500			104,500		104,500
Deferred tax liability long term	12,948			12,948		12,948
Deferred revenue long term	14,965			14,965		14,965
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>132,413</b>			<b>132,413</b>		<b>132,413</b>

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	<u>First Communications</u>	<u>Renaissance</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma Consolidated Assuming No Conversions</u>	<u>Pro Forma Adjustments Assuming Maximum Conversions</u>	<u>Pro Forma Consolidated Assuming Maximum Conversions</u>
TOTAL LIABILITIES	186,705	3,975	(13,051)	177,629		177,629
Common stock subject to conversion (plus attributable interest)		21,273	(21,273)(c)			
Redeemable preferred stock	15,000		(15,000)(b)			
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>124,388</b>	<b>82,124</b>	<b>21,273(c)</b> <b>(1,500)(a)</b> <b>(5,000)(a)</b>	<b>221,285</b>	<b>(21,273)(f)</b>	<b>200,012</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>\$ 326,093</b>	<b>\$ 107,372</b>	<b>\$ (34,551)</b>	<b>\$ 398,914</b>	<b>\$ (21,273)</b>	<b>\$ 377,641</b>

**NOTES TO UNAUDITED PRO FORMA CONDENSED  
CONSOLIDATED BALANCE SHEET**

**Basis of Preliminary Purchase Price and Allocation**

The preliminary allocation of the purchase price used in the unaudited pro forma condensed combined financial statements is based upon First Communications' management's preliminary estimates of the fair value of the tangible and intangible assets of Globalcom. The final purchase price is subject to certain working capital adjustments which are still to be determined. Accordingly First Communications has not finalized the allocation of purchase price and it is at least reasonably possible that allocated values will change in the near term. The preliminary purchase price allocation has been recorded in First Communications' September 30, 2008 consolidated balance sheet. Beginning on October 1, 2008, First Communications began consolidating Globalcom's results of operations in its financial statements.

On September 30, 2008, First Communications acquired Globalcom, a fiber and wireless infrastructure provider, for \$59 million in cash including \$0.5 million in transaction costs. The pro forma adjustments represent a preliminary estimate of the fair value of assets acquired and liabilities assumed or paid and the related funding. Concurrently, First Communications entered into a \$50 million incremental term loan syndicated by JP Morgan Securities Inc. The proceeds from the new debt along with an additional \$10 million of borrowings on the existing line of credit were used to pay for the acquisition and the associated debt financing costs.

The Globalcom preliminary purchase price was estimated at \$59 million and is comprised of:

<b>Purchase Price Calculation:</b>	
Cash	\$ 58,500
Acquisition related transaction costs	500
<b>Total Preliminary Purchase Price</b>	<b>\$ 59,000</b>
<b>Preliminary Allocation of Purchase Price</b>	
Cash	\$ 1,070
Goodwill	33,549
Identifiable intangible assets	20,000
Accounts receivable	5,615
Property and equipment	13,343
Prepaid and other assets	1,422
Tangible liabilities assumed	(9,324)
Net deferred tax liabilities	(6,675)
<b>Total Preliminary Purchase Price Allocation</b>	<b>\$ 59,000</b>

*Cash and net tangible liabilities.* Cash, accounts receivable, property and equipment, prepaid expenses and other assets and liabilities were valued at their respective carrying amounts as First Communications' management believes that these amounts approximate their current fair values or the fair values are not yet determinable as the acquisition has not been completed.

*Identifiable intangible asset.* The identifiable intangible asset identified relates to acquired customer relationships.

The fair value of intangible assets was based on First Communications' management's estimate utilizing rates to discount net cash flows to their present values.

The estimated useful life of the customer list was eight years. Estimated useful lives for the intangible assets was based on historical experience with historical and projected customer renewal rates, historical treatment of First Communications' acquisition-related intangible assets and its intended future use of the intangible





assets. Intangible assets are being amortized using the straight-line method, considering the pattern in which the economic benefits of the intangible assets are consumed.

First Communications believes the changes that may affect Globalcom's purchase price allocation will relate to the valuation of the intangible assets. First Communications also believes that additional purchase price adjustments may affect the allocation. However, First Communications is unable to quantify the effect of these adjustments until the purchase price adjustment is completed.

On September 13, 2008, First Communications entered into a definitive agreement, which was amended on December 22, 2008 and December 31, 2008, to transact a reverse merger with Renaissance under which First Communications will be the surviving company. The purchase price would be up to approximately \$369 million. Renaissance is listed on the American Stock Exchange and was organized as a special purpose acquisition company. Renaissance will issue approximately 14,460,016 shares of common stock to First Communications' current equity holders at closing, assume First Communications' debt and \$1.9 million of cash and retire \$15 million of First Communications' Series A Preferred Stock. First Communications' equity holders may also receive up to 22,450,000 shares of additional Renaissance common stock upon satisfaction of the Warrant Condition and the EBITDA Condition.

In addition to the consideration to be issued to First Communications stockholders described above, pursuant to the Amended and Restated Stock Escrow Agreement to be delivered to First Communications at closing, RAC Partners has agreed that 2,000,000 of its Original Shares, which are being held in an escrow account in connection with Renaissance's IPO, will be released only in the event that the EBITDA Condition is satisfied. The attainment of the EBITDA Condition cannot be assured and such shares are therefore considered contingent shares. As a result, these shares are not included in the per share calculations.

In the event the EBITDA Condition is satisfied and such shares are released from escrow, the post-merger combined company may be required to recognize a charge based on the fair value of the shares at the time the shares are released from the escrow. The amount of such charge would be equal to the number of shares times the market value at such date. The current value of the shares to be held in escrow and subject to the performance condition is approximately \$11,580,000 based upon a market price of \$5.79 per share.

The following pro forma adjustments are included in the unaudited pro forma condensed combined balance sheet as of September 30, 2008 assuming the Merger was completed on September 30, 2008:

- (a) To record payment and related expense of the estimated acquisition transaction costs and associated reduction to shareholders' equity in accordance with FAS 141R.
- (b) To record the retirement of the remaining \$15 million of First Communications Series A Preferred Stock.
- (c) To record the assumed termination of the redemption provision and related reclassification Renaissance's common stock subject to conversion into shareholders' equity. The Merger must be submitted to Renaissance's stockholders for approval and be authorized by the vote of a majority of the shares. The Merger will not be consummated if the holders of 20% or more of the shares exercise their conversion rights.
- (d) To reclassify Renaissance's cash held in the Trust Account to cash and record the repayment of First Communications' line of credit balance.
- (e) To record cash settlement of deferred underwriting fees which are payable in full upon consummation of the acquisition.
- (f) To adjust for the maximum conversion percentage (19.99% or 3,586,206 shares) of Renaissance common stock and the decreased cash balance outstanding.

**FIRST COMMUNICATIONS, INC.**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**Nine Months Ended September 30, 2008**  
(in thousands)

	<u>First Communications</u>	<u>Globalcom<sup>(1)</sup></u>	<u>Pro Forma Adjustments</u>	<u>First Communications Pro Forma</u>
<b>REVENUES NET</b>				
Revenues net	\$ 107,538	\$ 41,830	\$	\$ 149,368
Revenues, net related parties	5,947			5,947
<b>TOTAL REVENUES, NET</b>	<b>113,485</b>	<b>41,830</b>		<b>155,315</b>
<b>COST OF FACILITIES, exclusive of depreciation and amortization</b>				
	69,838	24,679	(441)(b)	94,076
<b>SELLING, GENERAL AND ADMINISTRATIVE</b>				
	26,169	16,275	(3,824)(b)	38,620
<b>DEPRECIATION AND AMORTIZATION</b>				
	8,475	2,394	1,875(d)	12,744
<b>OPERATING INCOME (LOSS)</b>				
	9,003	(1,518)	2,390	9,875
<b>OTHER INCOME (EXPENSES)</b>				
Interest expense	(2,552)	(530)	(1,970)(a) (225)(c)	(5,277)
Other	156			156
	(2,396)	(530)	(2,195)	(5,121)
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>				
	6,607	(2,048)	195	4,754
<b>INCOME TAXES</b>				
	2,657	(754)	(120)(e)	1,783
<b>NET INCOME (LOSS)</b>				
	\$ 3,950	\$ (1,294)	\$ 315	\$ 2,971

<sup>(1)</sup>For the pre-acquisition period January 1, 2008 through September 30, 2008.

**FIRST COMMUNICATIONS, INC.**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**Nine Months Ended September 30, 2008**  
(in thousands)

	<u>Renaissance</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma Consolidated Assuming No Conversions</u>	<u>Pro Forma Adjustments Assuming Maximum Conversions</u>	<u>Pro Forma Consolidated Assuming Maximum Conversions</u>
<b>REVENUES NET</b>					
Revenues net	\$	\$	\$ 149,368	\$	\$ 149,368
Revenues, net related parties			5,947		5,947
<b>TOTAL REVENUES, NET</b>			<b>155,315</b>		<b>155,315</b>
<b>COST OF FACILITIES, exclusive of depreciation and amortization</b>					
			94,076		94,076
<b>SELLING, GENERAL AND ADMINISTRATIVE</b>					
	1,324		39,944		39,944
<b>DEPRECIATION AND AMORTIZATION</b>					
			12,744		12,744
<b>OPERATING INCOME</b>					
	(1,324)		8,551		8,551
<b>OTHER INCOME (EXPENSES)</b>					
Interest expense	(2)		(5,279)		(5,279)
Other	1,706	(496)(f)	1,366	(341)(h)	1,025
	1,704	(496)	(3,913)	(341)	(4,254)
<b>INCOME BEFORE INCOME TAXES</b>					
	380	(496)	4,638	(341)	4,297
<b>INCOME TAXES</b>					
	614	(658)(g)	1,739	(128)(g)	1,611
<b>NET INCOME</b>					
	\$ (234)	\$ 162	\$ 2,899	\$ (213)	\$ 2,686
<b>Earnings per share:</b>					
Basic	\$ (0.01)		\$ 0.08		\$ 0.09
Diluted	\$ (0.01)		\$ 0.08		\$ 0.08
<b>Weighted average shares outstanding (including shares subject to conversion):</b>					
Basic	21,840	12,460(j)	34,300	(3,586)(i)(j)	30,714
Diluted	21,840	16,806(k)	38,646	(3,586)(i)(k)	35,060

**NOTES TO UNAUDITED PRO FORMA CONDENSED  
CONSOLIDATED STATEMENT OF OPERATIONS**

**Nine Months ended September 30, 2008**

The pro forma statement of operations for the nine months ended September 30, 2008 include the financial results of Globalcom which was acquired by First Communications on September 30, 2008. Also, the pro forma statement of operations for the nine months ended September 30, 2008 include the financial results of Renaissance assuming the reverse merger with First Communications was completed on January 1, 2007.

The following pro forma adjustments are included in the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2008 assuming the Globalcom acquisition was completed on January 1, 2007:

- (a) Represents the adjustment to historical interest expense on debt to be retired and interest expense on debt assumed and incurred in connection with the Globalcom acquisition. The estimated average outstanding balance and interest rate under the new long term debt incurred was \$105 million and 6.5%, respectively, for the nine months ended September 30, 2008. The annual impact on interest expense of a 1/8% change in interest rates is approximately \$131,000.
- (b) Cost reductions realized from (i) the release of certain executives as specified in the Globalcom merger agreement of approximately \$3.2 million; (ii) the release of personnel provided notice on the date of closing as specified in the Globalcom merger agreement of approximately \$639,000; and (iii) rate reduction from a major telecommunication service provider based on expected higher volumes pursuant to an agreement executed in connection with the acquisition of Globalcom in the amount of approximately \$441,000.
- (c) To record the amortization of \$1.5 million debt financing costs related to the Globalcom acquisition over the five year term of the loan.
- (d) To record amortization expense of \$1.9 million for the \$20 million in customer relationships intangible asset resulting from the Globalcom acquisition which has an estimated useful life of eight years. As the fair value assigned to the intangible assets acquired from Globalcom are preliminary in nature, actual amortization expense in future periods may differ materially from the amortization expense presented. The estimated useful lives for the Globalcom customer relationships intangible assets are based on past experience with historical and projected customer renewal rates. The determination of estimated useful lives also incorporates assumptions that a market participant would use in making fair value estimates in a discounted cash flow model.
- (e) To adjust the provision for income taxes to First Communications effective tax rate of 37.5%. The pro forma combined provision for income taxes does not reflect the amounts that would have resulted had Renaissance and First Communications filed consolidated income tax returns for 2008.

The following pro forma adjustments are included in the unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2008 assuming the Merger was completed on January 1, 2007:

- (f) To adjust interest income to reflect the \$30.9 million (30%) reduction in the average outstanding cash balance invested in marketable securities for the period.
- (g) To adjust the provision for income taxes to the First Communications effective tax rate of 37.5%. The pro forma combined provision for income taxes does not reflect the amounts that would have resulted had Renaissance and First Communications filed consolidated income tax returns for 2008.
- (h) To adjust interest income to reflect the \$21.3 million (28%) reduction in the average outstanding cash balance invested in marketable securities for the period resulting from maximum permitted conversions of shares of Renaissance common stock.

- (i) To adjust for the weighted average maximum permitted conversions of shares of Renaissance common stock.
- (j) The pro forma basic earnings per share are based on the weighted average number of shares of Renaissance common stock outstanding and are adjusted for additional common stock issued, or assumed issued to First Communications stockholders as part of the merger as follows (in thousands):

Basic shares (including shares subject to conversion), as reported	21,840
Recharacterization of shares of Renaissance common stock issued to RAC Partners prior to Renaissance's initial public offering to contingently issuable based on the satisfaction of the EBITDA milestones described in the Merger Agreement	(2,000)
Issuance of Renaissance common stock to First Communications common stock and T1 warrant holders based on an exchange of one First Communications common share for 0.44932 shares of Renaissance common stock	14,460
Basic shares, pro forma assuming no conversions	34,300
Maximum conversion of Renaissance common stock into cash	(3,586)
Basic shares, pro forma assuming maximum conversions	30,714

- (k) The pro forma diluted earnings per share are based on the weighted average number of shares of Renaissance common stock outstanding and are adjusted for warrants which became exercisable upon the business combination and additional common stock issued to First Communications stockholders as part of the acquisition as follows (in thousands):

Diluted shares (including shares subject to conversion), as reported	21,840
Recharacterization of shares of Renaissance common stock issued to RAC Partners prior to Renaissance's initial public offering to contingently issuable based on the satisfaction of the EBITDA milestones described in the Merger Agreement	(2,000)
Issuance of Renaissance common stock to First Communications common stock and T1 warrant holders based on an exchange of one First Communications common share for 0.44932 shares of Renaissance common stock	14,460
Warrants to purchase 35,880 shares of Renaissance common stock at \$5 per share issued in conjunction with Renaissance's initial public offering, the exercise of which was contingent upon the consummation of a qualifying business combination	4,346
Diluted shares, pro forma assuming no conversions	38,646
Maximum conversion of Renaissance common stock into cash	(3,586)
Diluted shares, pro forma assuming maximum conversions	35,060

**FIRST COMMUNICATIONS, INC.**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**Year Ended December 31, 2007**  
**(in thousands)**

	First Communications		FC LLC	Xtension		Globalcom		
	7/2	12/31/07	1/1 7/1/07					
<b>REVENUES NET</b>								
Revenues net	\$	61,200	\$	48,154	\$	15,723	\$	55,918
Revenues, net related parties		4,353		3,275				
<b>TOTAL REVENUES, NET</b>		<b>65,553</b>		<b>51,429</b>		<b>15,723</b>		<b>55,918</b>
<b>COST OF FACILITIES, exclusive of depreciation and amortization</b>								
		44,560		33,798		12,629		31,584
SELLING, GENERAL AND ADMINISTRATIVE		15,706		12,328		1,931		19,475
DEPRECIATION AND AMORTIZATION		3,712		2,269		9		2,630
OPERATING INCOME (LOSS)		1,575		3,034		1,154		2,229
<b>OTHER INCOME (EXPENSES)</b>								
Interest expense		(134)		(725)				(815)
Other		76		275		58		
		(58)		(450)		58		(815)
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>		<b>1,517</b>		<b>2,584</b>		<b>1,212</b>		<b>1,414</b>
INCOME TAXES		588						546
<b>NET INCOME (LOSS)</b>	<b>\$</b>	<b>929</b>	<b>\$</b>	<b>2,584</b>	<b>\$</b>	<b>1,212</b>	<b>\$</b>	<b>868</b>

**FIRST COMMUNICATIONS, INC.**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**  
**Twelve Months Ended December 31, 2007**

	Pro Forma Adjustments	First Communications Pro Forma	Renaissance	Pro Forma Adjustments	Pro Forma Consolidated Assuming No Conversions	Pro Forma Adjustments Assuming Maximum Conversions	Pro Forma Consolidated Assuming Maximum Conversions
<b>REVENUES NET</b>							
Revenues net	\$	\$ 180,995	\$	\$	\$ 180,995	\$	\$ 180,995
Revenues, net related parties		7,628			7,628		7,628
<b>TOTAL REVENUES, NET</b>		<b>188,623</b>			<b>188,623</b>		<b>188,623</b>
<b>COST OF FACILITIES, exclusive of depreciation and amortization</b>							
	(588)(b)	121,983			121,983		121,983
<b>SELLING, GENERAL AND ADMINISTRATIVE</b>							
	(5,099)(b)	44,341	848		45,189		45,189
<b>DEPRECIATION AND AMORTIZATION</b>							
	2,500(d)	11,120			11,120		11,120
<b>OPERATING INCOME</b>							
	3,187	11,179	(848)		10,331		10,331
<b>OTHER INCOME (EXPENSES)</b>							
Interest expense	(5,013)(a)	(6,987)	(5)		(6,992)		(6,992)
	(300)(c)						
Other	(58)(b)	351	4,167	(1,240)(f)	3,278	(854)(h)	2,424
	(5,371)	(6,636)	4,162	(1,240)	(3,714)	(854)	(4,568)
<b>INCOME BEFORE INCOME TAXES</b>							
	(2,184)	4,543	3,314	(1,240)	6,617	(854)	5,763
<b>INCOME TAXES</b>							
	570(e)	1,704	1,013	(235)(g)	2,482	(320)(g)	2,162
<b>NET INCOME</b>							
	\$(2,754)	\$ 2,839	\$ 2,301	\$ (1,005)	\$ 4,135	\$ (534)	\$ 3,601
<b>Earnings per share:</b>							
Basic			\$ 0.11		\$ 0.13		\$ 0.12
Diluted			\$ 0.10		\$ 0.12		\$ 0.11



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	<b>Pro Forma Adjustments</b>	<b>First Communications Pro Forma</b>	<b>Renaissance</b>	<b>Pro Forma Adjustments</b>	<b>Pro Forma Consolidated Assuming No Conversions</b>	<b>Pro Forma Adjustments Assuming Maximum Conversions</b>	<b>Pro Forma Consolidated Assuming Maximum Conversions</b>
Weighted average shares outstanding (including shares subject to conversion):							
Basic			20,220	12,460(j)	32,680	(3,262)(i)(j)	29,418
Diluted			23,295	12,460(k)	35,755	(3,262)(i)(k)	32,493

**NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED  
STATEMENT OF OPERATIONS**

**Year Ended December 31, 2007**

First Communications began operations on July 2, 2007 in conjunction with the acquisition of FC LLC and Xtension. As such, the pro forma statement of operations for the year ended December 31, 2007 includes the financial results of FC LLC and Xtension for the period January 1, 2007 through July 1, 2007 and the financial results of First Communications for the period July 2, 2007 through December 31, 2007. Also, the pro forma statement of operations for the year ended December 31, 2007 include the financial results of Globalcom which was acquired by First Communications on September 30, 2008 as if the acquisition had occurred on January 1, 2007. Further, the pro forma statement of operations for the year ended December 31, 2007 include the financial results of Renaissance assuming the Merger was completed on January 1, 2007.

The following pro forma adjustments are included in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2007 assuming all of the acquisitions were completed on January 1, 2007:

- (a) To eliminate the historical interest expense on outstanding debt to be retired and record interest expense on the debt assumed and incurred in connection with the Globalcom acquisition and the Merger. The estimated average outstanding balance and interest rate under the new long term debt was \$120 million and 6.5%, respectively, for the six months ended June 30, 2008. The annual impact on interest expense of a 1/8% change in interest rates is approximately \$150,000.
- (b) Cost reductions realized from (i) the release of certain executives as specified in the Globalcom merger agreement of approximately \$4.2 million; (ii) the release of personnel provided notice on the date of closing as specified in the Globalcom merger agreement of approximately \$852,000; and (iii) rate reduction from a major telecommunication service provider based on expected higher volumes pursuant to an agreement executed in connection with the acquisition of Globalcom in the amount of approximately \$588,000.
- (c) To record the amortization of \$1.5 million in debt financing costs related to the Globalcom acquisition over the 5 year term of the loan.
- (d) To record amortization expense of \$2.5 million for the \$20 million in customer relationships intangible asset resulting from the Globalcom acquisition which has an estimated useful life of eight years. As the fair value assigned to the intangible assets acquired from Globalcom are preliminary in nature, actual amortization expense in future periods may differ materially from the amortization expense presented. The estimated useful lives for the Globalcom customer relationships intangible assets are primarily based on past experience with historical and projected customer renewal rates. The determination of estimated useful lives also incorporates assumptions that a market participant would use in making fair value estimates in a discounted cash flow model.
- (e) To adjust the provision for income taxes to the First Communications effective tax rate of 37.5%. The pro forma combined provision does not reflect that amounts that would have resulted had Renaissance and First Communications filed consolidated tax returns for 2008.

