

MICOM COMMUNICATIONS CORP

Filed by
ELDER CORP

FORM SC 14D1/A (Statement of Ownership: Tender Offer)

Filed 06/05/96

Address	4100 LOS ANGELES AVE SIMI VALLEY, CA, 93063
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CIK	0000920611
SIC Code	3576 - Computer Communications Equipment
Industry	IT Services & Consulting
Sector	Technology
Fiscal Year	03/31

MICOM COMMUNICATIONS CORP

FORM SC 14D1/A (Statement of Ownership: Tender Offer)

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Address	4100 LOS ANGELES AVE SIMI VALLEY, California 93063
Telephone	805-583-8600
CIK	0000920611
Fiscal Year	03/31

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14D-1

Tender Offer Statement
Pursuant to Section 14(d)(1)
of the Securities Exchange Act of 1934
(Amendment No. 1)

and

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 1)

MICOM Communications Corp.

(Name of Subject Company)

Northern Telecom Limited

Northern Telecom Inc.

Elder Corporation

(Bidders)

Common Stock, Par Value \$.0000001 Per Share

(Title of Class of Securities) **59478P 10 3**

(CUSIP Number of Class of Securities) Peter J. Chilibeck

Corporate Secretary and Assistant Secretary

Northern Telecom Limited

2920 Matheson Boulevard East

Mississauga, Ontario

Canada L4W 4M7

(Name, address and Telephone Number of Persons Authorized to Receive Notices and Communications on Behalf of Bidders) With a copy to:

Victor I. Lewkow, Esq.

Cleary, Gottlieb, Steen & Hamilton

One Liberty Plaza New York, New York 10006 (212) 225-2000

INTRODUCTION

Elder Corporation, a Delaware corporation ("Purchaser"), Northern Telecom Inc., a Delaware corporation ("Parent"), and Northern Telecom Limited, a corporation organized under the laws of Canada ("Nortel"), hereby amend their joint Tender Offer Statement on Schedule 14D-1 dated May 17, 1996 relating to a tender offer to purchase all outstanding shares of Common Stock, par value \$.0000001 per share (the "Shares"), of MICOM Communications Corp., a Delaware corporation, at \$12.00 per Share, net to the seller in cash, (such Tender Offer Statement on Schedule 14D-1, the "Schedule 14D-1"). All terms defined in the Schedule 14D-1 have the same meanings in this Amendment.

Item 7. Contracts, Arrangements, Understandings or Relationships with Respect to the Subject Company's Securities.

The following paragraphs are hereby inserted after the first paragraph:

Parent and Purchaser have entered into letter agreements dated May 30, 1996 (the "Yost Letter Agreement" and the "Odyssey Letter Agreement", respectively) with E.R. Yost ("Yost") and with Odyssey Partners, L.P. ("Odyssey"), Odyssey Investors, Inc. and certain partners and former partners of Odyssey (the "Distributee Partners"), pursuant to which Yost is effectively assigning 42,000 Shares to a charitable institution subject to the same terms as the existing Stock Option Agreement filed as Exhibit (c)(3) hereto, and Odyssey is effectively assigning up to an aggregate of 767,000 Shares to the Distributee Partners, subject to the same terms as the existing Stock Option Agreement filed as Exhibit (c)(2) hereto, who are in turn in effect assigning such Shares to certain charitable institutions subject to the same terms as the existing Stock Option Agreement filed as Exhibit (c)(2) hereto. In connection therewith, Yost and the Odyssey Partners are required to indemnify Parent and Sub under certain circumstances.

The Odyssey Letter Agreement and the Yost Letter Agreement, with exhibits, are attached as Exhibit Nos. (c)(5) and (c)(6) and are incorporated herein by reference, and the foregoing summary is qualified in its entirety by reference to each such Letter Agreement and its exhibits.

SIGNATURES

After due inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

NORTHERN TELECOM LIMITED

By: /s/ WILLIAM R. KERR

Name: William R. Kerr
Title: Vice-President and Treasurer

By: /s/ DEBORAH J. NOBLE

Name: Deborah J. Noble
Title: Assistant Secretary

NORTHERN TELECOM INC.