The following pro forma adjustments are included in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2007 assuming the Merger was completed on January 1, 2007:

- (f) To adjust interest income to reflect the \$30.9 million (30%) reduction in the average outstanding cash balance invested in marketable securities for the period.
- (g) To adjust the provision for income taxes to the First Communications effective tax rate of 37.5%. The pro forma combined provision does not reflect that amounts that would have resulted had Renaissance and First Communications filed consolidated tax returns for 2008.

- (h) To adjust interest income to reflect the \$21.3 million (28%) reduction in the average outstanding cash balance invested in marketable securities for the period resulting from maximum permitted conversions of shares of Renaissance common stock.
- (i) To adjust for the weighted average maximum permitted conversion of shares of Renaissance common stock.
- (j) The pro forma basic earnings per share are based on the weighted average number of shares of Renaissance common stock outstanding and are adjusted for additional common stock issued, or assumed issued to First Communications stockholders as part of the Merger as follows (in thousands):

Basic shares (including shares subject to conversion), as reported	20,220
Recharacterization of shares of Renaissance common stock issued to RAC Partners prior to Renaissance's initial public offering to contingently issuable based on the satisfaction of the EBITDA milestones described in the Merger Agreement	(2,000)
Issuance of Renaissance common stock to First Communications common stock and T1 warrant holders based on an exchange of one First Communications common share for 0.44932 shares of Renaissance common stock	14,460
Basic shares, pro forma assuming no conversions	32,680
Maximum conversion of Renaissance common stock into cash	(3,262)
Basic shares, pro forma assuming maximum conversions	29,418

- (k) The pro forma diluted earnings per share are based on the weighted average number of shares of Renaissance common stock outstanding and are adjusted for additional common stock issued to First Communications stockholders as part of the acquisition as follows (in thousands):

Diluted shares (including shares subject to conversion), as reported which includes warrants to purchase 35,880 shares of Renaissance common stock at \$5 per share issued in conjunction with Renaissance's initial public offering, the exercise of which was contingent upon the consummation of a qualifying business combination	23,295
Recharacterization of shares of Renaissance common stock issued to RAC Partners prior to Renaissance's initial public offering to contingently issuable based on the satisfaction of the EBITDA milestones described in the Merger Agreement	(2,000)
Issuance of Renaissance common stock to First Communications common stock and T1 warrant holders based on an exchange of one First Communications common share for 0.44932 shares of Renaissance common stock	14,460
Diluted shares, pro forma assuming no conversions	35,755
Maximum conversion of Renaissance common stock into cash	(3,262)
Diluted shares, pro forma assuming maximum conversions	32,493

### THE CHARTER AMENDMENT PROPOSAL

The charter amendment proposal, if approved, will provide for the amendment of Renaissance's present amended and restated certificate of incorporation to:

- (i) change Renaissance's corporate name to First Communications, Inc. ;
- (ii) increase the number of authorized shares of its common stock from 72,000,000 shares to 200,000,000 (and the total number of shares of authorized capital stock from 73,000,000 shares to 201,000,000);
- (iii) change the period of its corporate existence to perpetual;
- (iv) specify that the Class I directors will be elected for a term expiring at the annual meeting of stockholders to be held in 2009, the Class II directors will be elected for a term expiring at the annual meeting of stockholders to be held in 2010 and the Class III directors will be elected for a term expiring at the annual meeting of stockholders to be held in 2011, and that, beginning with the 2009 annual meeting, each class of directors will be elected for a term of office to expire at the third succeeding annual meeting of stockholders after its election;
- (v) delete the present Article Sixth and its preamble, as such provisions will no longer be applicable to Renaissance after the Merger, and to renumber succeeding Articles accordingly; and
- (vi) make certain other changes in tense and number that Renaissance's board of directors believes are immaterial.

The increase in the number of authorized shares of capital stock, the name change, the provision for Renaissance's perpetual existence, the classification of the board of directors into three classes and the deletion of Article Sixth of Renaissance's current amended and restated certificate of incorporation are being undertaken as a result of and in conjunction with the Merger. Accordingly, the proposal to approve the amended and restated certificate of incorporation is conditioned upon and subject to the approval of the merger proposal.

In the judgment of Renaissance's board of directors, the charter amendment proposal is desirable for the following reasons:

The change of Renaissance corporate name is desirable to reflect its merger with First Communications. The First Communications name has been used for almost ten years in connection with its provision of voice and data telecommunications services.

The number of authorized shares should be increased because, as a result of the issuance of shares in the Merger and the assumption of warrants and the adoption of the 2008 Plan as described in the incentive compensation plan proposal, Renaissance requires additional shares of common stock to be reserved in its amended and restated certificate of incorporation in order to effect the Merger and execute on the business plan of the post-merger combined company.

The present amended and restated certificate of incorporation provides that Renaissance's corporate existence will terminate on January 29, 2009. In order to continue in existence after the consummation of the Merger subsequent to such date, this provision must be amended. Perpetual existence is the usual period of existence for corporations and Renaissance's board of directors believes it is the most appropriate period for Renaissance as the surviving company in the Merger.

As no meetings of stockholders have been held since Renaissance's IPO, the present directors are the same persons who were appointed at the time of Renaissance's organization. Pursuant to the Merger Agreement, the directors to be elected at the special meeting of stockholders to which this proxy statement relates will serve for terms that expire in 2009 (Class I directors), 2010 (Class II directors) and 2011 (Class III directors). The proposed amendment to the present Article Seventh incorporates these classifications.

Article Sixth and its preamble relate to the operation of Renaissance as a blank check company prior to the consummation of a business combination and will not be applicable after consummation of the Merger. Section 6.1 requires that the business combination be submitted to Renaissance's stockholders for



approval under the DGCL and is authorized by the vote of a majority of the Public Shares present at the Special Meeting in person or by proxy and eligible to vote thereon, provided that the business combination shall not be consummated if the holders of 20% or more of the Public Shares exercise their conversion rights. Section 6.2 specifies the procedures for exercising conversion rights. Section 6.3 provides that holders of Public Shares are entitled to receive distributions from the Trust Account only if a business combination is not consummated by the Termination Date (January 29, 2009) or by demanding conversion in accordance with Section 6.2. Section 6.4 provides that Renaissance must consummate the business combination, as defined in the preamble of Article Sixth, before Renaissance can consummate any other type of business combination. Section 6.5 permits Renaissance to have a classified board of directors prior to the business combination. Accordingly, Article Sixth and its preamble will serve no further purpose.

The other changes include certain other changes in tense and number that Renaissance's board of directors believes are immaterial.

Pursuant to the Merger Agreement, approval of the charter amendment proposal is a condition to the consummation of the Merger. If the merger proposal is not approved, the charter amendment proposal will not be presented at the meeting. If the charter amendment proposal is not approved, the Merger will not be consummated even if the merger proposal is approved and the holders of fewer than 20% of the Public Shares vote against the merger proposal and properly demand that their Public Shares be converted into cash.

The approval of each charter amendment proposal will require the affirmative vote of the holders of a majority of the outstanding shares of Renaissance common stock on the record date.

A copy of Renaissance's amended and restated certificate of incorporation, as it will be in effect, assuming approval of the charter amendment proposal and the filing of the charter in the office of the Secretary of State of the State of Delaware, is attached to this proxy statement as Annex B.

**RENAISSANCE'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT ITS STOCKHOLDERS VOTE FOR THE APPROVAL OF THE CHARTER AMENDMENT PROPOSAL.**

### THE INCENTIVE COMPENSATION PLAN PROPOSAL

Renaissance is requesting that the stockholders vote in favor of approving Renaissance's 2008 Equity Incentive Plan (the 2008 Plan), which was adopted by the board on October 20, 2008.

*Purpose.* The purpose of the 2008 Plan is to encourage ownership of Renaissance common stock by employees, consultants and directors of Renaissance and its affiliates and to provide them with additional incentives to promote the success of Renaissance's business through the grants of awards of or pertaining to shares of Renaissance common stock.

*Administration.* The 2008 Plan will be administered by the compensation committee of the board (the Compensation Committee) which will be formed upon consummation of the Merger. Subject to the provisions of the 2008 Plan, the Compensation Committee has discretion to determine the employees, consultants and directors who will receive awards, the form of award and any acceleration or extension of an award. Further, the Compensation Committee has complete authority to interpret the 2008 Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective award agreements (which need not be identical), and to make all other determinations necessary or advisable for the administration of the 2008 Plan.

*Eligibility.* Awards may be granted to any employee of or consultant to one or more of Renaissance and its affiliates or to non-employee members of the Board or of any board of directors (or similar governing authority) of any affiliate. This class of participants is estimated to consist of approximately 400 individuals.

*Shares Subject to the 2008 Plan.* The shares issued or to be issued under the 2008 Plan are authorized but unissued shares of Renaissance common stock. The maximum number of shares of common stock which may be issued or made subject to awards under the 2008 Plan is 3,000,000, all of which may be issued through the exercise of incentive stock options. No more than 500,000 shares of Renaissance common stock may be covered by awards issued to any one person in any one calendar year. If any incentive stock option, nonstatutory stock option or stock appreciation right expires, terminates or is cancelled for any reason without having been exercised in full, or if any other award is forfeited by the recipient or repurchased at less than market value, the shares not purchased by the award holder or which are repurchased by Renaissance or are forfeited by the award holder will be again available for awards under the 2008 Plan.

*Types of Awards.* Awards under the 2008 Plan may include incentive stock options, nonstatutory stock options, stock appreciation rights, restricted stock, restricted stock units, performance units and qualified performance-based awards. Each award will be evidenced by an instrument in such form as the Compensation Committee may prescribe, setting forth applicable terms such as the exercise price and term of any option or applicable forfeiture conditions or performance requirements. Except as noted below, all relevant terms of any award will be set by the Compensation Committee in its discretion.

Nonstatutory stock options and incentive stock options (individually a Stock Option and collectively, the Stock Options) are rights to purchase common stock of Renaissance. A Stock Option may be immediately exercisable or may become exercisable in such installments, cumulative or non-cumulative, as the Compensation Committee may determine. A Stock Option may be exercised by the recipient giving written notice to Renaissance, specifying the number of shares with respect to which the Stock Option is then being exercised, and accompanied by payment of an amount equal to the exercise price of the shares to be purchased. The purchase price may be paid by cash, check, by delivery to Renaissance, through the withholding of shares of Renaissance common stock that would have otherwise been received upon the exercise of the Stock Option, or through and under the terms and conditions of any formal cashless exercise program authorized by Renaissance.

Incentive stock options may be granted only to eligible employees of Renaissance or any parent or subsidiary corporation of Renaissance and must have an exercise price of not less than 100% of the fair market value of Renaissance common stock on the date of grant (110% for incentive stock options granted to any 10% stockholder of Renaissance). In addition, the term of an incentive stock option may not exceed 10 years (five years, if granted to any 10% stockholder of Renaissance). Nonstatutory stock options must

have an exercise price of not less than 100% of the fair market value of Renaissance common stock on the date of grant. In the case of an incentive stock option, the amount of the aggregate fair market value of Renaissance common stock (determined at the time of grant) with respect to which incentive stock options are exercisable for the first time by an employee during any calendar year (under all such plans of his or her employer corporation and its parent and subsidiary corporations) may not exceed \$100,000. Any Stock Options granted in excess of this limit will be nonstatutory stock options.

Stock appreciation rights (individually a SAR and collectively SARs) are rights to receive (without payment to Renaissance) cash, property or other forms of payment, or any combination thereof, as determined by the Compensation Committee, based on the increase in the value of the number of shares of Renaissance common stock specified in the SAR. The base price (above which any appreciation is measured) of a SAR may in no event be less than 100% of the fair market value of Renaissance common stock on the date of grant.

Awards of restricted stock are grants or sales of Renaissance common stock which are subject to a risk of forfeiture, such as a requirement of the continued performance of services for a stated term or the achievement of individual or company performance goals. A holder of restricted stock will have all of the rights of a stockholder of Renaissance, including the right to vote, and the right to receive dividends with respect to, shares of restricted stock. The Compensation Committee may elect to require deferral of payment of cash dividends with respect to shares of restricted stock or to require dividends to be reinvested in additional shares of restricted stock pending vesting (or forfeiture) of the underlying shares of restricted stock.

Awards of restricted stock units and performance units are grants of rights to receive either shares of Renaissance common stock (in the case of restricted stock units) or the appreciation over a base value (as specified by the Compensation Committee) of a number of shares of Renaissance common stock (in the case of performance units) subject to satisfaction of service or performance requirements established by the Compensation Committee in connection with the award. Such awards may include the right to the equivalent to any dividends on the shares covered by the award, which amount may in the discretion of the Compensation Committee be deferred and paid if and when the award vests. The Compensation Committee may permit (or, if provided at the date of grant, require) a recipient of performance units to defer receipt of payment of cash or delivery of stock that would otherwise be due by virtue of the satisfaction of any requirements or goals with respect to the performance units.

Qualified performance-based awards are awards which include performance criteria intended to satisfy Section 162(m) of the IRC. Section 162(m) of the IRC limits Renaissance's federal income tax deduction for compensation to certain specified senior executives to \$1 million dollars, but excludes from that limit performance-based compensation. Qualified performance-based awards may be in the form of Stock Options, SARs, restricted stock, restricted stock units or performance units, but in each case will be subject to satisfaction of one of the following criteria, either individually, alternatively or in any combination, applied to either Renaissance as a whole or to a business unit or affiliate, either individually, alternatively, or in any combination, and measured either annually or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Compensation Committee in the award:

cash flow (before or after dividends)	earnings per share (including, without limitation, earnings before interest, taxes, depreciation and amortization)
stock price	return on equity
stockholder return or total stockholder return	return on capital (including without limitation return on total capital or return on invested capital)



return on investment	return on assets or net assets
market capitalization	economic value added
debt leverage (debt to capital)	revenue
sales or net sales	backlog
income, pre-tax income or net income	operating income or pre-tax profit
operating profit, net operating profit or economic profit	gross margin, operating margin or profit margin
return on operating revenue or return on operating assets	cash from operations
operating ratio	operating revenue
market share improvement	general and administrative expenses
customer service	new production introductions
product line enhancements	strategic acquisitions

No payment or other amount will be available to a recipient of a qualified performance-based award except upon the Compensation Committee's determination that a particular goal or goals established by the Compensation Committee for the criteria (from among those specified above) selected by the Compensation Committee has been satisfied.

*Effect of Termination of Employment or Association.* Unless the Compensation Committee determines otherwise in connection with any particular award under the 2008 Plan, Stock Options and SARs will terminate immediately upon the recipient's termination of employment or other association for cause and 90 days following the recipient's termination of employment or other association in other circumstances. Upon termination for any reason, all other awards immediately will be forfeited or otherwise subject to return to or repurchase by Renaissance, unless the Compensation Committee otherwise provides in the applicable award agreement.

*Transferability.* In general, no award under the 2008 Plan may be transferred by the recipient and during the life of the recipient all rights under an award may be exercised only by the recipient or his or her legal representative. However, the Compensation Committee may approve the transfer, without consideration, of an award of a nonstatutory stock option or restricted stock to a family member.

*Effect of Significant Corporate Event.* In the event of any change in the outstanding shares of Renaissance common stock through merger, consolidation, sale of all or substantially all the property of Renaissance, reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, or other distribution with respect to such shares of Renaissance common stock, an appropriate and proportionate adjustment will be made in (i) the maximum numbers and kinds of shares subject to the 2008 Plan and the 2008 Plan limits, (ii) the numbers and kinds of shares or other securities subject to the then outstanding awards, (iii) the exercise price for each share or other unit of any other securities subject to then outstanding Stock Options or SARs (without change in the aggregate purchase price as to which Stock Options or SARs remain exercisable), and (iv) the repurchase price of each share of restricted stock then subject to a risk of forfeiture in the form of a Renaissance repurchase right. In addition, the Compensation Committee may make adjustments to outstanding awards upon the occurrence of unusual or non-recurring events not described in the preceding sentence to prevent dilution or the enlargement of the benefits intended to be made available under the 2008 Plan.

In the event of (i) any merger or consolidation of Renaissance with or into another entity as a result of which the Renaissance common stock is converted into or exchanged for the right to receive cash, securities or other property or is cancelled, (ii) any sale or exchange of all of the Renaissance common stock for cash, securities or other property, (iii) any sale, transfer or other disposition of all or substantially all of Renaissance's assets to one

or more other persons in a single transaction or series of related transactions or (iv) any liquidation or dissolution of Renaissance (any such event, a Transaction ), the Compensation Committee may take any one or more of the following actions with respect to Stock Options or SARs:

provide that the awards be assumed, or substantially equivalent awards be substituted, by the successor company;

upon written notice to holders, provide that unexercised awards terminate immediately prior to consummation of the Transaction unless exercised within a specific period of time following the date of the notice;

provide that awards become exercisable in whole or in part upon the Transaction;

provide for cash payments equal to the proceeds the holders would have received if they had exercised prior to the Transaction, net of the exercise price and applicable tax withholding; or

in the event of a liquidation or dissolution, provide that awards convert into the right to receive liquidation proceeds net of the exercise price and applicable tax withholding.

In the event of a Transaction other than a liquidation or dissolution which is not part of another form of Transaction, restrictions on awards other than Stock Options or SARs will inure to the benefit of Renaissance's successor and, unless the Compensation Committee determines otherwise or except as provided in the agreement between Renaissance and the award recipient, will apply to the cash, securities or other property into which the Renaissance common stock was converted. Upon the occurrence of a Transaction involving a liquidation or dissolution that is not part of another form of Transaction, unless the applicable award agreement provides otherwise, all risks of forfeiture and performance goals with respect to awards other than Stock Options or SARs will automatically be deemed terminated or satisfied.

Except as provided in an applicable award agreement or as prohibited by applicable laws or by the rules or regulations of a governing governmental agency or securities exchange, upon the occurrence of a change of control:

all Stock Options and SARs not already exercisable in full will accelerate with respect to 100% of the shares for which such Stock Options and SARs are not then exercisable;

any risk or forfeiture applicable to restricted stock and restricted stock units which is not based on achievement of performance goals will lapse with respect to 100% of the restricted stock and restricted stock units still subject to such risk of forfeiture; and

all outstanding awards of restricted stock and restricted stock units conditioned on the achievement of performance goals and the target payout opportunities attainable under outstanding performance units will be deemed to have been satisfied as of the effective date of the change of control as to a pro rata number of share based on the assumed achievement of all relevant performance goals and the length of time within the performance period which has elapsed prior to the change of control.

A change of control as used above means the occurrence of any of the following: (i) a Transaction, unless securities possessing more than 50% of the total combined voting power of the survivor or acquirer's outstanding securities (or the securities of any parent thereof) are held by persons who held securities possessing more than 50% of the total combined voting power of Renaissance's outstanding securities immediately prior to the Transaction; (ii) any person or group of persons directly or indirectly acquires beneficial ownership of securities possessing more than 20% of the total combined voting power of Renaissance's outstanding securities pursuant to a tender or exchange offer made directly to Renaissance's stockholders that the board of directors does not recommend the stockholders accept; or (iii) over a period of 36 consecutive months or less, there is a change in the composition of the board such that a majority of the board members cease, by reason of one or more proxy contests for the election of board members, to be composed of individuals who either (1) have been board members continuously since the beginning of that period, or (2) have been elected or nominated for election during that period

by at least a majority of the board members described in the preceding clause (1) who were still in office at the time that election or nomination was approved by the board.

*Amendments to the 2008 Plan.* The board of directors or Compensation Committee may amend or modify the 2008 Plan at any time subject to applicable law, the rules of any exchange on which the Renaissance common stock is listed and the rights of holders of outstanding awards on the date of amendment or modification. No amendment or modification of the 2008 Plan or any award may increase the number of shares subject to the 2008 Plan or result in the repricing of any Stock Option or SAR, in either case, without stockholder approval.

*Summary of Income Tax Consequences.* The following is a brief and general discussion of the United States federal income tax consequences to recipients of awards granted under the 2008 Plan. This summary is not comprehensive and is based upon laws and regulations in effect on January 1, 2008. Such laws and regulations are subject to change. This summary is intended for the information of stockholders considering how to vote and not as tax guidance to participants in the 2008 Plan. Participants in the 2008 Plan should consult their own tax advisors as to the tax consequences of participation.

Nonstatutory Stock Options. Generally, there are no federal income tax consequences to the participants upon grant of nonstatutory stock options. Upon the exercise of such a nonstatutory stock option, the participant will recognize ordinary income in an amount equal to the amount by which the fair market value of the Renaissance common stock acquired upon the exercise of such Stock Option exceeds the exercise price, if any. The participant's tax basis in such shares of Renaissance common stock will equal their fair market value on the date of exercise. A sale of Renaissance common stock so acquired will give rise to short-term or long-term capital gain or loss, depending on whether the Renaissance common stock was held for more than 12 months, equal to the difference between the amount received by the participant for such shares of Renaissance common stock and his or her tax basis in such shares of Renaissance common stock. Under the 2008 Plan, nonstatutory stock options may, if permitted by the Compensation Committee, be exercised in whole or in part with shares of Renaissance common stock held by the participant. Such an exercise will be treated as a tax-free exchange of the shares of Renaissance common stock surrendered for an equivalent number of shares of Renaissance common stock received, and the equivalent number of shares will have a tax basis equal to the tax basis of the surrendered shares. Shares of Renaissance common stock received in excess of the number of shares surrendered will have a tax basis of zero.