By: /s/ PETER W. CURRIE

Name: Peter W. Currie
Title: Attorney-in-Fact

ELDER CORPORATION

By: /s/ ANTHONY J. LAFLEUR

Name: Anthony J. Lafleur
Title: Vice-President and Assistant
Secretary

Dated: June 4, 1996

EXHIBIT INDEX

The following items (c)(5) and (c)(6) are hereby added to the Exhibit Index:

Exhibit

No. Description

(c)(5) Odyssey Letter Agreement

(c)(6) Yost Letter Agreement

Odyssey Partners, L.P.

Odyssey Investors, Inc.
31 West 52 Street
New York, N.Y. 10019

May 30, 1996

Northern Telecom Inc.
Elder Corporation
c/o Northern Telecom Limited
3 Robert Speck Parkway
Mississauga, Ontario
Canada L4Z 3C8

Ladies and Gentlemen:

We refer to that certain Stock Option Agreement, dated as of May 13, 1996 (the "Agreement"), among Northern Telecom Inc., a Delaware corporation ("Parent"), Elder Corporation, a Delaware corporation ("Sub"), Odyssey Partners, L.P., a Delaware limited partnership (the "Stockholder"), and Odyssey Investors, Inc., a Delaware corporation. Capitalized terms not otherwise defined herein have the meanings assigned to them in the Agreement.

Pursuant to the Agreement, the Stockholder has agreed, among other things, subject to the conditions set forth therein, to validly tender pursuant to the Offer (and not to withdraw) all of the Existing Shares beneficially owned by the Stockholder and has also granted Parent and Sub the Stock Option with respect to the Existing Shares.

Stockholder wishes to distribute certain of the Existing Shares to certain of its partners and former partners who, in turn, wish to make charitable gifts of such Existing Shares so received, and Parent and Sub hereby agree to the same, with such Existing Shares remaining effectively subject to the terms of the Agreement (including the Stock Option).

Accordingly, this is to confirm that, notwithstanding anything to the contrary in the Agreement:

1. The Stockholder may, as soon as practicable following the execution and delivery of this letter, distribute in kind to the partners and former partners of the Stockholder identified as such on Schedule I hereto (each such partner being referred to herein as a "distributee partner") up to an aggregate of 767,000 shares of Common Stock, provided that, concurrently with such distribution, each distributee partner shall execute and deliver to Parent and Sub a stock option agreement in the form of Exhibit A hereto (the "Distributee Partner Stock Option Agreement"), whereafter the Stockholder shall be fully and unconditionally released from any and all obligations required to be performed by the Stockholder under the Agreement with respect to any and all shares of such Common Stock so distributed, but not any other Option Shares. The Stockholder represents and warrants to Parent and to Sub that the distribution by the Stockholder of any such shares of Common Stock to a distributee partner, when effected, shall pass to and unconditionally vest in such distributee partner good and valid title to the shares so distributed, free and clear of all claims, liens, restrictions, security interests, pledges, limitations and encumbrances whatsoever (other than those in favor of Parent and Sub under the Agreement or under this letter).
2. Each distributee partner may, as soon as practicable following the in-kind distributions referred to in paragraph (1) above (and in no event later than June 6, 1996), make a charitable gift to one or more of the five charitable institutions listed on Schedule I hereto (each, a "charity") of the shares of Common Stock distributed to him in kind as provided in paragraph (1) above, provided that, (a) concurrently with each such gift, the distributee partner shall execute and deliver to Parent and Sub an Indemnity Agreement in the form of Exhibit B hereto and (b) prior to making such gift, the recipient charity shall have executed and delivered to Parent and Sub a stock option agreement in the form of Exhibit C hereto, it being understood that such execution and delivery is a condition to making such gift.
3. The second sentence of Section 5(e) of the Agreement is hereby amended to delete the words "to Parent".
4. Parent and Sub hereby agree that, notwithstanding the letter dated May 23, 1996 from Parent and Sub to the Stockholder, the Stockholder shall not be obligated to tender the Existing Shares pursuant to the Offer prior to the close of business on June 4, 1996.
5. Except as expressly modified by this letter, the Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing by signing this letter where indicated below.

Very truly yours,

ODYSSEY PARTNERS, L.P.

By: /s/

Jack Nash
General Partner

ODYSSEY INVESTORS, INC.

By: /s/

Stephen Berger
Vice President

ACCEPTED AND AGREED:

NORTHERN TELECOM INC.