Incentive Stock Options. Except as noted at the end of this paragraph, there are no federal income tax consequences to the participant upon grant or exercise of an incentive stock option. If the participant holds shares of Renaissance common stock purchased pursuant to the exercise of an incentive stock option for at least two years after the date the Stock Option was granted and at least one year after the exercise of the Stock Option, the subsequent sale of Renaissance common stock will give rise to a long-term capital gain or loss to the participant equal to the difference between the amount received for such shares of Renaissance common stock and the participant's tax basis in such shares of Renaissance common stock and no deduction will be available to Renaissance (or any of its affiliates). If the participant sells the shares of Renaissance common stock within two years after the date an incentive stock option is granted or within one year after the exercise of such incentive stock option (a disqualifying disposition), the participant will recognize ordinary income in an amount equal to the lesser of (i) the difference between the fair market value at the exercise date and the exercise price or (ii) the excess of the amount realized upon disposition of the shares of Renaissance common stock over the exercise price. Any additional gain or loss recognized by a participant in such circumstances will be short-term or long-term capital gain or loss, depending on whether the Renaissance common stock was held for more than 12 months. Some participants may have to pay alternative minimum tax in connection with the exercise of an incentive stock option, however. Under the 2008 Plan, incentive stock options may, if permitted by the Compensation Committee, be exercised in whole or in part with shares of Renaissance common stock held by the Participant. Such an exercise will be treated as a tax-free exchange of the shares of Renaissance common stock surrendered (assuming the surrender of the previously-owned shares does not constitute

a disqualifying disposition of those shares) for an equivalent number of shares of Renaissance common stock received, and the equivalent number of shares will have a tax basis equal to the tax basis of the surrendered shares. Shares of Renaissance common stock received in excess of the number of shares surrendered will have a tax basis of zero.

Restricted Stock. A participant will generally not recognize ordinary income with respect to an award of restricted stock until his or her rights in that award become substantially vested. When a participant's rights with respect to an award of restricted stock become substantially vested, he or she will recognize ordinary income in an amount equal to the amount by which the then fair market value of the Renaissance common stock acquired exceeds the price he or she has paid for it, if any. Upon the sale of such shares of restricted stock, the participant will recognize short-term or long-term capital gain or loss, depending on whether the shares were held for more than 12 months, in an amount equal to the difference between the amount received for such shares and the participant's tax basis in such shares. Recipients of restricted stock may, however, within 30 days after receiving an award of restricted stock, choose to have any applicable risk of forfeiture disregarded for tax purposes by making an 83(b) election. If the participant makes an 83(b) election, he or she will have to report compensation income equal to the difference between the value of the shares and the price paid for the shares, if any, at the time of the transfer of the restricted stock. Any gain or loss recognized upon the sale of shares of restricted stock for which an 83(b) election was made will be short-term or long-term capital gain or loss, depending on whether the shares were held for more than 12 months. In general, during the period in which restricted stock is not substantially vested, dividends and distributions paid with respect to restricted stock will be treated as compensation income (not dividend income) received by the participant. Dividend payments received with respect to shares of restricted stock for which an 83(b) election has been made generally will be treated as dividend income.

Stock Appreciation Rights. A participant will generally recognize no taxable income upon the grant of a Stock Appreciation Right. A participant will generally recognize ordinary income on the receipt of cash or other property pursuant to the exercise of an award of stock appreciation rights equal to the amount of such cash or the fair market value of such Renaissance common stock or other property received.

Restricted Stock Units and Performance Units. A participant will generally recognize no taxable income upon the grant of restricted stock units or performance units. A participant will generally recognize ordinary income on the receipt of any shares of Renaissance common stock, cash or other property in satisfaction of an award of restricted stock units or performance units equal to the amount of such cash or the fair market value of such Renaissance common stock or other property received.

Potential Deferred Compensation. The foregoing summary of federal income tax consequences assumes that no award under the 2008 Plan will be considered deferred compensation as that term is defined for purposes of Section 409A of the IRC, or that if any award were considered to any extent to constitute deferred compensation, its terms would comply with the requirements of that legislation (in general, by limiting any flexibility in the time of payment). If an award includes deferred compensation, and its terms do not comply with the requirements of Section 409A of the IRC, then any deferred compensation component of an award under the 2008 Plan will be taxable when it is earned and vested (even if not then payable) and the recipient will be subject to a 20% additional tax, and possibly also interest penalties.

Section 162(m) Limitations on Renaissance's Tax Deduction. In general, whenever a recipient is required to recognize ordinary income in connection with an award, Renaissance (or its affiliate employing the recipient) will be entitled to a corresponding tax deduction. However, Renaissance (or its affiliate employing the recipient) will not be entitled to deductions in connection with awards under the 2008 Plan to certain senior executive officers to the extent that the amount of deductible income in a year to any such officer, together with his or her other compensation from Renaissance (or such affiliate) exceeds the \$1 million dollar limitation of Section 162(m) of the IRC. Compensation which qualifies as performance-based is not subject to this limitation, however.

**Withholding.** The Compensation Committee is entitled to deduct from the payment of any award all applicable taxes required by federal, state or local law to be withheld, or to take such other action as the Compensation Committee may deem advisable to enable Renaissance or any affiliate and participants to satisfy tax obligations relating to any award.

*Awards to Particular Officers, Etc.* Pursuant to the Merger Agreement, Renaissance has agreed to make grants of restricted stock and Stock Options under the 2008 Plan to certain employees of First Communications effective upon consummation of the Merger and stockholder approval of the 2008 Plan. These grants are reflected in the following table:

**2008 Equity Incentive Plan**

Name and Position	Dollar Value (\$) <sup>(1)</sup>	Number of Restricted Shares or Options
Raymond Hexamer Chief Executive Officer	\$ 243,000	40,500 restricted shares 80,000 options to purchase common stock
Joseph R. Morris Chief Financial Officer and Chief Operating Officer	\$ 243,000	40,500 restricted shares 80,000 options to purchase common stock
Richard J. Buyens President		413,850 options to purchase common stock
David Johnson, II Senior Vice President, Sales	\$ 183,000	30,500 restricted shares 60,000 options to purchase common stock
Executive Group	\$ 669,000	111,500 restricted shares 633,850 options to purchase common stock
Non-Executive Director Group		162,500 restricted shares
Non-Executive Officer Employee Group	\$ 975,000	520,000 options to purchase common stock

(1) With respect to grants of restricted shares, assumes a per share value of \$6.00 at the time of grant. Pursuant to SEC guidance, no dollar value is provided for Stock Options.

**Recommendation and Vote Required**

Approval of the 2008 Plan will require the affirmative vote of the holders of a majority of the outstanding shares of Renaissance common stock represented in person or by proxy at the meeting and entitled to vote thereon.

**RENAISSANCE S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT RENAISSANCE S STOCKHOLDERS VOTE FOR THE APPROVAL OF THE INCENTIVE COMPENSATION PLAN PROPOSAL.**

### THE DIRECTOR ELECTION PROPOSAL

#### Election of Directors

At the special meeting, Renaissance stockholders will be asked to elect nine directors to Renaissance's board of directors, effective immediately following and contingent upon closing of the Merger, of whom three will serve until the annual meeting to be held in 2009, three will serve until the annual meeting to be held in 2010 and three will serve until the annual meeting to be held in 2011, and, in each case, until their successors are elected and qualified. All of the nominees listed below were identified by executive officers of Renaissance (in the case of Messrs. Florescue and Bloom) or First Communications (in the case of Messrs. Boyd, Morris, Hexamer, Belden, Stone, Clark and Honour).

Following consummation of the Merger, if the nominees are elected, the directors of Renaissance will be classified as follows:

Barry W. Florescue, Theodore V. Boyd and Joseph R. Morris in the class to stand for reelection in 2009;

Raymond Hexamer, Marshall B. Belden Jr. and Mark R. Stone in the class to stand for reelection in 2010; and

Richard A. Bloom, Mark T. Clark and Scott M. Honour in the class to stand for reelection in 2011.

The election of directors requires the vote of a plurality of the shares of common stock present in person or represented by proxy and entitled to vote at the special meeting. Plurality means that the individuals who receive the largest number of votes cast FOR are elected as directors. Consequently, any shares not voted FOR a particular nominee (whether as a result of abstentions or a direction to withhold authority) will not be counted in the nominee's favor. There are no cumulative voting rights when voting for directors.

Unless authority is withheld, the proxies solicited by the board of directors will be voted FOR the election of these nominees. In case any of the nominees becomes unavailable for election to the board of directors, an event that is not anticipated, the persons named as proxies, or their substitutes, will have full discretion and authority to vote or refrain from voting for any other candidate in accordance with their judgment.

If either the merger proposal or the charter amendment proposal is not approved, or holders of 20% or more of the Public Shares elect to convert their Public Shares into cash, the director election proposal will not be submitted to the stockholders for a vote and Renaissance's current directors will continue in office until Renaissance is liquidated.

Following the effective time of the First Communications acquisition and assuming the election of the individuals set forth above, the board of directors and executive officers of Renaissance will be as follows:

Name	Age	Position
Raymond Hexamer	47	Chief Executive Officer and Director
Joseph R. Morris	38	Chief Operating and Financial Officer and Director
Richard J. Buyens	52	President
Theodore V. Boyd	66	Chairman of the Board
David Johnson, II	47	Senior Vice President Sales and Marketing
Marshall B. Belden Jr.	60	Director
Mark T. Clark	58	Director
Scott M. Honour	42	Director
Mark R. Stone	44	Director
Barry W. Florescue	64	Director
Richard A. Bloom	41	Director

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**Raymond Hexamer** has served as Chief Executive Officer of First Communications since he joined in January 2005 and has been a director since July 2007. He was previously President and General Manager of WHBC Radio

from 1994 to 2004 and was involved in all aspects of the radio business from on-air and sales, to finance and management. From 2003 to 2004, Mr. Hexamer was part of the investment group and CEO of SkyLAN, a wireless Internet provider, whose assets were acquired by First Communications in 2004. Mr. Hexamer received a Bachelor of Arts in Business Administration from the University of Akron.

**Joseph R. Morris** has served as Chief Operating Officer of First Communications since 1998, was recently named Chief Financial Officer, and has served as a director since July 2007. He has held leadership positions in every department of First Communications since he joined in 1998 and has also been the lead participant for First Communications in the identification, negotiation and integration of its nine acquisitions since 2004. Mr. Morris is responsible for all legal affairs and setting regulatory strategy and direction for First Communications. Prior to joining the Company, Mr. Morris was an attorney with Roetzel & Andress, L.P.A., with a practice focused on public, corporate and international law. Mr. Morris studied Economics at Queens University of Belfast and received a Bachelor of Arts from Franciscan University and a Juris Doctorate from the University of Akron.

**Richard J. Buyens** has served as President of First Communications since he joined in May 2008. Prior to joining First Communications, Mr. Buyens served as Executive Vice President of Sales for McLeodUSA from October 2003 until its sale to PAETEC Communications in February 2008. From 2001 to 2003, Mr. Buyens served as President of Global Services at Premiere Global Services, a worldwide provider of multimedia conferencing, collaboration, and advanced messaging services. From 1999 through 2001, he served as Senior Vice President of Sales and President of Shared Technology Fairchild at Intermedia Communications, an integrated data and voice communications services provider. From 1980 to 1998, he held various sales, marketing and finance positions at AT&T, including Sales Vice President for AT&T's Mid Market Segment and Chief Financial Officer of AT&T's Commercial Market Division. Mr. Buyens received his Bachelor of Science in Business Marketing and an MBA in Finance from Northern Illinois University.

**Theodore V. Boyd** has served as the Chairman of the Board of First Communications since July 2007. Mr. Boyd was an investor in McKinley Communications, LLC, the majority investor in FC LLC for the two years prior to the sale of its ownership interest in FC LLC to First Communications, Inc. in 2007. Since 2003, Mr. Boyd has served as General Partner of Rockledge T. Ltd., a private investment holding company and current investor in First Communications, and since 1973 as a General Partner in Willmoll Development Company, a developer and owner of commercial, industrial, multi-tenant residential and single family residential real estate. Mr. Boyd served as a director of Belden and Blake Corporation, an oil and gas exploration and production company, formerly quoted on Nasdaq, for 14 years prior to its sale to Texas Pacific Group Partners and in 1992, and Chairman of SKYLAN, Ltd., a wireless Internet service provider, for 14 years prior to its acquisition by First Communications in 2004, and as Chairman of Beaverkettle Company Inc., a radio broadcasting company, for 30 years until its sale to Next Media, Inc. in 2000. Mr. Boyd is a Director of the Professional Football Hall of Fame and the Northeastern Ohio Council on Higher Education. He received a Bachelor of Arts in History from Bethany College and a Juris Doctorate from Cleveland State University.

**David Johnson, II** has served as Senior Vice President of Sales and Marketing since he joined First Communications in 1998, and served in such capacity for eight years prior with BN1 Telecommunications. Prior to his employment with BN1 Telecommunications, Mr. Johnson worked at The Timken Bearing and Steel Company for five years. Mr. Johnson holds a B.A. in Finance and a B.A. in Management, magna cum laude from Walsh University.

**Marshall B. Belden Jr.** has served as a Director of First Communications since May 2008. He has been employed by McBel Trust, overseeing family investments including McKinley Communications LLC, since June 1998. He was associated with MB Operating Co., Inc, a family owned oil & gas exploration and development company beginning in 1970. He was elected President of MB Operating Co. Inc. in 1978 and elected Chairman of the Board in 1995. He also served as Chairman of the Board of Marbel Energy Corporation from its inception in 1995 until June 1998. Mr. Belden is a 1969 graduate of the Colorado School of Mines and is a petroleum engineer.

**Mark T. Clark** has served as a Director of First Communications since 1998. Mr. Clark has also served as Executive Vice President of Strategic Planning & Operations from March 2008, and is member of the Executive



Council of, FirstEnergy Corp., the fifth largest electric utility in the United States. Mr. Clark is responsible for FirstEnergy Corp.'s Business Development and Performance Group, Rates and Regulatory Affairs, Information Technology, Supply Chains, Security, Marketing and Sales and Strategic Planning. Mr. Clark previously served as Chairman of First Communications from September 2003 to March 2005. Mr. Clark received a Bachelor of Science from The Ohio State University and an MBA from The University of Akron. Mr. Clark also completed the Program for Management Development at the Harvard Business School.

**Scott M. Honour** has served as a Director of First Communications since July 2007. Mr. Honour has been responsible for originating and structuring transactions and pursuing strategic initiatives at The Gores Group, LLC (Gores) since he joined in 2002. From 2001 to 2002, Mr. Honour served as a Managing Director at UBS AG Warburg, where he was responsible for relationships with technology-focused financial sponsors, including Gores, and created the firm's Transaction Development Group, which brought transaction ideas to financial sponsors, including Gores. Prior to joining UBS Warburg, Mr. Honour worked for 10 years as an investment banker at Donaldson, Lufkin & Jenrette, Inc. where he executed a variety of mergers and acquisitions, high yield financings, equity offerings and restructuring assignments. Mr. Honour also served as a Vice President in DLJ's Merchant Banking Group from 1995 to 1997. Prior to joining DLJ, Mr. Honour served for 1 year as an analyst at Trammell Crow Company. Mr. Honour received a Bachelor of Science in Business Administration and Bachelor of Arts in Economics, cum laude, from Pepperdine University, and an MBA from the Wharton School of the University of Pennsylvania with an emphasis in finance and marketing.

**Mark R. Stone** has served as a Director of First Communications since July 2007. Since 2005, Mr. Stone has also served as Senior Managing Director, President Operations at Gores, where he is responsible for the worldwide operations group, oversight of all Gores portfolio companies and operational due diligence efforts. Mr. Stone joined Gores from Sentient Jet, Inc., a provider of private jet memberships, where he served as CEO from 2002 to 2004. Prior to Sentient Jet, Mr. Stone served as CEO of Narus, Inc., a global telecommunication software company from 1998 to 2002. He also served as CEO of Sentex Systems, Ltd., an international security and access control manufacturing company, from 1997 to 1998. Mr. Stone was Corporate General Manager of Citysearch, Inc. (now an operating business of IAC/InterActiveCorp, Nasdaq: IACI), a multi-billion dollar news media organization, from 1996 to 1997, prior to which Mr. Stone spent five years with the Boston Consulting Group, a global strategy and operations consulting firm, as a member of its high technology and industrial goods practices group. Also, since June 2008, Mr. Stone has served as a director of Westwood One, Inc. (NYSE). Mr. Stone received an MBA in Finance and Multinational Management from The Wharton School and a Bachelors of Science in Finance with Computer Science and Mathematics concentrations from the University of Maine.

For the biographies for Barry W. Florescue and Richard A. Bloom, current directors and/or executive officers of Renaissance, see *Other Information Related to Renaissance - Current Directors and Executive Officers*.

### **Independence of Directors**

Assuming Renaissance's securities are approved for listing on Nasdaq following the consummation of the Merger, it will adhere to the rules of Nasdaq in determining whether a director is independent. The Nasdaq listing standards define an independent director as a person, other than an executive officer of a company or any other individual having a relationship which, in the opinion of the issuer's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. Under the Nasdaq listing standards, the following persons shall not be considered independent: (i) a director who is, or at any time during the past three years was, employed by the company; (ii) a director who accepted or who has a family member who accepted any compensation from the company in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence (other than compensation for board or board committee service, compensation paid to a family member who is an employee (other than an executive officer) of the company); or benefits under a tax-qualified retirement plan, or non-discretionary compensation; a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the company as an executive officer; (iii) a director who is, or has a family member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the company made, or from which

the company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more (other than payments arising solely from investments in the company's securities; or payments under non-discretionary charitable contribution matching programs); (iv) a director of the issuer who is, or has a family member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the issuer serve on the compensation committee of such other entity; or (v) a director who is, or has a family member who is, a current partner of the company's outside auditor, or was a partner or employee of the company's outside auditor who worked on the company's audit at any time during any of the past three years.

Consistent with these considerations, the board of directors of Renaissance has affirmatively determined that, upon election to the board of directors of Renaissance upon the consummation of the Merger, Messrs. Belden, Boyd, Honour, Stone, Florescue and Bloom will be the post-merger combined company's independent directors.

#### **Audit Committee**

Upon consummation of the Merger, the audit committee will consist of Mr. Boyd, as chairman, and Messrs. Bloom and Honour, each of whom is an independent director and financially literate under Nasdaq listing standards. The audit committee's duties, which are specified in Renaissance's audit committee charter filed as an exhibit to Renaissance's amended Registration Statement on Form S-1 (Reg. No. 333-134444) dated January 4, 2007, include, but are not limited to:

reviewing and discussing with management and the independent auditor the annual audited financial statements, and recommending to the board whether the audited financial statements should be included in the Form 10-K;

discussing with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of financial statements;

discussing with management major risk assessment and risk management policies;

monitoring the independence of the independent auditor;

verifying the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law;

reviewing and approving all related-party transactions;

inquiring and discussing with management Renaissance's compliance with applicable laws and regulations;

pre-approving all audit services and permitted non-audit services to be performed by the independent auditor, including the fees and terms of the services to be performed;

appointing or replacing the independent auditor;

determining the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work; and

establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or reports which raise material issues regarding Renaissance's financial statements or accounting policies.

#### ***Financial Experts on Audit Committee***

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The audit committee will at all times be composed exclusively of independent directors who are financially literate as defined under Nasdaq's listing standards. Nasdaq's listing standards define financially literate as being able to read and understand fundamental financial statements, including a company's balance sheet, income

statement and cash flow statement. In addition, the post-merger combined company will be required to certify to Nasdaq that the audit committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication. The board of directors has determined that Mr. Bloom satisfies Nasdaq's definition of financial sophistication and also qualifies as an audit committee financial expert, as defined under rules and regulations of the SEC.

#### **Nominating Committee**

Upon consummation of the Merger, the nominating committee will consist of Mr. Florescue, as chairman, and Mr. Belden, each of whom is an independent director under Nasdaq listing standards. The nominating committee is responsible for overseeing the selection of persons to be nominated to serve on the board of directors. The nominating committee considers persons identified by board members, management, stockholders, investment bankers and others.

#### ***Guidelines for Selecting Director Nominees***

The guidelines for selecting nominees, which are specified in the nominating committee charter filed as an exhibit to Renaissance's amended Registration Statement on Form S-1 (Reg. No. 333-134444) dated January 4, 2007, generally provide that persons to be nominated:

should have demonstrated notable or significant achievements in business, education or public service;

should possess the requisite intelligence, education and experience to make a significant contribution to the board of directors and bring a range of skills, diverse perspectives and backgrounds to board deliberations; and

should have the highest ethical standards, a strong sense of professionalism and intense dedication to serving the interests of the stockholders.

The nominating committee will consider a number of qualifications relating to management and leadership experience, background and integrity and professionalism in evaluating a person's candidacy for membership on the board of directors. The nominating committee may require certain skills or attributes, such as financial or accounting experience, to meet specific board needs that arise from time to time. The nominating committee does not distinguish among nominees recommended by stockholders and other persons.

#### **Compensation Committee**

Upon consummation of the Merger, Renaissance will establish a compensation committee, which will consist of Mr. Stone, as chairman, and Messrs. Bloom and Belden, all of whom are independent directors under Nasdaq listing requirements. The purpose of the compensation committee will be to discharge the board's responsibilities in respect of compensation of the post-merger combined company's executive officers, including approving individual executive officer compensation, oversight of the post-merger combined company's overall compensation and benefit philosophies, production of an annual report on executive compensation for inclusion in the post-merger combined company's proxy statement and administration of the post-merger combined company's incentive compensation plans, including authority to make and modify awards under such plans.

The compensation committee's duties, which will be specified in the compensation committee charter, a form of which is attached to this proxy statement as Annex F, will include, but will not be limited to:

reviewing, from time to time, the post-merger combined company's philosophy regarding executive compensation;

recommending to the board of directors for approval annual performance criteria, including long-term and short-term goals, for the chief executive officer and reviewing the chief executive officer's performance against such established criteria;



determining and approving all compensation arrangements of the executive officers of the post-merger combined company (other than the chief executive officer);

reviewing and recommending to the board of directors for approval all compensation arrangements of the chief executive officer;

determining which employees are executive officers whose compensation is subject to the review and approval of the committee, and reviewing, in its discretion, the compensation of employees who are not executive officers;

making recommendations to the board of directors concerning adopting and amending incentive compensation plans applicable to executive officers generally and equity compensation plans, benefit plans and retirement plans for all employees;

fixing and determining awards to officers and employees of stock, stock options, stock appreciation rights and other equity interests pursuant to any equity compensation plans from time to time in effect and exercising such other power and authority as may be permitted or required under such plans;

reviewing, at least annually, the competitiveness of the post-merger combined company's executive compensation programs, including a review of the compensation practices in the markets where the post-merger combined company competes for executive talent, to ensure (i) the attraction and retention of corporate officers, (ii) the motivation of corporate officers to achieve the post-merger combined company's business objectives and (iii) the alignment of the interests of key leadership with the long-term interests of the post-merger combined company's stockholders;

establishing and periodically reviewing policies concerning perquisite benefits;

managing and reviewing executive officer and director indemnification and insurance matters; and

reviewing and discussing with the post-merger combined company's chief executive officer and chief financial officer the Compensation Discussion and Analysis ( CD&A ) required to be included in the post-merger combined company's annual report or proxy statement filed with the SEC and recommending to the board of directors that the CD&A be included in the annual report or proxy statement.

#### ***Compensation Committee Interlocks and Insider Participation***

Renaissance has no current compensation committee. None the persons designated as director nominees currently serve on the compensation committee of any other company on which any other director designee of Renaissance or any officer or director of Renaissance or First Communications is currently a member.

#### **Code of Ethics**

The Renaissance board of directors adopted a code of ethics that applies to Renaissance's directors, officers and employees as well as those of its subsidiaries. A copy of the code of ethics was filed with Renaissance's Registration Statement on Form S-1 (Reg. No. 333-134444) that became effective on January 29, 2007.

**RENAISSANCE'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT RENAISSANCE'S STOCKHOLDERS VOTE FOR THE NOMINEES.**

### **THE ADJOURNMENT PROPOSAL**

The adjournment proposal allows Renaissance's board of directors to submit a proposal to adjourn the special meeting to a later date or dates, if necessary, to permit further solicitation of proxies in the event, based on the tabulated votes, there are not sufficient votes at the time of the special meeting to approve the consummation of the Merger. In no event will Renaissance solicit proxies to adjourn the special meeting or consummate the Merger beyond the date by which it may properly do so under its amended and restated certificate of incorporation and Delaware law. The purpose of the adjournment proposal is to provide more time for Renaissance, the Renaissance Inside Stockholders, First Communications and the First Communications stockholders to make purchases of Public Shares or other arrangements that would increase the likelihood of obtaining a favorable vote on the merger proposal and the charter amendment proposal and to meet the requirement that the holders of fewer than 20% of the Public Shares vote against the merger proposal and demand that their Public Shares be converted into cash. See the section entitled *Merger Proposal - Interests of Renaissance's Directors and Officers in the Merger*.

In addition to an adjournment of the special meeting upon approval of an adjournment proposal, the board of directors of Renaissance is empowered under Delaware law to postpone the meeting at any time prior to the meeting being called to order. In such event, Renaissance will issue a press release and take such other steps as it believes are necessary and practical in the circumstances to inform its stockholders of the postponement.

#### **Consequences if the Adjournment Proposal is not Approved**

If an adjournment proposal is presented to the meeting and is not approved by the stockholders, Renaissance's board of directors may not be able to adjourn the special meeting to a later date in the event, based on the tabulated votes, there are not sufficient votes at the time of the special meeting to approve the consummation of the Merger (because either the merger proposal or the charter amendment proposal is not approved or because the holders of 20% or more of the Public Shares vote against the merger proposal and demand conversion of their Public Shares into cash). In such event, the Merger would not be completed and Renaissance will be required to liquidate.

#### **Required Vote**

Adoption of the adjournment proposal requires the affirmative vote of a majority of the issued and outstanding shares of Renaissance common stock represented in person or by proxy at the meeting and entitled to vote thereon. Adoption of the adjournment proposal is not conditioned upon the adoption of any of the other proposals.

**RENAISSANCE'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT ITS STOCKHOLDERS VOTE FOR THE APPROVAL OF THE ADJOURNMENT PROPOSAL.**

## OTHER INFORMATION RELATED TO RENAISSANCE

### Business of Renaissance

Renaissance is a blank check company incorporated on April 17, 2006 to serve as a vehicle for the acquisition of an operating business. Prior to executing the Merger Agreement with First Communications, Renaissance's efforts were limited to organizational activities, completion of its IPO and the evaluation of possible business combinations.

### Offering Proceeds Held in Trust

On February 1, 2007, Renaissance completed its IPO of 15,600,000 Units, and on February 16, 2007, it completed the sale of an additional 2,340,000 Units that were subject to the underwriter's over-allotment option. Each Unit consists of one share of common stock and two warrants entitling the holder to purchase one share of common stock at a price of \$5.00. Beginning February 15, 2007, Renaissance common stock and warrants began trading separately on the American Stock Exchange. The public offering price of each Unit was \$6.00, and Renaissance generated gross proceeds of \$107,640,000 in the IPO (including proceeds from the exercise of the over-allotment option). Of the gross proceeds: (i) it deposited \$104,047,840 into the Trust Account at JPMorgan Chase NY Bank, maintained by Continental Stock Transfer & Trust Company as trustee, which included \$3,051,240 of deferred underwriting fees; (ii) the underwriters received \$4,811,160 as underwriting fees (excluding the deferred underwriting fees); and (iii) Renaissance retained \$781,000 for offering expenses. In addition, Renaissance deposited into the Trust Account \$2,100,000 that it received from the issuance and sale of 4,666,667 warrants to directors Charles Miersch and Morton Farber and RAC Partners on February 1, 2007. The Trust Account will not be released until the earlier of the consummation of a business combination or the liquidation of Renaissance. The Trust Account contained approximately \$106,403,149 as of December 24, 2008, the record date. If the Merger with First Communications is consummated, the Trust Account will be released to Renaissance, less the amounts paid to holders of Public Shares who vote against the Merger and elect to convert their shares of common stock into their pro-rata share of the Trust Account.

The holders of Public Shares will be entitled to receive funds from the Trust Account only in the event of Renaissance's liquidation or if such stockholders seek to convert their respective shares into cash and the Merger is actually completed. In no other circumstances will a stockholder have any right or interest of any kind to or in the Trust Account.

### Fair Market Value of Target Business

Under Renaissance's amended and restated certificate of incorporation and the underwriting agreement for Renaissance's IPO, the initial target business that Renaissance acquires must have a fair market value equal to at least 80% of Renaissance's net assets at the time of such acquisition. Renaissance's board of directors determined that this test was met in connection with its acquisition of First Communications. Further, Renaissance has received an opinion from Houlihan Smith that this test has been met.

### Stockholder Approval of Business Combination

Renaissance will proceed with the Merger only if the holders of a majority of the Public Shares voting on the merger proposal at the special meeting vote in favor of the merger proposal. The Renaissance Inside Stockholders have agreed to vote their common stock issued prior to the IPO on the merger proposal in accordance with the vote of holders of a majority of the Public Shares present in person or represented by proxy and entitled to vote at the special meeting. If the holders of 20% or more of the Public Shares vote against the merger proposal and properly demand that Renaissance convert their Public Shares into their pro rata share of the Trust Account, then Renaissance will not consummate the Merger. In this case, Renaissance will be forced to liquidate.



### **Liquidation If No Business Combination**

Renaissance's amended and restated certificate of incorporation provides for the termination of Renaissance's corporate existence and mandatory liquidation if Renaissance does not consummate a business combination by January 29, 2009. If Renaissance has not completed a business combination by such date, its corporate existence will cease except for the purposes of winding up its affairs and liquidating pursuant to Section 278 of the DGCL. This has the same effect as if its board of directors and stockholders had formally voted to approve dissolution pursuant to Section 275 of the DGCL. Accordingly, limiting Renaissance's corporate existence to a specified date as permitted by Section 102(b)(5) of the DGCL removes the necessity to comply with the formal procedures set forth in Section 275 (which would have required its board of directors and stockholders to formally vote to approve its dissolution and liquidation and to have filed a certificate of dissolution with the Delaware Secretary of State).

Renaissance anticipates notifying the trustee of the Trust Account within 10 business days to begin liquidating the Trust Account assets promptly after such date and anticipates it will take no more than 10 business days to effectuate such distribution. The Renaissance Inside Stockholders have waived their rights to participate in any liquidation distribution with respect to their Original Shares. Also, as there will be no funds remaining to pay the costs associated with the implementation and completion of liquidation and distribution, Barry W. Florescue has agreed to advance Renaissance the funds necessary to pay such costs and complete such liquidation (currently anticipated to be no more than approximately \$15,000) and not to seek repayment for such expenses.

In connection with its liquidation, Renaissance will distribute to the holders of its Public Shares, in proportion to their respective amounts of Public Shares, an aggregate sum equal to the amount in the Trust Account, inclusive of any interest thereon, plus remaining net assets (subject to its obligations under Delaware law to provide for claims of creditors as described below). Renaissance's stockholders who obtained their Renaissance stock prior to Renaissance's IPO have waived their rights to participate in any liquidation distribution with respect to shares of common stock owned by them immediately prior to the IPO. As a consequence of the provisions of Renaissance's amended and restated certificate of incorporation and such waivers, a liquidating distribution will be made only with respect to the Public Shares and no liquidating distribution will be made with respect to any other shares of Renaissance capital stock. There will be no distribution from the Trust Account with respect to Renaissance warrants, which will expire worthless.

Renaissance expects to expend all of the net proceeds of the IPO, other than the proceeds deposited in the Trust Account, in pursuit of its business combination transaction. Accordingly, the per-share liquidation price for the Public Shares as of December 24, 2008, the record date for Renaissance's special meeting, is approximately \$5.93, or \$0.07 less than the per-unit offering price of \$6.00 in Renaissance's IPO. The proceeds deposited in the Trust Account could, however, become subject to the claims of Renaissance's creditors (which could be senior to the claims of the holders of the Public Shares and could include vendors and service providers Renaissance has engaged to assist it in connection with its search for a target business and that are owed money by it, as well as target businesses themselves) and there is no assurance that the actual per-share liquidation price will not be less than \$5.93, due to those claims. Barry W. Florescue has personally agreed that if Renaissance liquidates prior to the consummation of a business combination, he will be personally liable to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by Renaissance for services rendered or contracted for or products sold to Renaissance. Renaissance cannot assure you that he would be able to satisfy those obligations. Pursuant to the underwriting agreement between Renaissance and Ladenburg Thalmann, Renaissance agreed not to commence its due diligence investigation of any operating business which it sought to acquire or obtain the services of any vendor without obtaining an agreement pursuant to which such party would waive any claims against the Trust Account. As of the date of this proxy statement, Renaissance has received waiver agreements from each of its vendors other than its independent registered accounting firm. There is currently an outstanding balance to Renaissance's independent registered accounting firm of approximately \$52,000 and Renaissance intends to pay such fees in full in accordance with its past practices. Accordingly, Renaissance cannot assure you that the per-share distribution from the Trust Account, if it liquidates, will not be less than \$5.93, plus interest, due to claims of creditors.

The holders of Renaissance's Public Shares will be entitled to receive funds from the Trust Account only in the event of Renaissance's liquidation or if they seek to convert their respective shares into cash upon a business combination in connection with which the stockholder properly demanded conversion of his Public Shares into cash and which is consummated. In no other circumstances will a stockholder have any right or interest of any kind to or in the Trust Account.

Under the DGCL, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them in a dissolution. If the corporation complies with certain procedures set forth in Section 280 of the DGCL intended to ensure that it makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. However, as stated above, it is Renaissance's intention to make liquidating distributions to its stockholders as soon as reasonably possible after January 29, 2009 and, therefore, Renaissance does not intend to comply with those procedures. As such, its stockholders could potentially be liable for any claims to the extent of distributions received by them and any liability of its stockholders may extend well beyond the third anniversary of such date. Because Renaissance will not be complying with Section 280, Section 281(b) of the DGCL requires it to adopt a plan that will provide for its payment, based on facts known to Renaissance at such time, of (i) all existing claims, (ii) all pending claims and (iii) all claims that may be potentially brought against it within the subsequent 10 years. Accordingly, Renaissance would be required to provide for any claims of creditors known to it at that time or those that it believes could be potentially brought against it within the subsequent 10 years prior to distributing the funds in the Trust Account to its public stockholders. However, because Renaissance is a blank check company, rather than an operating company, and its operations will be limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from potential target businesses, many of whom have given it agreements waiving any right, title, interest or claim of any kind they may have in or to any monies held in the Trust Account, or Renaissance's vendors (such as accountants, lawyers, investment bankers, etc.). As a result, the claims that could be made against it are significantly limited and the likelihood that any claim that would result in any liability extending to the trust is remote. Nevertheless, such agreements may not be enforceable. Accordingly, Renaissance cannot assure you that third parties will not seek to recover from Renaissance's stockholders amounts owed to them by Renaissance.

Additionally, if Renaissance is forced to file a bankruptcy case or an involuntary bankruptcy case is filed against it that is not dismissed, the proceeds held in the Trust Account could be subject to applicable bankruptcy law, and may be included in its bankruptcy estate and subject to the claims of third parties with priority over the claims of its stockholders. Also, in any such case, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a preferential transfer or a fraudulent conveyance. As a result, a bankruptcy court could seek to recover all amounts received by Renaissance's stockholders. Furthermore, because Renaissance intends to distribute the proceeds held in the Trust Account to its public stockholders promptly after January 29, 2009, this may be viewed or interpreted as giving preference to its public stockholders over any potential creditors with respect to access to or distributions from its assets. In addition, Renaissance's board may be viewed as having breached their fiduciary duties to its creditors and/or may have acted in bad faith, and thereby exposing itself and Renaissance to claims of punitive damages, by paying public stockholders from the Trust Account prior to addressing the claims of creditors and/or complying with certain provisions of the DGCL with respect to its liquidation. Renaissance cannot assure you that claims will not be brought against it for these reasons. To the extent any bankruptcy or other claims deplete the Trust Account, Renaissance cannot assure you it will be able to return to its public stockholders at least \$5.93 per share.

## Facilities

Renaissance maintains its principal executive office at 50 East Sample Road, Suite 400, Pompano Beach, Florida. The cost for this space is included in an \$8,000 per-month fee BMD Management Company, Inc., an affiliate of Barry W. Florescue, charges Renaissance for general and administrative services, including office space and certain office and secretarial services, pursuant to a letter agreement between them. Renaissance considers its current office space, combined with the other office space otherwise available to its executive officers, adequate for its current operations.

## Employees

As of September 30, 2008, Renaissance had three executive officers and a treasurer. These individuals are not obligated to devote any specific number of hours to Renaissance's matters and intend to devote only as much time as they deem necessary to its affairs and receive no salary or similar compensation. Renaissance does not believe the value of these services to be significant to its operating results. Renaissance does not intend to add any additional full time employees prior to the consummation of a business combination. None of Renaissance's employees is covered by a collective bargaining agreement.

## Periodic Reporting and Audited Financial Statements

Renaissance has registered its securities under the Exchange Act and has reporting obligations, including the requirement to file annual and quarterly reports with the SEC. In accordance with the requirements of the Exchange Act, Renaissance's annual reports contain financial statements audited and reported on by Renaissance's independent accountants. Renaissance has filed with the SEC its Annual Reports on Form 10-K covering from April 17, 2006 (inception) to December 31, 2006 and the year ended December 31, 2007, and as of December 31, 2006 and December 31, 2007.

## Legal Proceedings

There are no legal proceedings pending against Renaissance.

## Current Directors and Executive Officers

Renaissance's current directors and executive officers are as follows:

Name	Age	Position
Barry W. Florescue	63	Chairman of the Board and Chief Executive Officer
Richard A. Bloom	41	President and Chief Operating Officer
Logan D. Delany, Jr.	59	Executive Vice President and Director
Stanley Kreitman	77	Director
Charles W. Miersch	61	Director
Morton Farber	80	Director

**Barry W. Florescue** has been chairman of the board and chief executive officer since Renaissance's inception. Since 1988, Mr. Florescue has also been the chairman of the board, chief executive officer and owner of Century Financial Group, Inc., a private holding company which owns Century Bank, a federally chartered thrift institution and currently serves as a director of Century Bank. Since 1980, Mr. Florescue has also been the chairman of the board and president of BMD Management Company, Inc., a privately-owned management services, finance and real estate investment company. From 1996 to December 2004, Mr. Florescue was the major stockholder, chairman of the board, chief executive officer and chief operating officer of BFMA Holding Corporation, a private holding company which until 2004 owned and operated Marietta Corporation. From 2003 to 2006, Mr. Florescue was chief executive officer of Caswell-Massey Ltd. and served as its chairman of the board from 2003 to 2007. He is the chairman of the board of its parent company, Caswell Massey Holding Corporation. Mr. Florescue is the managing member of RAC Partners, which holds a significant portion of the Original Shares and all of the Insider Warrants.



In 1997, Mr. Florescue entered into a stipulation and consent with the Office of Thrift Supervision ( OTS ) relating to certain activities that occurred in 1990 and 1991 pursuant to which he consented to cease and desist from certain activities with Century Bank. The order providing for these restrictions was terminated by the OTS in 2004. Mr. Florescue had agreed that he would not participate in day-to-day management as an officer or employee of Century Bank and that his service as a director of Century Bank would be subject to certain restrictions. He also consented to the payment of a civil money penalty of \$50,000. Mr. Florescue did not admit or deny the findings of the OTS in connection with such stipulation and consent. Mr. Florescue is on the Executive Advisory Committee of the Simon Graduate School of Business Administration and is a Trustee of the University of Rochester. Mr. Florescue received a B.S. from the University of Rochester and an M.B.A. from New York University Graduate School of Business.

**Richard A. Bloom** has been chief operating officer since consummation of Renaissance's IPO and its president since early 2007. From 2003 to 2007, Mr. Bloom served as a director and vice chairman of Caswell-Massey, Ltd. and from 2006 to 2007, served as its chief executive officer. From 2004 to 2006, Mr. Bloom served as president and CEO of Marietta Holding Corporation. From 1999 to 2004, Mr. Bloom was president and chief operating officer of Marietta Corporation. Mr. Bloom is also a member of RAC Partners. Mr. Bloom received a B.S.E. summa cum laude from the Wharton School of Business at the University of Pennsylvania.

**Logan D. Delany, Jr.** has been executive vice president and a member of the board of directors since Renaissance's inception. Since 1986, Mr. Delany has been the president and chief executive officer of Delany Capital Management Corp., a private equity investments firm, and chairman of the board and chief executive officer of DMI Technology, Inc., a private holding company owning interests in EADmotors, Inc., Arkansas General Industries, Inc. and ElectroCraft, Inc. From 1996 to 2004, Mr. Delany was a director of BFMA Holding Corporation. He is also a member of RAC Partners. Mr. Delany is a member of the Board of Trustees of the Phoenix House and is a member of the American Council on Germany and of the Harvard University Art Museums. Mr. Delany received an A.B. from Harvard College and a J.D. from Harvard Law School and attended the Balliol College at Oxford University.

**Stanley Kreitman** has been a member of the board of directors since Renaissance's inception. Since 2000, Mr. Kreitman has served as senior advisor to Signature Bank. Since 1996, Mr. Kreitman has served as the chairman of the board of Manhattan Associates, an investment banking company, and non-executive chairman of the board of Geneva Financial Corp. Mr. Kreitman currently serves on the board of directors of Medallion Financial Corp., CCA Industries, Inc., KSW Corp. and Capital Lease Funding, Inc. He serves as the chairman of the New York City Board of Corrections and Nassau County Crime Stoppers. Mr. Kreitman received an A.B. from New York University and an M.B.A. from New York University Graduate School of Business.

**Charles W. Miersch** has been a member of the board of directors since Renaissance's inception. Since February 2005, Mr. Miersch has served as a consultant to the Graduate Management Admission Council, a national management organization responsible for the Graduate Management Admission Test (GMAT). From June 1984 to December 2003, Mr. Miersch was affiliated with the University of Rochester and its Simon Graduate School of Business Administration, as senior associate dean for corporate relations and institutional advancement. From 1996 to 2004, Mr. Miersch was a director of BFMA Holding Corporation and served on the board's compensation committee. From June 2004 to October 2004, Mr. Miersch served as acting president of Caswell-Massey Ltd. Mr. Miersch has also served as the chairman of the board of Century Bank since October 1991. Mr. Miersch received an A.B. from Lafayette College and an M.B.A. from the University of Rochester.

**Morton Farber** has been a member of the board of directors since Renaissance's inception. Mr. Farber has been a certified public accountant since 1957. Since 1995, Mr. Farber has acted as a private financial consultant and tax advisor to substantial individual clients. From 1977 to 1994, Mr. Farber was managing partner of Farber, Blicht, Eyerman & Herzog, an accounting firm he formed. Mr. Farber received a B.S. in accounting from New York University School of Commerce.

The board of directors is currently divided into three classes with only one class of directors being elected in each year and each class serving a three-year term. The term of office of the first class of directors, consisting

of Morton Farber, will expire at Renaissance's first annual meeting of stockholders. The term of office of the second class of directors, consisting of Logan D. Delany, Jr. and Charles W. Miersch, will expire at the second annual meeting. The term of the third class of directors, consisting of Barry W. Florescue and Stanley Kreitman, will expire at the third annual meeting. In the event the Merger is completed and the director election proposal is approved, Barry W. Florescue will be the only current Renaissance director who will continue to serve as a director of the post-merger combined company.