By: /s/

Peter Currie
Attorney-in-fact

ELDER CORPORATION

By: /s/

William R. Kerr
Vice President and Treasurer

DISTRIBUTEE PARTNERS

/s/

Leon Levy

/s/

Jack Nash

/s/

Joshua Nash

/s/

Martin J. Rabinowitz

/s/

Brian Young

/s/

Steven Friedman

SCHEDULE I

Distributee Partners

Leon Levy
Jack Nash
Joshua Nash
Martin J. Rabinowitz Brian Young
Steven Friedman

Charities

Bard College
Metropolitan Museum of Art University of Chicago Harvard & Co.

The Jewish Communal Fund

Exhibit A

FORM OF

ODYSSEY DISTRIBUTE

STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT dated as of _____, by and among Northern Telecom Inc., a Delaware corporation ("Parent"), Elder Corporation, a Delaware corporation and a wholly owned subsidiary of Parent ("Sub"), and _____ (the "Stockholder").

WITNESSETH:

WHEREAS, Parent, Sub and MICOM Communications Corp., a Delaware corporation (the "Company"), entered into an Agreement and Plan of Merger dated as of May 13, 1996 (as such agreement may hereafter be amended from time to time, the "Merger Agreement"; capitalized terms used and not defined herein having the respective meanings given to them in the Merger Agreement), pursuant to which Sub will be merged with and into the Company (the "Merger");

WHEREAS, concurrently with the execution and delivery of the Merger Agreement and as an inducement and a condition to Parent and Sub entering into the Merger Agreement, Parent, Sub, Odyssey Partners, L.P., a Delaware limited partnership ("Odyssey"), and an affiliate of Odyssey entered into a Stock Option Agreement dated as of May 13, 1996 (the "Odyssey Option Agreement");

WHEREAS, in furtherance of the Merger and pursuant to the Merger Agreement, on May 17, 1996, Sub commenced a cash tender offer pursuant to which Sub has offered to purchase all outstanding shares of Company Common Stock (as defined in Section 1), including all of the Option Shares (as defined in Section 2), upon the terms and conditions set forth in the Merger Agreement and the offering documents for the Offer;

WHEREAS, the Odyssey Option Agreement requires, among other things, that Odyssey validly tender (and not withdraw) 4,737,733 shares held by it (the "Shares") of the Company Common Stock, pursuant to and in accordance with the Offer;

WHEREAS, in connection with the Odyssey Option Agreement and concurrently herewith, pursuant to a letter dated May 30, 1996 from Odyssey to each of Parent and Sub (the "Letter Agreement") (i) Odyssey is distributing to the Stockholder _____ of the Shares, which constitute all of the Option Shares hereunder, and the Stockholder is entering into this Agreement with respect to the Option Shares and (ii) promptly after the execution and delivery of this Agreement, (a) the Stockholder is making a charitable gift to _____ (the "Charitable Institution") of the Option Shares and, as a condition precedent to making such gift, the Charitable Institution is entering into a stock option agreement with respect to the Option Shares with Parent and Sub in the form of Exhibit B to the Letter Agreement (the "Charitable Institution Option Agreement"), and (b) the Stockholder is entering into an indemnity agreement with respect to the Option Shares with Parent and Sub in the form of Exhibit C to the Letter Agreement (the "Indemnity Agreement"); and

WHEREAS, as an inducement and a condition to Parent and Sub entering into the Letter Agreement and as a condition to Odyssey's making the distribution to the Stockholder, Parent and Sub have required that the Stockholder agree, and the Stockholder has agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Acquisition Transaction" shall mean any merger, consolidation, liquidation, dissolution, recapitalization, reorganization or other business combination, acquisition or sale or other disposition of a material amount of assets or securities, tender offer or exchange offer or any other similar transaction involving the Company, its securities or any of its material subsidiaries or divisions.

(b) "beneficially own" or "beneficial ownership" with respect to any securities shall mean having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Securities Act of 1934, as amended (the "Exchange Act")), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities by the same holder, securities beneficially owned by a Person shall include securities beneficially owned by all other Persons with whom such Person would constitute a "group" as within the meaning of Section 13(d)(3) of the Exchange Act.

(c) "Company Common Stock" shall mean at any time the common stock, \$0.0000001 par value, of the Company.

(d) "Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, firm, association, trust, unincorporated organization or other entity.