#### **Meetings and Committees of the Board of Directors of Renaissance**

During the fiscal year ended December 31, 2008, Renaissance's board of directors held seven meetings. Although Renaissance does not have any formal policy regarding director attendance at annual stockholder meetings, Renaissance will attempt to schedule its meetings so that all of its directors can attend. Renaissance expects its directors to attend all board and any committee meetings and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Each of Renaissance's current directors attended at least two-thirds of the aggregate number of meetings of the board in fiscal 2008.

#### **Independence of Directors**

The American Stock Exchange requires that a majority of Renaissance's board must be composed of independent directors which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship, which, in the opinion of the company's board of directors would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. Stanley Kreitman, Charles W. Miersch and Morton Farber are Renaissance's independent directors, constituting a majority of its board. The independent directors have regularly scheduled meetings at which only independent directors are present. Any affiliated transactions will be on terms no less favorable to Renaissance than could be obtained from independent parties. Any affiliated transactions must be approved by a majority of Renaissance's independent and disinterested directors.

#### **Audit Committee**

Renaissance's audit committee consists of Stanley Kreitman, as chairman, Charles W. Miersch and Morton Farber, each of whom is an independent director and financially literate under the American Stock Exchange's listing standards. The American Stock Exchange listing standards define financially literate as being able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. In addition, the board of directors has determined that Stanley Kreitman satisfies the American Stock Exchange's definition of financial sophistication and also qualifies as an audit committee financial expert, as defined under rules and regulations of the SEC. Renaissance's audit committee met four times in the year ended December 31, 2008.

For more information about the audit committee's duties as described in the audit committee charter, which is to be retained upon the consummation of the Merger, see the section entitled *The Director Election Proposal - Audit Committee*.

#### **Report of the Audit Committee**

In the performance of its oversight function, the audit committee has reviewed and discussed the audited financial statements for the year ending December 31, 2007 with Renaissance's management and its independent registered public accounting firm, who is responsible for expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America, its judgment as to the quality, not just the acceptability, of Renaissance's accounting principles, as well as an opinion on the effective operation of Renaissance's internal control over financial reporting. The audit committee has also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards No. 114, *The Auditor's Communication with those charged with Governance*, AU 380, as currently in effect. Finally, the audit committee has received the written disclosures and the letter from the independent

registered public accounting firm required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees, as currently in effect, and has considered whether the provision of non-audit services by the independent registered public accounting firm is compatible with maintaining the independent registered public accounting firm's independence and has discussed with the independent registered public accounting firm their independence.

The Audit Committee recommended to Renaissance's board of directors that the audited financial statements for the year ending December 31, 2007 be included in Renaissance's Annual Report on Form 10-K for the year ended December 31, 2007 as filed with the Securities and Exchange Commission.

*Submitted by the Audit Committee:*

*Stanley Kreitman (Chairman)*

*Charles W. Miersch*

*Morton Farber*

### **Compensation Committee**

Prior to the consummation of the Merger, Renaissance will not have a compensation committee because none of its executive officers receive any cash compensation for any services rendered to Renaissance. Commencing upon the date of its IPO, Renaissance pays BMD Management Company, an affiliate of Barry W. Florescue, a fee of \$8,000 per month for providing it with office space and certain office and secretarial services. However, this arrangement is solely for Renaissance's benefit and is not intended to provide Mr. Florescue compensation in lieu of a salary. Other than the \$8,000 per month administrative fee, no compensation of any kind, including finders, consulting or other similar fees, will be paid to any of its existing stockholders, including its directors, or any of their respective affiliates, prior to, or for any services they render in order to effectuate, the consummation of a business combination.

Upon consummation of the Merger, Renaissance will form a compensation committee. For more information about this compensation committee, see the section entitled *The Director Election Proposal Compensation Committee*.

### **Nominating Committee**

Renaissance has established a nominating committee of the board of directors, which consists of Charles W. Miersch, as chairman, and Stanley Kreitman, each of whom is an independent director under the American Stock Exchange's listing standards. The nominating committee did not meet in 2008.

For more information about the nominating committee's duties as described in the nominating committee charter, which is to be retained upon the consummation of the Merger, see the section entitled *The Director Election Proposal Nominating Committee*.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF RENAISSANCE**

**Overview**

Renaissance was formed on April 17, 2006 for the purpose of effecting a merger, capital stock exchange, asset acquisition or other similar business combination with one or more operating businesses.

On February 1, 2007, Renaissance completed its IPO of 15,600,000 Units, and on February 16, 2007, it completed the sale of an additional 2,340,000 Units that were subject to the underwriter's over-allotment option. The public offering price of each Unit was \$6.00 and Renaissance generated gross proceeds of \$107,640,000 in the IPO (including proceeds from the exercise of the over-allotment option). Of the gross proceeds: (i) Renaissance deposited \$102,047,840 into the Trust Account at JPMorgan Chase NY Bank, maintained by Continental Stock Transfer & Trust Company as trustee, which included \$3,051,240 of deferred underwriting fees; (ii) the underwriters received \$4,811,160 as underwriting fees (excluding the deferred underwriting fees); and (iii) Renaissance retained \$781,000 for offering expenses. In addition, Renaissance deposited into the Trust Account \$2,100,000 that Renaissance received from the issuance and sale of 4,666,667 warrants to RAC Partners LLC, an entity controlled by Barry W. Florescue, Charles Miersch and Morton Farber on January 29, 2007.

Renaissance intends to utilize cash derived from the proceeds of its initial public offering, its capital stock, debt or a combination of cash, capital stock and debt, in effecting a business combination. To the extent that Renaissance capital stock is used in whole or in part as consideration to effect a business combination, the remaining proceeds held in the Trust Account as well as any other net proceeds not expended will be used as working capital to finance the operations of the target business. Such working capital funds could be used in a variety of ways including continuing or expanding the target business operations, for strategic acquisitions and for marketing, research and development of existing or new products. Such funds could also be used to repay any operating expenses or finders' fees which Renaissance had incurred prior to the completion of its business combination if the funds available to Renaissance outside of the Trust Account were insufficient to cover such expenses.

**Recent Events**

On September 13, 2008, Renaissance signed the agreement and plan of merger pursuant to which it will acquire First Communications and on December 22, 2008 and December 31, 2008, Renaissance executed Amendment No. 1 and Amendment No. 2, respectively, to the agreement and plan of merger. First Communications Holders will receive an aggregate of 14,460,000 shares of Renaissance common stock and the right to receive up to an aggregate of an additional (i) 13,950,000 shares of Renaissance common stock if the EBITDA Condition is satisfied and (ii) 8,500,000 shares of Renaissance common stock if the Warrant Condition is satisfied. Based on the closing market price of \$5.80 per share on September 12, 2008, the last trading day prior to the announcement of the Merger Agreement, the Initial Shares had an aggregate value of \$83,868,000. Based on the closing market price of \$5.81 per share on December 15, 2008, the Initial Shares had an aggregate value of \$84,012,600. In addition, holders of First Communications Series A Preferred Stock will receive an aggregate of \$15.0 million in cash consideration, together with an accrued dividend of 12% per annum, pro rated and calculated from September 28, 2008 in exchange for their shares of Series A Preferred Stock. Renaissance anticipates using approximately \$23.1 million of the net proceeds in its Trust Account to consummate the Merger, including transaction expenses but not including payments with respect to the conversion of Public Shares. Transaction expenses will include professional fees for legal and accounting services, deferred underwriting compensation of \$3,051,240 an investment banking fee of \$2,500,000 to Jefferies and \$55,000 that will be paid to Houlihan Smith & Company, Inc. for the balance it is owed for the fairness opinion it issued in connection with the Merger. The balance of the proceeds held in the Trust Account, which Renaissance anticipates will be approximately \$83.4 million, will be used to fund conversions into cash of its Public Shares and to finance the operations of First Communications' business.



### Results of Operations, Financial Condition and Liquidity

Through September 30, 2008, Renaissance's efforts have been limited to organizational activities, activities relating to its IPO, activities relating to identifying and evaluating prospective acquisition candidates, and activities relating to general corporate matters. Renaissance has neither engaged in any operations nor generated any revenues, other than interest income earned on the proceeds of its private placement and initial public offering.

Net income (loss) totaled \$277,904 for the three months ended September 30, 2007, (\$727,950) for the three months ended September 30, 2008, \$1,432,797 for the nine months ended September 30, 2007, (\$233,642) for the nine months ended September 30, 2008 and \$2,066,218 and for the period from inception to September 30, 2008. The decrease in net income for the three months ended September 30, 2008 versus the three months ended September 30, 2007 was primarily due to Renaissance's transferring of its Trust Account assets from money market funds invested in various short term credits to United States Treasuries, which had a comparatively lower yield.

Renaissance's operating expenses totaled \$466,888 for the three months ended September 30, 2007, \$994,357 for the three months ended September 30, 2008, \$761,264 for the nine months ended September 30, 2007, \$1,323,749 for the nine months ended September 30, 2008 and \$2,173,305 for the period from inception to September 30, 2008.

Renaissance had net interest income earned on marketable securities and held in the Trust Account of \$1,268,684 for the three months ended September 30, 2007, \$407,398 for the three months ended September 30, 2008, \$2,788,458 for the nine months ended September 30, 2007, \$1,676,380 for the nine months ended September 30, 2008 and \$5,790,312 for the period from inception to September 30, 2008. Interest income, after \$1,875,000 which has been released to the Renaissance, excludes earnings on funds held in the Trust Account associated with Renaissance common stock subject to possible conversion and, except for amounts equal to any taxes payable by Renaissance relating to such interest earned, will not be released from the Trust Account until the earlier of the completion of a business combination or the expiration of the time period during which Renaissance may complete a business combination. After deduction on the amount related to the Renaissance's income taxes payable on the interest, approximately \$2,269,700 of interest income remains to be allocable, with approximately \$453,700 of such amount being allocable to common shares subject to conversion.

Net income or (loss) totaled \$(1,518) for the period from inception to December 31, 2006, \$2,301,378 year ended December 31, 2007 and \$2,299,860 for the period from inception to December 31, 2007. The increase in net income (loss) in the year ended December 31, 2007 relates primarily to interest earned on the funds held in the Trust Account.

Renaissance's operating expenses totaled \$1,998 the period from inception to December 31, 2006, \$847,558 year ended December 31, 2007 and \$849,556 for the period from inception to December 31, 2007. The increase in the year ended December 31, 2007 operating expenses is attributable to Renaissance beginning to incur significant expenses after the closing of its IPO in connection with the due diligence of target companies as well as public company operating expenses.

Renaissance had net interest income earned on marketable securities and held in the Trust Account of \$0 for the period from inception (April 17, 2006) to December 31, 2006, \$4,113,933 for the year ended December 31, 2007 and \$4,113,933 for the period from inception to December 31, 2007. Interest income in excess of the first \$1,875,000 that has been released to Renaissance, excludes earnings on funds held in the Trust Account associated with common stock subject to possible conversion. No additional interest income, except for amounts equal to any taxes payable by Renaissance relating to such interest earned, will be released from the Trust Account until the earlier of the completion of a business combination or the expiration of the time period during which Renaissance may complete a business combination. After deduction of the amount related to Renaissance's income taxes payable on the interest, approximately \$1,226,000 of interest income remains to be allocable, with approximately \$245,200 of such amount being allocable to shares of common stock subject to conversion.

Renaissance has an installment loan from First Insurance Funding Corp. of N.Y. for the sole purpose of financing its insurance policy for directors' and officers' liability. The loan requires 21 installment payments of

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\$4,898 beginning on February 28, 2007. As of September 30, 2008, \$4,864 was outstanding, excluding accrued interest. The installment loan bears interest at 7.75% per annum and is payable from the funds transferred from earnings of the Trust Account, which funds will be distributed to the Public Stockholders if Renaissance does not consummate a business combination within the required time periods. Interest expense for the periods presented relates to the borrowings from the installment loan for insurance.

Renaissance has provided for an effective tax rate of slightly under 31% for the year ended December 31, 2007 and from inception through December 31, 2007 since a substantial portion of its interest income is from non-taxable sources. As of December 31, 2007, there was a liability of \$1,012,842, of which estimated payments were made totaling \$1,022,000.

Renaissance has only provided for an effective tax rate of over 44% on an inception to-date basis. As of September 30, 2008, there is an estimated liability of \$614,299 which is fully provided for by estimated payments.

The following table shows the total funds held in the Trust Account through September 30, 2008:

Net proceeds from its initial public offering and private placement of warrants placed in trust	\$ 104,147,840
Total interest and miscellaneous income received to date	5,790,462
Less total interest disbursed to Renaissance for working capital through September 30, 2008	(1,875,000)
<b>Less total taxes paid through September 30, 2008</b>	<b>(1,655,310)</b>
<b>Total funds held in trust account through September 30, 2008</b>	<b>\$ 106,407,992</b>

As of September 30, 2008, Renaissance had approximately \$870,793 of unrestricted cash available for activities in connection with identifying and conducting due diligence of a suitable business combination and for general corporate matters. Renaissance believes that it has sufficient funds to allow it to operate through January 29, 2009, assuming that a business combination is not consummated during that time. Over this time period, Renaissance anticipates incurring expenses for the following purposes:

- payment of premiums associated with directors and officers insurance;

- payment of estimated taxes incurred as a result of interest income earned on funds currently held in the Trust Account;

- due diligence and investigation of prospective target businesses;

- legal and accounting fees relating to SEC reporting obligations and general corporate matters;

- structuring and negotiating a business combination, including the making of a down payment or the payment of exclusivity or similar fees and expenses; and

- other miscellaneous expenses including \$8,000 per month to a related party for office space and general and administrative services.

Renaissance has agreed to pay BMD Management Company, Inc. approximately \$8,000 per month for office space and administrative support services.

Renaissance believes it will have sufficient available funds outside of the Trust Account to operate through January 29, 2009 because its officers and directors have agreed with Renaissance to advance funds (without recourse to the Trust Account) to meet Renaissance's reasonable out-of-pocket expenses when available funds held outside the Trust Account are insufficient for that purpose. Renaissance has incurred and expects to incur significant costs in pursuit of its acquisition plans. There is no assurance that Renaissance's plans to consummate a business combination with First Communications will be successful or successful within the target business acquisition period. Barry W. Florescue has personally agreed that if Renaissance liquidates prior to the consummation of a business combination, he will be personally liable to ensure that the proceeds of the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by Renaissance for services



rendered or contracted for or products sold to Renaissance. Renaissance cannot assure you that he would be able to satisfy those obligations. Pursuant to the underwriting agreement between Renaissance and Ladenburg Thalmann, Renaissance agreed not to commence its due diligence investigation of any operating business which it sought to acquire or obtain the services of any vendor without obtaining an agreement pursuant to which such party would waive any claims against the Trust Account. As of the date of this proxy statement, Renaissance has received waiver agreements from each of its vendors other than its independent registered accounting firm. There is currently an outstanding balance to Renaissance's independent registered accounting firm of approximately \$52,000 and Renaissance intends to pay such fees in full in accordance with its past practices.

### Contractual Obligations

The following table summarizes Renaissance's contractual obligations and commitments as of December 31, 2007.

Contractual Obligations	Total	Payments Due by Period			
		Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Long-Term Contractual Obligations (1)(2)	\$ 104,000	\$ 96,000	\$ 8,000	\$	\$

- (1) Represents sums payable to BMD Management Company for office space, office and secretarial space commencing February 1, 2007 and continuing at \$8,000 per month through the acquisition of a target business.
- (2) Does not include obligations which are contingent upon the consummation of a business combination, including \$3,051,240 in deferred underwriting compensation in connection with Renaissance's IPO.

### Critical Accounting Policies

In presenting Renaissance's financial statements in conformity with accounting principles generally accepted in the United States, Renaissance makes estimates and judgments that affect the amounts reported in its financial statements. Some of the estimates and assumptions Renaissance is required to make relate to matters that are inherently uncertain as they pertain to future events. Renaissance formulates these estimates and assumptions based on historical experience and on various other matters that Renaissance believes to be reasonable and appropriate. Actual results may differ significantly from these estimates. Renaissance has determined that it is currently not subject to any critical accounting policies.

### Off-Balance Sheet Arrangements

Other than contractual obligations incurred in the normal course of business, Renaissance does not have any off-balance sheet financing arrangements or liabilities, guarantee contracts, retained or contingent interests in transferred assets or any obligations arising out of a material variable interest in unconsolidated entity.

### Quantitative and Qualitative Disclosures About Market Risk

Market risk is the sensitivity of income to changes in interest rates, foreign exchanges, commodity prices, equity prices, and other market-driven rates or prices. Renaissance is not presently engaged in and, if Renaissance does not consummate a suitable business combination prior to the prescribed liquidation date of the Trust Account, will not engage in, any substantive commercial business. Accordingly, Renaissance is not and, until such time as it consummates a business combination, will not be, exposed to risks associated with foreign exchange rates, commodity prices, equity prices or other market-driven rates or prices. The net proceeds of its IPO held in the Trust Account may be invested by the trustee only in United States government securities within the meaning of Section 2(a) (16) of the Investment Company Act of 1940 having a maturity of 180 days or less, or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act of

1940. Given its limited risk in its exposure to government securities and money market funds, Renaissance does not view the interest rate risk to be significant.

## BUSINESS OF FIRST COMMUNICATIONS

### Company Overview

First Communications is a leading facilities-based competitive communications provider offering voice and data solutions to small- and medium- sized businesses and residential customers throughout the Midwest and Mid-Atlantic United States, including metropolitan areas such as Cleveland, Detroit and Chicago. In addition to its competitive communications business, First Communications operates wireless communications towers on which it leases capacity to wireless carriers such as AT&T, Sprint Nextel, T-Mobile and Verizon Wireless under long-term lease contracts.

First Communications offers dedicated data and dynamic integrated services, local service, switched and dedicated long-distance service, Internet access service, as well as value-added products and services, such as collocation and hosting services. The network architecture leverages a traditional TDM infrastructure with an IP platform, which First Communications has deployed to support its dynamic data and integrated product offerings and other next generation technologies. In addition, the network incorporates metro Ethernet access in key markets, enabling First Communications to provide T-1 equivalent and high-speed Ethernet services in certain metropolitan markets. As of September 30, 2008, pro forma for the acquisition of Globalcom, First Communications provided services to over 39,000 business customers and 161,000 residential customers.

As of September 30, 2008, First Communications operated 327 towers that were occupied by 391 wireless tenants. In addition, First Communications has an exclusive agreement with FirstEnergy Corp. which gives it access to 36,000 square miles of land and over 12,000 miles of transmission lines and radio towers, monopoles, distribution poles, property and rights of way which comprise the energy distribution infrastructure of FirstEnergy Corp. The agreement gives First Communications the right to develop additional towers and collocation capacity to meet the current and future collocation demands of its wireless carrier customers and the geographic and structural diversity of the infrastructure to attract new wireless carriers. The primary source of revenue from First Communications' wireless communication towers is generated by leasing space on its towers for antennas and other equipment necessary for the transmission of wireless signals to a variety of carriers operating cellular, personal communications services ( PCS ), enhanced specialized mobile radio, 3G, and wireless data.

First Communications has successfully expanded its operations through organic growth, disciplined capital investments and strategic acquisitions that it has seamlessly integrated into its core operations. On September 30, 2008, First Communications acquired Globalcom. This acquisition provides First Communications with facilities-based access to the Chicago metropolitan market and approximately 15 route miles of metro fiber throughout the market. A suburban fiber ring consisting of 180 route miles is also being deployed. The acquisition enables First Communications to extend its geographic footprint in the Midwest and to serve additional cities in the Chicago suburban market. Globalcom's fiber based products and advanced data and managed service offerings will enhance the First Communications suite of products and services. First Communications believes that the addition of Globalcom's products and services and combined network infrastructure improves operating leverage, expands the addressable market and enhances its ability to deliver end-to-end integrated communications solutions.

First Communications' business strategy is focused on providing services delivered on high-speed digital transmission connections (T-1 or greater capacity), which it believes offer greater value to customers, increase customer retention and provide revenue growth opportunities to First Communications. Historically, First Communications' revenue was dominated by off-net, voice revenue from smaller customers. Due to efforts to migrate customers onto T-1 based products provisioned on First Communications' own network ( on-net ) and the acquisition of Globalcom, First Communications has transitioned a large percentage of the revenue base to its own network. Sales of T-1 based products grew from approximately 22 circuits per quarter to in excess of 349 circuits per quarter from the third quarter of 2007 to the third quarter of 2008, with typical incremental gross profit margins in excess of 60%.

First Communications targets small- and medium-sized businesses with four to twenty-four access line equivalents, or lines, physically located within the footprint of its switching centers. First Communications focuses

its sales efforts on communications intensive business customers who purchase multiple products that can be cost effectively serviced on First Communications' network. These customers generally purchase higher margin services and have higher retention rates. The addition of Globalcom's fiber solutions allows the First Communications sales focus to include carrier customers and large enterprises that require metro and long haul products.

Pro forma for the acquisition of Globalcom, First Communications' network will be comprised of three Siemens Class 4 switches, two MetaSwitch IP softswitches, one Nortel CS2K switch, five regional switching centers and 106 collocations with a substantial presence in ILEC central offices and approximately 3,800 route miles of metro and long haul fiber. By providing services utilizing First Communications' owned facilities, it can (i) ensure service quality and reliability, (ii) maintain attractive margins and cash flow, (iii) provide advanced and differentiating solutions and (iv) have greater control over customer care and service delivery. First Communications accesses its customers using, among other methods, unbundled network elements, digital T-1 transmission lines, fiber, fixed wireless and broadband over power line ( BPL ), for products provisioned on-net. In addition, First Communications has commercial agreements with AT&T, Qwest and Verizon under which it receives off-net alternatives. For the three months ended September 30, 2008, sales of products provisioned on-net contributed over 84.5% of new revenue.

### **First Communications Strengths**

First Communications believes that the following strengths will help to execute its strategy:

*Significant Growth Potential.* First Communications focuses sales efforts on providing small- and medium-sized businesses comprehensive communications solutions normally reserved for large enterprises. First Communications believes these organizations have historically been underserved by the ILECs and have limited alternatives for high-quality integrated communications products and services. First Communications further believes that this demand combined with its current product offerings present First Communications with significant growth opportunity, which will enable it to increase market penetration within its operating footprint. In addition, the acquisition of Globalcom provides First Communications with the ability to deliver fiber-based solutions in the high growth enterprise market and a competitive alternative to the ILEC for other carriers. First Communications has capacity on its 327 communications towers to support the needs of wireless carriers as they build out and upgrade their networks, and the ability to continue to cost effectively develop towers for First Communications customers through its exclusive agreement with FirstEnergy Corp.

*Unique Network Infrastructure.* First Communications provides services to its customers through a network of telecommunications switches, data routers and related equipment, and owned and leased communications lines and transport facilities which have the breadth and flexibility to address the complex data, voice and infrastructure demands of its target customers. First Communications has deployed an IP-based platform comprised of Multi-Protocol Label Switching ( MPLS ) core and aggregation routers and MetaSwitch IP softswitches, in the core and at the edge of its network. First Communications expects that this technology will facilitate the development of next-generation services and the migration of First Communications' traffic and customer base to a more cost-effective and efficient IP-based infrastructure, which will enhance the performance of its network.

*Diverse Revenue Base and End Markets.* First Communications offers a comprehensive suite of communications solutions across a variety of end-markets, which provides stability to its financial performance and mitigates the potential effects of changes in demand for any one product or from any one region or customer type. As of September 30, 2008, pro forma for the acquisition of Globalcom, First Communications served approximately 39,000 business customers, 161,000 residential customers and had 391 wireless carrier tenants collocated on its communications towers. For the nine months ended September 30, 2008, proforma for the acquisition of Globalcom, the top 10 customers accounted for 15.8% of total revenue and no single customer represented more than 3.3% of total revenue.

*Successful History of Acquiring and Integrating Complementary Assets.* Since 2004, First Communications has acquired nine companies, for a total consideration of approximately \$148.2 million, eight of which are successfully integrated and generating meaningful synergies. The most recent of those acquisitions was the

acquisition of Globalcom, which closed on September 30, 2008, and integration is expected to take the next 18 months. Each transaction allowed First Communications to extend its facilities-based network, grow its customer base and significantly improve the operations and profitability of the acquired entity.

*Experienced and Proven Senior Management Team.* First Communications' team of senior executives and operating managers has significant experience in the communications industry and extensive knowledge of its local markets. First Communications' executive management team has over 70 years of collective experience in managing communications companies. In addition to industry knowledge, the management team has public company operational experience and expertise in integrating acquired facilities with its existing facilities. First Communications believes that its ability to successfully integrate acquisitions positions it to take advantage of significant growth opportunities that are available as consolidation continues in the communications industry.

### **First Communications' Strategy**

Key elements of First Communications' competitive wireline strategy are:

*Focus on High Margin Customers and Revenue.* As part of the acquisition of Globalcom, First Communications will continue its migration from off-net voice-only plain old telephone service ( POTS ) customers to communications intensive customers who purchase multiple or integrated services that can be cost effectively serviced using its network and facilities. These customers generally purchase higher margin services, have higher retention rates and are, therefore, more profitable. By providing integrated solutions, First Communications is able to cost-effectively increase network utilization and average revenue per user ( ARPU ) while decreasing churn and customer acquisition costs.

*Leverage Network and Operational Infrastructure.* First Communications will continue to leverage its network and operational infrastructure to develop new products and expand its customer base while improving the performance of its business. First Communications has deployed an IP-based platform comprised of MPLS core routers and softswitch gateways, which facilitate the development of next generation services and the migration of traffic and customer base to a more cost-effective and efficient IP-based infrastructure. First Communications believes that the deployment of this infrastructure will support growth needs and cost reductions while facilitating the migration of customers to VoIP technology and services, and enhancement of automated flow-through provisioning of services through the switch application programming interface. Through its next generation platform, First Communications has expanded its product line and market reach to include dynamic VoIP integrated T-1 products as well as traditional circuit-switched voice and data services designed to allow digital transmission of voice and data over ordinary telephone copper wires and high speed dedicated Internet connections. This network and operational infrastructure will allow First Communications to meet the current and future demands of its target markets and create new high margin revenue opportunities, increasing revenue per customer and market share while improving customer retention and operating leverage.

*Deliver a Comprehensive Suite of Communications Solutions.* First Communications' broad set of products and services allow it to deliver an end-to-end communications solution to a broad segment of voice and data customers. First Communications will continue to add services and technologies to meet the increasingly complex communications needs of its customers and maintain its competitive advantage in its target markets.

*Pursue Strategic Acquisitions.* First Communications will continue to pursue strategic growth opportunities that complement its service capabilities, cost-effectively increase market share and expand its operating footprint. In pursuing strategic acquisitions, First Communications will focus on acquiring companies that operate in its markets or adjacent markets, serve similar customers and offer complementary products and services.

Key elements of First Communications' tower strategy are:

*Leverage Significant Undeveloped Tower Infrastructure.* First Communications has access to more than 36,000 square miles of land that support 12,000 miles of transmission line and radio towers, monopoles, distribution poles, property and rights of way that allow First Communications to provide wireless tower development services. First



Communications intends to grow the current tower portfolio by continuing to opportunistically develop additional towers where it has access through its agreement with FirstEnergy Corp.

*Focus on Site Leasing Business with Stable, Recurring Revenues.* First Communications intends to continue to focus on expanding the site leasing business due to its attractive characteristics such as long-term contracts, built-in rent escalators, high operating margins and low customer churn. The long-term nature of the revenue stream of the site leasing business makes it less volatile than the site development business, which is more cyclical. By focusing on the site leasing business, First Communications believes that it can maintain a stable, recurring cash flow stream and reduce exposure to cyclical changes in customer spending.

*Maximize Use of Tower Capacity.* First Communications generally has constructed or acquired towers that accommodate multiple tenants and a substantial majority of its towers are high capacity lattice or guyed towers. Most of its towers have significant capacity available for additional antennas and First Communications believes that increased use of its towers can be achieved at a low incremental cost. First Communications actively markets space on its towers through its internal sales force.

## **Industry and Market Overview**

### *Competitive Communications*

The market for communications services, particularly local voice, is dominated by the ILECs in the United States. These carriers consist primarily of the Regional Bell Operating Companies ( RBOCs ), which include Verizon, AT&T and Qwest Communications International, Inc., or Qwest. While the RBOCs own substantially all of the local exchange networks in their respective operating regions, competitive communications providers hold significant market share. According to data from the FCC as of December 31, 2007, competitive communications providers served 28.7 million, or 18.1%, of end-user lines in the United States. In addition, the number of competitive communications providers in the United States has been reduced as the industry continues to consolidate. Since June 2005, First Communications believes over 60 mergers and acquisitions have been completed within the industry. While RBOCs provide a broad range of communications services, First Communications believes that they have neglected the small- and medium-sized business segment due to an increased focus on the global enterprise business segments of the market, increased competitive pressures in the residential market and the integration of recent mergers and acquisitions. First Communications believes this lack of focus from the RBOCs has created an increased demand for alternatives in the small- and medium-sized business communications market. Consequently, First Communications views the market as a sustainable growth opportunity and has therefore focused its strategies on providing small- and medium-sized businesses with a competitive communications solution.

### *Towers*

First Communications believes that growing wireless traffic, the successful recent spectrum auctions and technology developments will require wireless service providers to improve their network infrastructure and increase their network capacity resulting in an overall increase in the number of communication sites that they use. First, consumers continue to push wireless minutes of use higher, whether through wireline to wireless migration, increasing use of broadband services, new data products or simply talking more. Consumers are demanding quality wireless networks, and list network coverage and quality as two of the greatest contributors to their dissatisfaction when terminating or changing service. To decrease subscriber churn rate and drive revenue growth, wireless carriers have made substantial capital expenditures on wireless networks to improve service quality and expand coverage. Second, First Communications expects that the roll-out of 3G and 4G wireless services by existing carriers will require its customers to add a large number of additional cell sites and increase the amount of their equipment at current cell sites. The FCC's recent advanced wireless service spectrum auction 66 for advanced broadband services and spectrum auction 73, relating to the auction of the 700 MHz band, provided existing and emerging carriers with the opportunity to acquire spectrum for 3G and 4G wireless service, which First Communications believes will further drive the demand for communication sites. Finally, the third area of growth in the U.S. market comes

from new market launches for emerging carriers to get into traditional wireless services or new technologies like WiMAX, a technology enabling the delivery of last mile wireless broadband access. For example, Leap Wireless and Metro PCS acquired spectrum in new coverage areas that will require brand new networks while Clearwire is in the process of building out a nationwide network. Based on these factors, First Communications believes that the U.S. wireless industry is growing, well-capitalized, highly competitive and focused on quality and advanced services. Therefore, First Communications expects that it will see a multi-year trend of strong additional cell site demand from its customers, which First Communications believes will translate into strong leasing growth.

### ***First Communications Markets***

First Communications has focused network deployment and marketing efforts in markets throughout the Midwest United States, where AT&T, Qwest, and Verizon are the ILECs. The FCC estimates that as of December 31, 2006, the Midwest geographic market (which consists of Illinois, Indiana, Michigan, Ohio, and Wisconsin) represented \$33.1 billion and encompassed 13.9% of the U.S. communications market. Additionally, the FCC estimates that there are approximately 50.0 million lines in the First Communications target geographic market, pro forma for the acquisition of Globalcom.

According to data prepared by the FCC, as of December 31, 2007, there were approximately 21.4 million business lines in the First Communications target geographic market. First Communications targets small- and medium-sized business or enterprise customers with four to twenty-four lines physically located within the footprint of its switching centers and 106 collocations. First Communications believes small- and medium-sized business customers have historically been underserved by RBOCs. In addition, First Communications believes its T-1 based next generation services will allow it to continue to gain market share and enter into new markets without abandoning the core installed base. First Communications serves the following markets:

<b><u>Region</u></b>	<b><u>Market</u></b>
Ohio	Akron
Ohio	Youngstown
Ohio	Cleveland
Ohio	Dayton
Ohio	Columbus
Ohio	Canton
Illinois	Chicago
Michigan	Detroit
Michigan	Grand Rapids
Michigan	East Lansing
Wisconsin	Milwaukee

First Communications tower leasing business focuses on the Ohio, Pennsylvania and New Jersey markets. Specifically, First Communications emphasizes structures and property within the territory of FirstEnergy Corp.'s seven electric distribution companies.

### **First Communications Customers**

#### ***Wireline Operations***

First Communications customers generally consist of small- and medium- sized businesses with four to twenty-four access lines, large enterprise customers and residential customers. As of September 30, 2008, pro forma for the acquisition of Globalcom, First Communications has approximately 200,000 customers located primarily in the Midwest United States. First Communications, proforma for the acquisition of Globalcom, has approximately 39,000 commercial customers and 161,000 residential customers in total, representing approximately 78.6% and 21.4% of the company's revenues respectively.



First Communications has invested heavily in customer service utilizing a customized training program for customer service representatives, which includes formal training, real-time call monitoring, ongoing evaluation, and advancement dependent on completion of continuing education. First Communications' 24-hour customer care facility currently handles more than 28,000 customer calls each month. In the past nine years, over 80% of customer calls have been answered in less than 30 seconds by live customer care representatives. In addition to the customer care departments, First Communications operates a sophisticated network operations center through which the network is monitored on a 24 x 7 basis and it is able to detect and troubleshoot network problems often before its customers are aware of them.

Further displaying First Communications' commitment to its customers, First Communications has deployed comprehensive quality control programs in all customer care departments including provisioning, customer service, repair and the network operations center. Each quality control plan is customized for the department and details quantitative measures to ensure top agent performance in a defined structure while ultimately measuring and ensuring high customer satisfaction.

First Communications believes that its customer service advantage is especially significant in the small- and medium- sized business market, where larger competitors traditionally have not focused their efforts. Each new customer is contacted multiple times by the First Communications service delivery team during the service initiation process to ensure accuracy and on-time delivery of services ordered.

#### ***Tower Operations***

First Communications' primary customers are the major wireless carriers including AT&T Wireless, Sprint Nextel, T-Mobile and Verizon. Other customers include newer wireless technology and service companies deploying WiMAX (a technology enabling the delivery of last mile wireless broadband access), WiFi (a wireless networking technology), and technologies to take advantage of the recent government spectrum auctions. There is also some demand from government and broadcasting entities.

#### **Wireline Products and Services**

##### ***Fiber Network Services***

First Communications provides carriers a complete infrastructure when a fiber solution is required. The services include dark fiber, private builds, and collocation space, along with the power and physical operations and maintenance of the fiber and associated infrastructure.

*Dark Fiber:* Dark fiber services provide dark (unlit) strands of fiber optic cable between target destinations for a customer's use in data and telecommunications networks. The customer installs its own optoelectronic equipment and this product permits a customer to use as much or as little capacity as it desires and to customize its capacity with feature-rich technology and deploy various network protocols.

*Private Build:* Private build services develop a custom dark fiber network between a customer's target sites. This may involve existing dark fiber in combination with construction of new routes and building entries. This is a system dedicated to the customer's own private network.

*Collocation:* Collocation is providing First Communications customers with space and power at strategic locations along the fiber optic network in which its customers install customer-owned electronic equipment. The collocation is often needed to regenerate a signal over a long distance or allow the customer to aggregate or deliver traffic.

Maintenance services are also provided for routine activities, such as moving the fiber cable for road widening projects, and non-routine activities such as emergency restoration. First Communications operates a 24 x 7 Network Management Center with on-call operators responsible for maintaining the fiber network and responding to emergency conditions.

**Business Solutions**

First Communications provides its customers with a comprehensive array of circuit-switched and IP voice and data communications services, including local and long-distance voice services, integrated voice and data services, Internet services and private data networking as well as value-added products and services designed to deliver an end-to-end communications offering to its target markets. First Communications leverages the scalability and broad technology base of its infrastructure to deliver products that address the increasingly complex communications needs of its customers. First Communications has deployed MPLS and softswitch equipment that allows it to deliver IP services and provide its customers with cost-effective alternatives to traditional TDM-based products. First Communications' products and services are offered with a range of alternatives and customized packages, which allows it to reach a larger number of potential business customers. First Communications' sales and marketing initiatives focus on bundling its products and services into a single competitively priced solution. First Communications believes this bundling of its products and services adds value for its business customers by providing specific services desired by small- and medium-sized businesses and increases the overall profitability of its operations.

First Communications recently introduced an Achieve product suite, which provides bundled applications-based product sets to small- and medium- sized businesses. The Essential T-1 product, part of the Achieve product suite, serves as a dynamic platform delivering 1.5 - 6.0 Mbps of dynamic bandwidth, as well as local voice and long distance over a single communication circuit. The applications available with this bundle are specifically tailored to provide enterprise level business benefits to First Communications' target markets. The Essential T-1 base package includes First Communications' application bundle overlaid on top of the base package, including features such as:

Voice	Data	Mobility
Fixed cost	Web hosting	Blackberry smartphones
Flexible long distance spending	Data storage and back up	Standard cell phones
Toll-free and conferencing services	Managed firewall	Remote access to call forwarding
Fax-to-email service		

The emphasis of Achieve is helping First Communications' target market do Big Business.

The following table summarizes First Communications' voice and data product and service offerings:

Voice Services	Data Services	Value-Added Products and Services
Local, regional, domestic and international services	Dedicated Internet T-1 access	Traditional and converged telephone systems
T-1 PRI services	Broadband Internet access	Enhanced e-mail security
Private line	Dial-up	Managed firewall
Voicemail	E-mail	Internet policy management
Caller identification	Collocation	Fax to Email
Call waiting	Metro Ethernet Services	Local Area Network/Wide Area Network integration
Call forwarding	Dynamic T-1 s from 1.5 to 6.0 Megabyte of High Speed bandwidth Integrated with Voice Services	Web hosting
Conference calling		Inside wiring
VoIP	Wireless Data via Blackberry	Data backup and recovery
Toll free services	Wireless Internet (WiFi) Connectivity	Unified Communications solutions
		Cellular

**Voice Services**

First Communications provides customized packages of voice services to fulfill all of its customers' voice communications needs. First Communications offers local telephone services, including basic voice services and vertical features such as call forwarding, call waiting, call transfer, calling number identification/calling name



identification plus enhanced services such as voice mail, direct inward dialing and automatic call back. First Communications' services are provided by leveraging its circuit-switched and IP-based network infrastructure. First Communications utilizes UNE-Loops, digital T-1 lines and, in certain instances, commercial agreements with AT&T, Qwest and Verizon to access its customers. In addition to local service offerings, First Communications offers a range of dedicated long-distance services to customers connected to its network. These include services that originate and terminate within the same local transport area and in different local transport areas, international services, one plus (1+) outbound services and inbound toll-free services. First Communications also offers ancillary long-distance services such as operator assistance, calling cards and pre-paid long-distance. In those instances where First Communications is not able to connect a customer to its network, First Communications resells the long-distance services of other communications carriers through agreements it has entered into with those carriers. First Communications generally sells its long-distance services as part of a bundle that includes one or more of its other service offerings.

#### ***Data Services***

First Communications' data service offerings are designed to provide a full range of products targeted at businesses that require single or multipoint high-speed, dedicated connections to the Internet. It provides dedicated transmission capacity on its network to customers that desire high bandwidth data links between locations. First Communications offers special access and point-to-point circuits to communications carriers and other high volume customers.

#### ***Integrated Services***

First Communications offers integrated voice and data packages to small- and medium- sized businesses. These integrated solutions include a variety of service options designed to accommodate customers' needs. Its integrated offerings result in significant savings over the average cost of buying these services from separate competitive voice and data providers. First Communications also offers integrated access services, which can reduce costs by combining local voice, long-distance and Internet access on a single facility. First Communications is focused on increasing the sales of its integrated packages provided over its network facilities as these services tend to provide increased profitability and reduced customer churn. In August 2007, First Communications added dynamic IP Integrated T-1 services to its communication solutions. This product leverages First Communications' MetaSwitch IP softswitch gateways and MPLS network to deliver highly flexible voice and data services over an IP T-1.

#### ***Value-Added Products and Services***

First Communications also provides other value-added products and services including:

*Managed Services.* First Communications' managed services offering includes web hosting services, managed firewalls, managed WAN services, email virus security and Internet browsing security.

*In-Building Broadband over Power Lines.* In-building BPL delivers a very high capacity (up to 200 Mbps) broadband Internet connection through the existing electrical infrastructure of a building, allowing for high-speed Internet, VoIP and video services, as well as value-added services such as security systems, monitoring, biometric access and e-concierge services. In-building BPL networks allow for high-speed Internet access through any electrical outlet. Once a BPL network has been installed, the customer has high-speed access to the Internet in the building simply by plugging a modem into any electrical outlet and plugging a PC or other Internet device into the modem. In-building BPL avoids the need for inside wiring. It can be used in new construction to avoid the expense associated with installing Ethernet cable, and in existing buildings where Ethernet cable is not available.

*Hardware Solutions.* First Communications provides customers premise equipment bundled with its telecommunications products, leading to a single source provisioning of bundled data and voice services. The equipment provided includes routers, integrated access devices, servers, and other voice and data equipment.

**Residential Solutions**

First Communications offers bundled local, long distance and cellular packages and a full suite of features and other value added services to residential customers:

Voice Services	Data & Other Services
Local, Regional, Domestic and International Services	BPL (limited basis)
Cellular Phones and Calling Plans	Dial-up Internet access
Voicemail	Fixed Wireless (limited basis)
Caller Identification	VoIP
Call Waiting	Inside Wiring
Ring Identification	
Conference Calling	

**Wireless Tower Services**

First Communications primary focus is the leasing of antenna space on its multi-tenant towers to a variety of wireless service providers under long-term lease contracts. These tower sites can accommodate equipment providing a variety of fixed and mobile wireless voice, data and video services delivered by various transmission technologies, including the upgrades the wireless service providers plan for their 3G and 4G networks. Site leasing revenues are received primarily from wireless service provider tenants. Wireless service providers enter into numerous leases with First Communications, each of which relates to the lease or use of space at an individual tower site. Tenant leases are generally for an initial term of five years renewable for four 5-year periods at the option of the tenant. These tenant leases typically contain specific rent escalators, which average 3-4% per year, including the renewal option periods.

As of September 30, 2008, First Communications operated 327 towers. First Communications intends to grow the tower portfolio by leveraging the FirstEnergy Corp. infrastructure and property available to First Communications.

First Communications site development service is part of its site leasing business and provides the ability to keep in close contact with the wireless service providers who generate substantially all of the site leasing revenue and capture ancillary maintenance revenues. Through First Communications site development effort, it offers customers the following range of services: (i) identification of potential locations for towers and antennas; (ii) site visits/audits; (iii) consultation on site layout and design; (iv) engineering review of structural analysis; (v) support in leasing the location; (vi) assistance in obtaining zoning approvals and permits; (vii) construction oversight, and (viii) ongoing structure and antennae maintenance and emergency restoration services. In addition, First Communications is adding wireless backhaul to its product menu. This service will leverage both the fiber optic network and its LMDS licenses to major wireless carriers and small- and medium-sized businesses. First Communications operates a 24 x 7 network control center and employees are on-call for maintenance and emergency restoration activities such as antennae replacement or adjustment.