2. Tender of Option Shares. To induce Parent and Sub to enter into the Letter Agreement and subject to terms and conditions set forth herein:

(a) Stockholder hereby agrees to validly tender (and not to withdraw) pursuant to and in accordance with the terms of the Offer, promptly (but not later than June 7, 1996), for acceptance by Sub in the Offer, the number of shares of Company Common Stock set forth opposite the Stockholder's name on Schedule I hereto (together with any additional shares of Company Common Stock or other Company securities received as dividends thereon or received as a result of any stock split, reclassification or similar transaction relating to such shares, the "Option Shares"), beneficially owned by it; provided that, if the purchase price per share of Company Common Stock of the Offer is for any reason increased to an amount greater than the Purchase Price (as defined in Section 4), then (i) the Stockholder will not tender the Option Shares into the Offer after the first public announcement of such increase, and (ii) if any Option Shares were tendered into the Offer prior to such first public announcement, the Stockholder will promptly withdraw its tender of such Option Shares. In the event that the Stockholder is not permitted to tender (or is required to withdraw) the Option Shares pursuant to the proviso to the immediately preceding sentence, Sub shall be obligated to, and will, exercise the Stock Option on the first business day following the purchase of any shares of Company Common Stock pursuant to the Offer, in which case (notwithstanding the notice period set forth in Section 4(b)), no notice need be given to the Stockholder, and the closing of the purchase of the Option Shares (the "Closing") shall also take place on the first business day following the purchase of Shares pursuant to the Offer, at 11:00

A.M. (New York time) at Cleary, Gottlieb, Steen & Hamilton, One Liberty Plaza, New York, NY, or at such other time and place as the parties shall agree. The Stockholder hereby acknowledges and agrees that Sub's obligation to accept for payment and pay for Company Common Stock in the Offer, including the Option Shares, is subject to the terms and conditions of the Offer.

(b) The Stockholder hereby agrees to permit Parent and Sub to publish and disclose in the Offer Documents and, if approval of the stockholders of the Company is required under applicable law, the Proxy Statement (including all documents and schedules filed with the Securities and Exchange Commission) its identify and ownership of Company Common Stock and the nature of its commitments, arrangements and understandings under this Agreement.

3. Provisions Concerning Company Common Stock. The Stockholder hereby agrees that during the period commencing on the date hereof and continuing until the first to occur of (i) the Effective Time and (ii) the termination of this Agreement as set forth in Section 8, at any meeting of the holders of Company Common Stock, however called, or in connection with any written consent of the holders of Company Common Stock, the Stockholder shall vote (or cause to be voted) the Option Shares held of record or beneficially owned by the Stockholder whether issued, heretofore owned or hereafter acquired, (i) in favor of the approval and adoption of the agreement of merger (as such term is used in Section 251 of the Delaware General Corporation Law) contained in the Merger Agreement, (ii) in favor of any other action related to the Merger or in furtherance of the transactions contemplated by the Merger Agreement and this Agreement, (iii) against any action or agreement that would result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or this Agreement, and (iv) except as otherwise agreed to in writing in advance by Sub, against the following actions (other than the Merger and the transactions contemplated by the Merger Agreement): (x) any Acquisition Transaction; and (y) (1) any change in a majority of the persons who constitute the Board of Directors of the Company; (2) any change in the present capitalization of the Company or any amendment of Company's Certificate of Incorporation or By-laws;

(3) any other material change in the Company's corporate structure or business; and (4) any other action involving the Company or its subsidiaries which is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, or otherwise adversely affect the Offer, the Merger and the transactions contemplated by this Agreement and the Merger Agreement. The Stockholder shall not enter into any agreement or understanding with any Person the effect of which would be inconsistent with or violative of the provisions and agreements contained in this Section 3.

4. Option.

(a) To induce Parent and Sub to enter into the Letter Agreement and subject to the terms and conditions set forth herein, the Stockholder hereby grants to Sub an irrevocable option (the "Stock Option") to purchase the Option Shares at a purchase price per share of \$12.00 (the "Purchase Price"). If

(i) the Offer is terminated, abandoned or withdrawn by Parent or Sub (whether due to the failure of any of the conditions thereto or otherwise), (ii) the Offer is consummated but Sub has not accepted for payment and paid for the Option Shares (whether due to the proviso to the first sentence of Section 2 or otherwise) or (iii) the Merger Agreement is terminated in accordance with its terms (other than for the failure of Parent or Sub to fulfill any material obligation under the Merger Agreement or by mutual agreement of the parties thereto), the Stock Option shall, in any such case, become exercisable, in whole but not in part, upon the first to occur of any such event and remain exercisable, in whole but not in part, until the date which is 60 days after the date of the occurrence of such event, so long as: (x) all waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), required for the purchase of the Stock Option upon such exercise shall have expired or been waived, and (y) there shall not then be in effect any preliminary or final injunction or other order issued by any court or governmental, administrative or regulatory agency or authority prohibiting the exercise of the Stock Option pursuant to this Agreement. In the event that the Stock Option is not exercisable because the circumstances described in clauses (x) and (y) do not exist, then the Stock Option shall be exercisable for a period not exceeding an additional 30 days after the 60-day period referred to in the immediately preceding sentence.