**Network Overview**

First Communications employs a smart-build facilities-based strategy in deploying its network. First Communications purchases and installs its own switching and collocation equipment and uses its owned metro and long-haul fiber or leases the required transmission capacity. First Communications occasionally purchases fiber transmission capacity, but only after achieving high utilization of its primarily leased transmission capacity. The network deployment strategy is focused on deploying capital after reaching a sufficient critical mass of customers, reducing the risk of stranding assets in under-utilized markets. The network can support provision of triple play voice, data and video applications via one network at a much lower cost than traditional telephony networks.

First Communications has assets and facilities that have the breadth and flexibility to address the complex data, voice and infrastructure demands of its target customers. By providing services utilizing its owned facilities, it can



(i) ensure service quality and reliability, (ii) maintain attractive margins and cash flow, (iii) provide advanced and differentiating solutions and (iv) have greater control over customer care and service delivery. First Communications accesses its customers using, among other methods, unbundled network elements, digital T-1 transmission lines, fiber, fixed wireless and BPL for products provisioned on on-net. In addition, it has commercial agreements with AT&T, Qwest and Verizon under which it provides off-net alternatives.

#### ***Voice and Data Switches***

First Communications currently has MetaSwitch IP softswitches and regional switching centers in multiple markets. The MetaSwitch IP softswitch gateways offer a complete suite of integrated voice services, delivering local, long-distance, Centrex services and a full suite of CLASS 5 services which provide dial tone, local switching and access to the rest of the network that its customers currently utilize. In addition, First Communications operates three Siemens EWSD long-distance switches in Los Angeles, New York and Akron, Ohio, which carry over 40 million minutes of long-distance call traffic per month. These switches have direct connections to the major RBOCs tandems along the East and West coasts, Texas and Ohio. In areas where First Communications does not have direct interconnects, it relies on Tier 1 long-distance carriers to transport calls to its switches for further processing. In order to ensure a more reliable and cost effective completion of calls, First Communications operates a least cost routing system, which automatically chooses the lowest cost routing option from among a dozen or more carriers.

#### ***Collocations and Edge Equipment***

First Communications is currently collocated in 106 collocation facilities with hubbing in an additional 47 collocations. The Zhone Universal Edge, or UE, family of products, deployed in ILEC collocations, allows First Communications to deliver voice, or plain old telephone service, known as POTS, T-1 voice, Primary Rate Interface data T-1s, integrated voice and data T-1s.

#### ***Network Infrastructure***

First Communications currently operates a technologically advanced, multi-state fiber network consisting of high-bandwidth metropolitan fiber rings and interstate long-haul fiber systems. First Communications employs its network assets and facilities to increase the operating efficiency and enhance the reliability of its customers product offerings. The network is comprised of 3,800 route miles and over 233,715 fiber miles throughout seven states, including, Ohio, Pennsylvania, New Jersey and New York and metro rings in Akron, Ohio; Cleveland, Ohio; Toledo, Ohio; Youngstown, Ohio; Erie, Pennsylvania; Harrisburg, Pennsylvania; and Chicago, Illinois with the acquisition of Globalcom.

#### ***Next Generation IP and Fiber Transport System***

First Communications has deployed a next generation IP-centric overlay network, with MPLS-enabled core and edge routers located in Chicago, Cleveland, Columbus, Akron, New York and Pittsburgh, and next generation softswitch technology from MetaSwitch and Nortel to handle future growth and support new IP-based services. First Communications believes that the deployment of this infrastructure will support growth needs and cost reduction while facilitating the migration of customers to VoIP technology and services, and enhancement of automated flow-through provisioning of services through the switch application programming interface. Through its next generation platform, First Communications expects to expand its product line and geographic market reach to include dynamic VoIP integrated T-1s and MPLS virtual private networks as well as traditional services such as Frame Relay and Asynchronous Transfer Mode ( ATM ).

First Communications has deployed a 600 route mile metro Ethernet network throughout Northeast Ohio and Western Pennsylvania to support wholesale and enterprise customers. The system currently supports speeds up to two gigabits through wave division multiplexing and can be expanded to support speeds up to eight gigabits. By

using a native Ethernet architecture, First Communications can inexpensively add large bandwidth customers and provide true last mile diversity from the ILEC.

First Communications deployed six initial OC48 synchronous optinca network (SONET) nodes in Chicago and Northeast Ohio to provide connectivity to LEC collocation sites and carrier hotels to reduce leased facility costs and deploy new high bandwidth IP applications. An additional 14 nodes are expected to be deployed in 2009.

#### ***Customer Access Methods***

First Communications' smart-build strategy for acquiring new customers and deploying network facilities is designed to create customer density before deploying significant network capital. This approach to network and customer management allows First Communications to acquire customers in targeted geographic areas using off-net access methods, and then build out collocations based on its penetration in specific ILEC central offices. This strategy enables First Communications to take advantage of the pre-existing switching and transport facilities of the ILEC and/or other access providers, thus minimizing its need to spend capital in advance of orders and reducing its risk of inefficient capital investments or stranded plant. Once First Communications reaches sufficient customer density within an ILEC central office, it deploys the necessary equipment and facilities to provide on-net service in that ILEC central office, thus making it a collocation.

When constructing the network, First Communications' objective is to own the intelligent components such as switches, network electronics and software, but where it does not own fiber transport, it will lease readily available transport elements. This strategy provides First Communications with significant cost and time-to-market advantages. By owning the switches, First Communications can configure its network to provide high performance, high reliability and cost-effective solutions for its customers' needs. By leasing its own transport lines where First Communications does not own fiber, it can reduce upfront capital expenditures, and offer service ubiquitously within a collocation, which leads to a larger addressable market than business models that are based on building dedicated facilities to specific customer locations.

First Communications delivers services to customers through one or more of the following access methods:

*On-Net T-1 / On-Net UNE-Loops.* On-net T-1 is a leased high capacity connection directly from First Communications' collocation equipment to the customer's location. This T-1 can provide voice, data or integrated communications services to its customers. T-1s are generally the most cost-effective and reliable access method. To provide voice lines to residential and small business accounts, First Communications collocates its access equipment in an ILEC central office and leases UNE-loops from its equipment to the customer premise. For the three months ended September 30, 2008, sales of integrated T-1 lines and POTS lines, installed on-net, contributed 84.5% of newly acquired revenue.

*Off-Net.* Off-net access methods are used to implement First Communications' smart-build strategy by acquiring customers located in ILEC central offices in which there is not yet sufficient density to build a collocation. Off-net access is also used in order to be able to serve all locations of a multi-location account. There are two major forms of off-net access. The first is utilizing the transport and/or loops and facilities of an alternative communications provider other than the ILEC. First Communications has contracts with several major providers of access and transport. The second form of off-net access is provided through the ILEC. First Communications has entered into commercial agreements with AT&T, Qwest, Verizon, McLeod and One Communications, which guarantee multi-year availability and predictable pricing for the required access and associated features needed to provide services to its end-users. First Communications' commercial agreement with AT&T extends through September 2010, with Qwest through January 2011, with Verizon through February 2011, with Paetec through January 2011, and with One Communications through July 2009.

*Wireless.* First Communications owns 15 LMDS A-block spectrum licenses, with 1150 MHz of spectrum per market. LMDS is an authorized, point-to-multipoint fixed wireless service that provides a high-capacity broadband connection. First Communications has deployed an LMDS service and intends to use last mile

wireless access opportunistically as a cost effective replacement for leasing access from the ILEC or another competitive service provider.

*BPL.* First Communications has a 50% interest in the FirstSpeed joint venture, which is involved in a pilot project for the purpose of offering customers access to BPL along FirstEnergy Corp. power lines. Access BPL is designed to provide broadband telecommunications and Internet access to commercial and residential customers, by installing additional equipment attached to an electric utility's power lines, thereby permitting broadband telecommunications to travel over the electricity lines. As with utilizing First Communications' LMDS spectrum as an access technology, First Communications will leverage its BPL technology in situations where the platform is the most appropriately suited to serve the needs of the customer.

## **Marketing and Sales**

### ***Marketing***

First Communications' marketing strategy is based on offering small- and medium-sized businesses access to communications-based applications to improve their businesses. This market segment is challenged to find the resources and combination of service from many different providers to serve their needs. First Communications has developed a unique set of applications to allow small businesses to compete with big businesses. These applications are delivered to the customer over high bandwidth T-1 access lines, DS-3 and Ethernet services. Current applications are based on voice communications such as local, long distance and conferencing, data needs such as Internet, security, storage, and web hosting and mobility needs such as Blackberry, wireless data access and cell phone services. Customers in this segment provide First Communications high margin revenue, have low churn rates, sign long-term, multi year agreements and have lower than average support costs.

Marketing support is provided to the First Communications sales channels in many forms. In addition to printed materials and sales promotions, First Communications sales professionals are provided with qualified leads and vertical marketing programs. First Communications' affinity partners represent over one hundred commercial trade organizations whose members are encouraged to participate in the program by purchasing their voice and data needs from First Communications. Brand recognition is developed through press releases, media advertising and editorial coverage in industry publications.

### ***Sales***

First Communications' sales organization consists of three separate sales channels – direct, client care and indirect – to reach small- and medium-sized businesses. The direct sales channel is principally aimed at acquiring new customers, the client care channel is aimed at up-selling and renewing existing customers and the indirect sales channel is made up of independent agents from outside First Communications that both bring new customers and service their existing base of customers. Each channel enables First Communications to provide a bundled product offering of voice and data communications through a consultative analysis of each customer's specific needs. By developing a detailed proposal based on each customer's individual requirements for network configuration, service reliability, future expansion and budget constraints, First Communications delivers the quality, reliability and value that customers demand. First Communications' pricing and sales commission plans provide significant incentives for sales of higher-margin T-1 based products in its on-net territories for two and three year terms.

The direct sales organization is made up of sales personnel that call on small- and medium- sized business prospects in their designated geographic territories. First Communications has sales teams, typically a district manager and five to eight sales professionals, located in Cleveland, Columbus, Akron, Grand Rapids, Detroit, and Chicago. First Communications' direct sales teams are comprised of 48 sales professionals supported by full-time sales engineers, who serve as pre sales and post sales technical overlay support.

First Communications provides special services to key clients. First Communications' client care group consists of a full time sales team of eleven people, with an aggregate of over 50 years of telecommunications industry experience in direct sales. First Communications also has a team of seven account relations managers whose primary

responsibility is advanced customer care. These professionals provide consultative business and technical solutions to a select group of First Communications key strategic customers. The team has been professionally trained in-house in legacy and next generation voice and data sales transport technologies.

First Communications indirect sales team leverages an extensive network of independent sales agents focusing on specific market segments. The indirect sales team is comprised of eight quota-bearing agent managers, specifically trained and deployed to provide consultative services and support to the indirect sales channel independent sales agents who focus on customers who are already aligned with a communications consultant that may not provide many of the services First Communications provides and who are looking to their consultant for a solution. Over 160 indirect sales agents provided approximately 44% of First Communications new sales for the period from September 30, 2007 to September 30, 2008.

### **Service Agreements with Carriers**

First Communications obtains services from AT&T, Qwest and Verizon through state-specific interconnection agreements, commercial agreements, local wholesale tariffs and interstate contract tariffs. First Communications currently has interconnection agreements in effect with AT&T, Qwest and Verizon for California, Colorado, Florida, Iowa, Illinois, Indiana, Kansas, Massachusetts, Michigan, Minnesota, Montana, North Dakota, Nebraska, New Jersey, New York, Ohio, Oregon, Pennsylvania, Texas, Washington and Wisconsin. Though the initial terms of all of the interconnection agreements has expired, each of these agreements contains an evergreen provision that allows the agreement to continue in effect until terminated with the exception of the AT&T interconnection agreements in California, Kansas, Texas and Wisconsin which First Communications has extended to December 2010. First Communications is in the process of renegotiating the terms of its multiple AT&T interconnection agreements. First Communications has entered into commercial agreements with AT&T, Verizon and Qwest to purchase a substitute product at rates based on the former unbundled network platform rates plus a surcharge that increases over time. First Communications has converted substantially all of its unbundled network platform lines to these new products. The commercial agreement with AT&T expires in September 2010, the commercial agreement with Verizon expires in February 2011 and the commercial agreement with Qwest expires in January 2011. These agreements are subject to earlier termination in certain circumstances, including termination if a regulatory authority asserts jurisdiction over an agreement.

First Communications maintains agreements with a number of other carriers for the provision of network facilities, including fiber routes and high capacity loops and transport, and local voice and data services. These agreements often provide cost-effective alternatives to ILEC-provided services. First Communications also maintains agreements with a number of different long distance carriers. Under the terms of these long distance contracts, after meeting certain minimum purchasing requirements, First Communications is able to choose which services and in what volume it wishes to obtain the services from each carrier. Finally, First Communications maintains agreements with various entities for ancillary services such as out-of-band signaling and directory assistance.

### **Operational Support Systems**

First Communications cost-effectively developed and continues to improve and update a state-of-the-art operational support system ( OSS ) that connects all facets of the business including: sales, billing, customer care, order provisioning and tracking, circuit monitoring and inventory, fiber network management, fraud monitoring and detection, and collection services. This system has been designed to allow for management and reporting of mission critical data and centers around its billing and customer support platform (Teleflex), which runs on an IBM AS/400 utilizing 16 gigabytes of memory and 4 terabytes of storage. This software has been in production for 15 years and the source code is owned and maintained by First Communications.

The core OSS combines extensive internal developments with licensed software and applications, integrated through in-house and contracted development resources. Software supporting business processes and operations have been developed largely in RPG, with some front end systems written in ASP, supporting both portability and

scalability. Systems supporting network management and operation are composed of licensed core applications platforms that have been customized and integrated by in-house and contracted software developers. Process automation is achieved through various applications, which are generally integrated with workflow management to drive work orders through from start to finish.

First Communications continues to develop and invest in its OSS infrastructure to maintain its unparalleled scalability and flexibility, which has allowed for unprecedented timeframes to complete system integrations of new acquisitions. This continued development and implementation of the OSS has improved provisioning time in First Communications' markets and reduced operating costs across all divisions. First Communications' applications include the following:

#### ***Teleflex***

First Communications utilizes Teleflex for customer management, billing, call rating, accounts receivable, revenue assurance, collections and dunning. Teleflex enables First Communications to preview and run each of the multiple bill cycles and customer account information for the many different, tailored service packages, increasing customer satisfaction while minimizing revenue leakage. Enhanced development of Teleflex provides the flexibility for extensive and intuitive management reports that allow customers the insight to manage their communications costs and usage. All billing information is available on-line via a customer bill presentment web portal, for viewing, analysis and downloading of data. All billing information, including a .pdf image of the actual bill, is available on demand in real-time to customers, increasing customer satisfaction.

First Communications has developed a robust revenue assurance module in Teleflex, which ensures the bills sent to customers are accurate, manages fraud and reconciles cost of goods sold against billed revenue. The revenue assurance module enables First Communications to analyze multiple ILEC and long distance carrier bills that First Communications receives on a monthly basis, performing comprehensive audits and identifying inconsistencies, and charging irregularities. The revenue assurance module also allows for detailed margin analysis on a customer by customer basis for the majority of the First Communications customer base. Management reporting is automatically generated for work lists and workflow management allowing for a rapid response from First Communications for filing vendor disputes or resolving billing issues.

The automated collections module in Teleflex was developed by in-house software developers and is integrated with the billing and accounts receivable modules, which increases the efficiency of First Communications' collection process, accelerates the collection of accounts receivable and assists in the retention of valuable customers.

#### ***Direct Order Entry (DOE)***

Direct order entry ( DOE ) is an internally developed application in a Microsoft environment. DOE provides modules that support workflow management, track and report sales quotes, order sales to new customers, move, add and change existing customers, repair and trouble tickets, circuit inventory, field technician dispatching, monitor call center, customer payment interface and invoice copy lookup. DOE interfaces with Teleflex to automatically update billing and status information for many order types. DOE also interfaces TRS-on-demand electronic bonding software by Concretio for provisioning automation.

First Communications' order entry and provisioning systems enable it to shorten the customer provisioning time cycle and reduce associated costs. The sales process is managed by this web based front end tracking system, allowing full sales management from quote through customer contract. An integrated component of DOE is automated sales quote generation, which utilizes automated pre-order address validation via e-bonding; locating a potential customer within First Communications network footprint in order to identify service availability and zone pricing. This simplifies the creation of professional and complete proposals in real-time in support of the sales process and to hasten the closing of sales deals. Order entry is conducted by sales operations through the DOE web portal, which provides a highly efficient method for tracking sales productivity. Prior to submitting an order for access service to the RBOCs, First Communications performs customer credit approval and automatically

obtains and processes the customer's service record detailing the customer's existing phone service to establish their data records in the First Communications centralized customer records database. This has enabled First Communications to deliver an automated flow-through customer provisioning process for qualified and verified orders.

#### ***Other Systems***

First Communications utilizes Goldmine Corporate Edition for customer relationship management and opportunity management. Goldmine allows sales personnel to manage all phases of the pre-sale customer relationship cycle.

First Communications utilizes HP Openview for network monitoring. HP Openview allows real time monitoring of First Communications' voice and data network infrastructure and customer circuits. First Communications also utilizes two additional external applications to manage network circuit inventory, Circuit Vision and Granite.

First Communications utilizes Complete Suite by Concretio which is a workflow engine designed for facilities based ordering.

#### **Wireline Competition**

The communications industry is highly competitive. First Communications believes it competes principally by offering superior customer service, accurate billing, a broad set of services and systems tailored to small to medium-sized business customers and competitive pricing. First Communications competes with the RBOCs, other competitive local exchange carriers and new market entrants (including cable TV companies, VoIP providers and wireless companies), interexchange carriers, data/Internet service providers and vendors, installers and communication management companies.

#### ***Regional Bell Operating Companies***

In each of the existing markets, First Communications faces, and expects to continue to face, significant competition from RBOCs (principally AT&T and Verizon), which currently dominate their local communications markets as a result of their historic monopoly position. The RBOCs have also entered the long distance market and offer data and Internet services.

The RBOCs have long-standing relationships and strong reputations with their customers, as well as financial, technical, marketing personnel and other resources substantially greater than First Communications. In addition, the RBOCs have the potential to subsidize competitive services with revenues from a variety of businesses and currently benefit from existing regulations that favor them over First Communications in some respects. First Communications expects that the RBOCs will continue to be the beneficiaries of increased pricing flexibility and relaxed regulatory oversight, which may provide them with additional competitive advantages.

#### ***Competitive Local Exchange Carriers and New Market Entrants***

First Communications faces competition from other competitive local exchange carriers, operating both on a facilities and non-facilities basis. Some of these carriers have competitive advantages over First Communications, including substantially greater financial, personnel and other resources, brand name recognition and long-standing relationships with customers. In addition, the industry has seen a number of mergers and consolidations among competitive local exchange carriers in an effort to gain a competitive advantage in the sector, while some have entered and subsequently emerged from bankruptcy with dramatically altered business plans and financial structures. Both of these groups may have the ability to offer more competitive rates than First Communications can offer. Significant customers include Cbeyond, Inc., Cavalier Communications, Inc. and PAETEC Holding Corp.

In addition, First Communications faces competition from new and potential market entrants such as cable television companies, wireless service providers, electric utilities and providers using VoIP over the public Internet

or private networks. Cable television companies have entered the communications market by upgrading their networks with hybrid fiber coaxial lines and installing facilities to provide fully interactive transmission of broadband voice, video and data communications. While many competitive local exchange carriers have always targeted small- and medium-sized enterprises and multi-location customers, cable television companies are increasingly targeting these customers and are doing so at rates lower than First Communications generally offers. Wireless service providers are providing not only voice, but also broadband, substitutes for traditional wireline local telephones. Electric utility companies have existing assets and low cost access to capital that could allow them to enter a market and accelerate network development. Many VoIP providers operate down-market from the First Communications target audience and are offering a lower quality service, with little or no Quality of Service ( QoS ), primarily to residential customers. Many ILECs and interexchange carriers have deployed VoIP technology for business customers by offering higher quality, QoS-supported, services. VoIP providers are currently subject to substantially less regulation than traditional local telephone companies and do not pay certain taxes and regulatory charges that First Communications is required to pay.

#### ***Interexchange Carriers***

Interexchange carriers (principally AT&T and Verizon) that provide long distance and other communications services offer or have the capability to offer switched local, long distance, data and Internet services. Some of these carriers have vast financial resources and a much larger service footprint than First Communications. In addition, there have been a number of mergers and consolidations among interexchange carriers and between ILECs and interexchange carriers that have allowed carriers to expand dramatically the reach of their services and, thus, to gain a significant competitive advantage. These consolidated entities may have the ability to offer more services and more competitive rates than First Communications can offer.

#### ***Data/Internet Services Providers***

The Internet services market is highly competitive, and First Communications expects that competition will continue to intensify. Internet service, including both Internet access and on-line content services, is provided by Internet services providers, ILECs, satellite-based companies, interexchange carriers and cable television companies. Many of these companies provide direct access to the Internet and a variety of supporting services to businesses and individuals. In addition, many of these companies, such as AOL and MSN, offer online content services consisting of access to closed, proprietary information networks. Interexchange carriers, among others, are aggressively entering the Internet access markets. Long distance providers have substantial transmission capabilities, traditionally carry data to large numbers of customers and have an established billing system infrastructure that permits them to add new services. Satellite companies are offering broadband access to Internet from desktop PCs. Cable companies are providing Internet services using cable modems to customers in major markets. Many of these competitors have substantially greater financial, technological, marketing, personnel, brand recognition and other resources than those available to First Communications.

#### ***Vendors, Installers and Communication Management Companies***

First Communications competes with numerous equipment vendors and installers and communications management companies for business telephone systems and related services. First Communications generally offers its products at prices consistent with other providers and differentiates its service through product packages and customer service.

#### ***Wireless Tower Competition***

##### ***Site Leasing and Development***

The primary competitors for First Communications site leasing activities are (i) the large independent tower companies, American Tower Corp., Crown Castle International and SBA Communications, (ii) a large number of smaller independent tower owners, (iii) wireless service providers who currently market excess space on their owned

towers to other wireless service providers and (iv) alternative facilities such as rooftops and, broadcast towers. There has been significant consolidation among the large independent tower companies in the past three years. Specifically, American Tower Corp. completed its merger with SpectraSite, Inc. in 2005, and Crown Castle International completed its merger with Global Signal, Inc. in 2007. As a result of these consolidations, American Tower and Crown Castle have substantially more towers and greater financial resources than First Communications does. Wireless service providers that own and operate their own tower networks are also generally substantially larger and have greater financial resources than First Communications does. First Communications believes that tower location and capacity, quality of service to its tenants, and, to a lesser extent, price have been and will continue to be the most significant competitive factors affecting the site leasing business.

### Intellectual Property

First Communications relies on a combination of copyright, trademark and trade secret laws, as well as licensing agreements, third party non-disclosure agreements and other contractual provisions and technical measures to protect its intellectual property rights. No individual trademark or copyright is material to its business. Generally, all licensing agreements are perpetual in duration.

### Employees

As of September 30, 2008, pro forma for the acquisition of Globalcom, First Communications had approximately 376 employees, including approximately 49 direct quota-bearing sales representatives. First Communications employees are not members of any labor unions. First Communications believes that relations with its employees are good and has not experienced any work stoppage due to labor disputes.

### Properties

First Communications' corporate headquarters is located in Akron, Ohio and it conducts its principal operations in Ohio, Illinois and Pennsylvania. First Communications does not own any of its facilities. The table below lists its current material leased facilities.

Location	Use	Approximate Square Footage	Lease Expiration
Akron, OH	Corporate Headquarters	33,345	February 28, 2013
Akron, OH	Switch Facility	2,400	February 28, 2010
Worthington, OH	Sales Office, Switch Facility	13,600	February, 28 2009
Pittsburgh, PA	Network Operations Center	3,800	August 31, 2011
Cleveland, OH	Sales Office	3,540	March 31, 2010
Cleveland, OH	Switch Facility	4,375	October 20, 2009
Cleveland, OH	Operations Center	3,300	December 31, 2009
Cleveland, OH	Warehouse	5,000	February 28, 2009
Los Angeles, CA	Switch Facility	6,390	MTM
New York, NY	Switch Facility	6,000	June 30, 2010
San Diego, CA	Operations Center	15,498	April 30, 2011
Southfield, MI	Sales Office	1,570	February 28, 2009
Reading, PA	Sales Office, Operations Center	2,500	September 30, 2013
Lauderdale, PA	Warehouse	6,000	May 31, 2010
Chicago, IL	Sales Office, Operations Center	30,274	November 30, 2013
Chicago, IL	Switch Facility	6,647	May 31, 2009
Lombard, IL	Sales Office	6,175	October 31, 2013





**Legal Proceedings**

First Communications may be involved in various legal proceedings arising in the ordinary course of business, none of which is material to its business.

**Management**

The current directors and executive officers of First Communications are as follows:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Raymond Hexamer	47	Chief Executive Officer and Director Chief Operating and Financial Officer and
Joseph R. Morris	38	Director
Richard J. Buyens	52	President
Theodore V. Boyd	66	Chairman of the Board
David Johnson, II	47	Senior Vice President Sales and Marketing
Marshall B. Belden Jr.	60	Director
Mark T. Clark	58	Director
Scott M. Honour	42	Director
Mark R. Stone	44	Director
H. Arthur Bellows, Jr.	70	Director

**H. Arthur Bellows, Jr.** has served as a director of First Communications since July 2007, and has been an investor in McKinley Communications, Inc. since 2005. Mr. Bellows has also served as the Chairman of Braeburn Associates (a private holding personal investment company), since 1999, and as Chairman of The Finance Network, LLC (a private financial services firm) since 1999. In 1967 Mr. Bellows founded Triangle Corporation, of which he served as Chairman, President and Chief Executive Officer until 1995. Mr. Bellows served as director of Hexcel Corporation (NYSE) from 2000 to May 2008; and, as director of Beacon Roofing Supply, Inc. (NASDAQ) since 2005; and, President and director of Audits & Surveys Worldwide, Inc. (AMEX) from 1995 to 1999. Mr. Bellows received a Bachelor of Arts in Political Science from Princeton University and an MBA from Harvard Business School.

Mr. Bellows will not serve as a director of the post-merger combined company. For a description of First Communications' current executive officers and directors who will continue in such capacities with the post-merger combined company, see *The Director Election Proposal*.

## **FIRST COMMUNICATIONS MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following discussion and analysis should be read in conjunction with the financial statements and related notes and the other financial information appearing elsewhere in this proxy statement. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. See the section entitled "Forward-Looking Statements" for more information. Actual results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including those discussed in "Risk Factors" and elsewhere in this proxy statement.*

*In the interest of providing a more fulsome presentation of First Communications' financial performance since its inception in July 2007 and of the historical performance of its subsidiaries, FC LLC and Xtension, this discussion and analysis includes comparisons of: First Communications' consolidated financial results for the nine months ended September 30, 2008 to First Communications' results for the period from July 2, 2007 through December 31, 2007 together with results for FC LLC and Xtension for the period from January 1, 2007 through July 1, 2007; FC LLC results for the year ended December 31, 2007 and the year ended December 31, 2006; and Xtension results for the year ended December 31, 2007 to the year ended December 31, 2006.*

### **Overview**

First Communications common stock is publicly traded on the AIM. First Communications was formed on April 4, 2007 but did not have any material activity until July 2, 2007, upon completion of its listing on the AIM.

First Communications and its subsidiaries provide local and long-distance telephone, data, fiber and other telecommunications related services to commercial and residential customers throughout the United States. Certain First Communications subsidiaries are subject to regulation by state public service commissions for intrastate telecommunications services. For applicable interstate matters related to telephone service, certain First Communications subsidiaries are subject to regulation by the FCC.

### **Key Components of Results of Operations**

#### ***Revenues***

Revenues consist almost exclusively of local telephone service, long distance service, fiber, data and other recurring services. Local service reflects the total packages sold to both commercial and residential customers, including the monthly line rental and other charges (such as voicemail, call waiting, free long distance and other features). Long distance services (including toll-free intra and inter-state) relate to both switched and dedicated T-1 or DS-3 usage based services for commercial customers. Data and other recurring charges primarily relate to the monthly fees charged to corporate customers for their dedicated service lines (such as MPLS, Frame Relay, fixed wireless, dedicated Internet or other dedicated connections).

Monthly recurring service revenues are recognized in the month the services are used. In the case of local service revenues, mobile service and dedicated access connections, charges are billed in advance but accrued for and recognized on a prorated basis based on length of service in any given month.

#### ***Cost of Facilities***

First Communications' cost of facilities consists primarily of the costs of operating its network facilities and costs incurred from purchasing wholesale services from other carriers. The network components for its facilities-based business include the cost of:

Maintenance of fiber transport services;

Leasing local loops and digital T-1 lines that connect its customers to its network;

Leasing high capacity digital lines that connect its switching equipment to its collocations;



Leasing high capacity digital lines that interconnect its network with the RBOCs;

Leasing space, power and terminal connections in the RBOC central offices for collocating its equipment;

Signaling system network connectivity;

Leasing or maintaining its long-haul Internet backbone network; and

Internet transit and peering, which is the cost of delivering Internet traffic from its customers to the public Internet.

The costs to lease local loops, digital T-1 lines and high capacity digital interoffice transport facilities from the RBOCs vary by carrier and state and in many cases are regulated under federal and state laws. In virtually all areas, First Communications leases local loops, T-1 lines and interoffice transport capacity from the RBOCs. Cost of facilities also includes the fees First Communications pays for long distance, data and other services. First Communications accounts for all of its network depreciation in depreciation and amortization expense and does not include any depreciation expense in cost of facilities.

#### ***Sales, General and Administrative Expenses***

Sales, general and administrative expenses are comprised primarily of employee compensation and benefits, commissions, occupancy costs, bad debt, operating taxes, billing expense and professional services.

#### ***Depreciation and Amortization***

Depreciation and amortization expense includes depreciation for network related voice and data equipment, back office systems, furniture, fixtures, leasehold improvements, office equipment and computers. All internal costs directly related to the expansion of its network and operating and support systems, including salaries of certain employees, are capitalized and depreciated over the lives of the switches or systems, as the case may be.

#### **First Communications Consolidated Financial Results for the Nine Months Ended September 30, 2008 and Comparison to the Nine Months Ended September 30, 2007**

##### ***Revenues***

Revenues for First Communications for the nine months ended September 30, 2008 increased by \$15.0 million, or 15.3%, to \$113.5 million from \$98.4 million for the nine months ended September 30, 2007. Approximately \$11.3 million of this increase is due to the integration in the nine months ended September 30, 2008 of seven months of 2008 financial results from First Communications' acquisition of the assets and customer base from First Energy Telecom Services, Inc. ( FE Telecom ) and \$3.8 million is due to organic growth of First Communications and Xtension. First Communications' strategy has been to increasingly focus on the small- and medium-sized businesses market in key geographical areas, and the supply of higher margin services, including dedicated T-1 integrated voice and data on-net services, while de-emphasizing some of its legacy voice services.

##### ***Cost of Facilities***

Cost of facilities for First Communications for the nine months ended September 30, 2008 increased by \$0.5 million, or 0.8%, to \$69.8 million from \$69.3 million for the nine months ended September 30, 2007. Cost of facilities increased \$6.0 million due to the acquisition of FE Telecom, which increase was partially offset by a \$5.7 million decrease due to First Communications' success in increasing the percentage of revenue serviced on First Communications' owned network and in selling higher margin dedicated T-1 products while de-emphasizing legacy voice services. For the nine months ended September 30, 2008, over 84% of newly acquired revenue was sold via T-1 on-net services.

***Selling, General and Administrative Expenses***

Sales, general and administrative expenses for First Communications for the nine months ended September 30, 2008 increased by \$4.1 million, or 18.8%, to \$26.2 million from \$22.0 million for the nine months ended September 30, 2007. \$0.9 million of the increase came from operating expenses associated with managing the FE Telecom assets and \$2.3 million of the increase was associated with an increase in investment in sales and marketing initiatives.

***Depreciation and Amortization***

Depreciation and amortization charges increased from \$6.3 million for the nine months ended September 30, 2007 to \$8.5 million for the nine months ended September 30, 2008, based on additional depreciation and amortization associated with the FE Telecom assets acquired in March 2008.

***Operating Income***

Operating income increased by \$8.1 million from \$0.9 million for the nine months ended September 30, 2007 to \$9.0 million for the nine months ended September 30, 2008 as a result of higher gross margin on-net services, continued expansion of higher margin T-1 customers and the integration of seven months of financial results from First Communications acquisition of the assets and customer base of FE Telecom.

***Interest Expense***

Interest expense increased by \$1.8 million for the nine months ended September 30, 2008. This increase was due to borrowings under First Communications new credit facility entered into in 2008 which was primarily used to finance the acquisitions of FE Telecom and Globalcom and the redemption of \$25.0 million of First Communications Series A Preferred Stock.

***Income Taxes***

Income taxes increased by \$2.0 million for the nine months ended September 30, 2008 primarily due to an increase in income before income taxes of \$6.2 million for the nine months ended September 30, 2008.

***Net Income***

Net income for First Communications for the nine months ended September 30, 2008 was \$4.0 million compared to a net loss for the nine months ended September 30, 2007 of \$0.2 million.

**FC LLC Results for the Year Ended December 31, 2007, and Comparison to the Year Ended December 31, 2006**

***Revenues***

Revenues for FC LLC were \$106.4 million for the year ended December 31, 2007, which represented an increase of 46.4% from \$72.7 million for the year ended December 31, 2006. This growth in revenue was the result of a \$27.5 million increase in revenue from the acquisition of certain assets of Acceris in February 2007 and a \$6.2 million increase due to ongoing sales efforts from within FC LLC.

***Cost of Facilities***

Cost of facilities for the year ended December 31, 2007 increased to \$70.8 million, or 40%, from \$50.6 million for the year ended December 31, 2006. Increased costs were attributed to the increased revenue offset by the reduction of expenses paid to wholesale carriers related to off-net services.

***Selling, General and Administrative Expenses***

Selling, general and administrative expenses for FC LLC increased by \$9.0 million, or 52%, to \$26.4 million for 2007 from \$17.4 million for 2006. As a percentage of revenues, FC LLC's selling, general and administrative expenses for the year ended December 31, 2007 increased moderately to 24.8%, compared to 23.9% for the year ended December 31, 2006. Although cost reduction strategies met or exceeded management's expectations, these reductions were offset by continued investments in sales and marketing which increased from \$4.3 million in 2006 to \$6.7 million in 2007. Sales and marketing expenses increased related to the expansion of the direct sales force of FC LLC including the addition of 30 new voice and data sales representatives in the Ohio markets of Cleveland, Columbus, Akron and Canton.

***Depreciation and Amortization***

FC LLC's depreciation and amortization charges increased from \$2.4 million in 2006 to \$5.9 million in 2007 due to the acquisition and subsequent depreciation of the Acceris assets, coupled with increased amortization associated with new appraisals of customer lists.

***Operating Income***

Income from operations for FC LLC increased 40% from \$2.3 million in 2006 to \$3.3 million in 2007, primarily due to increased revenue and gross profit, offset by increased depreciation and amortization expense and taxes paid in the second half of 2007.

***Net Income***

Net Income for FC LLC increased 11% from \$1.9 million in 2006 to \$2.2 million in 2007.

**Xtension Results for the Year Ended December 31, 2007, and Comparison to the Year Ended December 31, 2006**

***Revenues***

Revenues for Xtension for the year ended December 31, 2007 were \$26.3 million, a decrease of 23.6% from \$34.4 million for the year ended December 31, 2006. The \$8.1 million decline in revenues was due to a fall-off in demand in the provisioning of voice services by certain customers based on increasing prices.

***Cost of Facilities***

Cost of facilities for Xtension for the year ended December 31, 2007 decreased to \$20.2 million, or 16%, from \$24.2 million for the year ended December 31, 2006, due to lower revenues for the period.

***Selling, General and Administrative Expenses***

Selling, general and administrative expenses for Xtension decreased from \$5.1 million in 2006 to \$3.5 million in 2007. The decrease was based on lower commission and other sales expenses associated with lower revenue for the period. As a percentage of revenue, selling, general and administrative expenses nominally decreased from 14.8% in 2006 to 13.4% in 2007.

***Depreciation and Amortization***

Xtension depreciation and amortization expense decreased from \$0.03 million in 2006 to \$0.02 million in 2007. As a percentage of revenue, depreciation and amortization for both periods was 0.1%.

***Operating Income***

Income from operations for Xtension decreased 51% from \$5.1 million in 2006 to \$2.5 million in 2007, due to lower revenue and lower gross profit, offset by lower operating expenses.

**Xtension Results for the Year Ended December 31, 2006 and Comparison to the Year Ended December 31, 2005**

***Revenues***

Revenues for Xtension for the year ended December 31, 2006 increased by \$15.1 million, or 78%, to \$34.4 million from \$19.3 million for the year ended December 31, 2005, as a result of organic growth in its customer base.

***Cost of Facilities***

Cost of facilities for Xtension increased by \$10.4 million, or 75.6%, to \$24.2 million for 2006 from \$13.8 million for 2005, as a result of the increased revenue in 2006, which generated higher costs of providing services.

***Operating Expenses***

Operating expenses for Xtension increased by \$1.7 million, or 50%, to \$5.1 million for 2006 from \$3.4 million for 2005, primarily as a result of an increase in sales commissions from \$1.6 million for 2005 to \$3.3 million for 2006. Operating expenses as a percentage of revenues declined for 2006 to 14.9% from 17.5% for 2005 as a result of a slight decline in salaries, partially offset by an increase in sales commissions as a percentage of revenues, from 8.4% in 2005 to 9.7% in 2006.

***Income from Operations***

Income from operations for Xtension increased by \$3.0 million, or 142.9%, to \$5.1 million for 2006 from \$2.1 million for 2005. Income from operations as a percentage of revenues was 14.7% in 2006, compared to 11.1% in 2005.

**FC LLC Results for the Year Ended December 31, 2006, and Comparison to the Year Ended December 31, 2005**

***Revenues***

Revenues for FC LLC in the year ended December 31, 2006 increased by \$14.7 million, or 25.4%, to \$72.7 million from \$58.0 million in the year ended December 31, 2005, primarily as a result of a \$19.9 million increase in local service revenues derived from a complete year of revenues from the CoreComm customer base acquisition and a \$4.2 million increase due to the acquisition of certain assets of Acceris in October 2006, partially offset by a decline in FC LLC revenues of \$9.4 million due to a decline in FC LLC's legacy customers.

***Cost of Facilities***

Cost of facilities for FC LLC increased by \$9.2 million, or 22.2%, to \$50.6 million for 2006 from \$41.4 million for 2005, primarily as a result of increased revenues associated with a complete year of the CoreComm customer acquisition and partially as a result of the new wholesale agreement with AT&T, which increased the cost of off-net local services. Cost of facilities declined as a percentage of revenues from 71.4% in 2005 to 69.6% in 2006, following the elimination of unprofitable customers, the integration of the enlarged customer base, improvement in overall ARPU and by upselling services to the enlarged customer base, grooming of the network, one-time recognition of a carrier credit of \$788,000 and the start of the transfer of off-net customers to on-net services.



***Selling, General and Administrative Expenses***

Selling, general and administrative expenses for FC LLC increased by \$3.3 million, or 23.4%, to \$17.4 million for 2006 from \$14.1 million for 2005. As percentage of revenues, selling, general and administrative expenses declined from 24.3% for 2005 to 23.9% for 2006, reflecting the ongoing synergies associated with the CoreComm customer base acquisition, offset by increased commissions associated with higher sales and increased corporate expenses consisting primarily of integration costs (estimated at \$630,000) associated with the acquisition of certain assets of Acceris in October 2006.

***Depreciation and Amortization***

Depreciation and amortization for FC LLC increased by \$1.3 million, or 118.2%, to \$2.4 million for 2006 from \$1.1 million for 2005, primarily as a result of the acquisition of tangible assets, \$0.4 million of depreciation related to property, plant and equipment and intangible assets and \$0.9 million of amortization related to customer lists.

***Income from Operations***

Income from operations for FC LLC increased by \$0.9 million, or 64.3%, to \$2.3 million for 2006 compared to \$1.4 million for 2005. Income from operations as a percentage of revenues increased from 2.3% in 2005 to 3.2% in 2006 as a result of higher gross margins and a reduction in selling, general and administrative expenses as a percentage of revenue.

***Liquidity and Capital Resources***

First Communications' cash flow from operations is a key driver of liquidity. In assessing liquidity, First Communications reviews working capital measurements to define areas of improvement. First Communications anticipates being able to satisfy cash requirements for the foreseeable future primarily with cash generated by operations, existing cash balances and, if necessary, borrowings under existing credit facilities.

Cash and cash equivalents decreased at September 30, 2008, to \$2.8 million, compared to \$9.3 million as of December 31, 2007.

Cash provided by operating activities was \$11.4 million for the nine months ended September 30, 2008, primarily due to net income of \$4.0 million and \$11.8 million in non-cash items, partially offset by a \$4.4 million net decrease in operating assets and liabilities. Cash used in operating activities was \$2.3 million for the period from inception (July 2, 2007) through December 31, 2007, primarily due to increased depreciation and amortization expense.

Cash used in investing activities was \$109.9 million for the nine months ended September 30, 2008, primarily due to acquisitions of \$105.8 million. Cash used in investing activities was \$73.8 million for the period from inception (July 2, 2007) through December 31, 2007, primarily due to acquisitions of assets and assumption of liabilities, net of cash acquired, of \$72.3 million.

Cash provided by financing activities was \$92.0 million for the nine months ended September 30, 2008, primarily due to proceeds from First Communications' term loan and revolver of \$130.0 million, which was primarily used to finance the acquisition of the FE Telecom assets, purchase of Globalcom's stock and redemption of \$25.0 million of First Communications preferred stock. Cash provided by financing activities was \$85.4 million for the period from inception (July 2, 2007) through December 31, 2007, primarily due to proceeds from stock issuance, net of issuance and transaction costs of \$81.6 million.

***Acquisitions and Debt***

On March 6, 2008, First Communications acquired substantially all of the assets and certain assumed liabilities of FE Telecom, a fiber and wireless infrastructure provider, for \$45 million. FE Telecom was a subsidiary of FirstEnergy Corp., a shareholder of First Communications. Concurrently, with the closing of the FE Telecom acquisition, First Communications closed a \$90 million credit facility syndicated by JP Morgan Securities Inc. The financing facility includes a \$70 million term loan and a \$20 million revolving line of credit (which replaces the line of credit agreement described in Note 5 to the First Communications consolidated financial statements for the year ended December 31, 2007), secured by substantially all of First Communications' assets. The proceeds of the new credit facility were used to pay for the acquisition of FE Telecom's assets.