(b) In the event that Sub wishes to exercise the Stock Option, and subject to Section 2(a), Sub shall send a written notice to the Stockholder identifying the place and time for the Closing at least three business days, and not more than five business days, prior to the Closing. Subject to the terms and conditions of this Agreement, in reliance on the representations, warranties and covenants of the Stockholder contained herein and in full payment for the Option Shares, Sub will deliver at the Closing to the Stockholder, by wire transfer of immediately available funds to an account designated by the Stockholder at least one business day in advance, an aggregate amount equal to the product of (x) the Purchase Price and (y) the number of Option Shares. At the Closing, the Stockholder will deliver, or cause to be delivered, to Sub certificates representing the Option Shares duly endorsed to Sub or accompanied by stock powers duly executed by the Stockholder in blank, together with

any necessary stock transfer stamps properly affixed.

(c) Acquired Option Shares. In the event the Option Shares are acquired by Sub pursuant to the exercise of the Option ("Acquired Option Shares"), the Stockholder shall be entitled to receive, upon any subsequent disposition, transfer or sale (other than to an affiliate who takes such Acquired Option Shares subject to Sub's obligations under this Section) ("Sale") of the Acquired Option Shares for which a binding contract of sale is entered into within 180 days of the Closing, an amount in cash equal to 50% of the excess (if any) of the aggregate proceeds received in the Sale (net of selling commissions, if any) over the aggregate Purchase Price for the Acquired Option Shares subject to such Sale. If any of the consideration received by Sub in such Sale consists of securities, for purposes hereof the proceeds of such Sale shall be deemed to be the net amount that would actually have been received in an orderly sale of such securities commencing on the first business day following actual receipt of such securities by Sub, in the written opinion of an investment banking firm of national reputation selected by Sub and reasonably satisfactory to Odyssey. Any payment due hereunder shall be paid by Sub to the Stockholder within five days after receipt of the Sale proceeds or, if any of the consideration consists of securities, after the receipt of such investment banking firm's written opinion to the parties. Nothing herein shall create any duty by Sub to engage in a Sale of the Acquired Option Shares.

5. Representations and Warranties of the Stockholder. The Stockholder hereby represents and warrants to Parent and Sub as follows:

(a) Ownership of Option Shares. The Stockholder is the record and beneficial owner of the number of Option Shares set forth opposite the Stockholder's name on Schedule I hereto. The Stockholder has sole voting power and sole power to issue instructions with respect to the matters set forth in Sections 2, 3 and 4 hereof, sole power of disposition, sole power of conversion, sole power to demand appraisal rights and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Option Shares, with no limitations, qualifications or restrictions on such rights, subject to applicable securities laws and the terms of this Agreement, and subject to the Letter Agreement and the Indemnity Agreement (when executed and delivered by the parties thereto).

(b) Power; Binding Agreement. The Stockholder has the legal capacity, power and authority to enter into and perform all of the Stockholder's obligations under this Agreement. The execution, delivery and performance of this Agreement by the Stockholder will not violate any other agreement to which the Stockholder is a party including, without limitation, any voting agreement, stockholders' agreement or voting trust. This Agreement has been duly and validly executed and delivered by the Stockholder and constitutes a valid and binding agreement of the Stockholder, enforceable against the Stockholder in accordance with its terms. There is no beneficiary or holder of a voting trust certificate or other interest of any trust of which the Stockholder is trustee whose consent is required for the execution and delivery of this Agreement or the consummation by the Stockholder of the transactions contemplated hereby. The Stockholder hereby revokes any and all proxies with respect to any of the Option Shares.

(c) No Conflicts. Except for filings and approvals under the HSR Act or the Exchange Act, if applicable, (x) no filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority or any Person is necessary for the execution of this Agreement by the Stockholder and the consummation by the Stockholder of the transactions contemplated hereby and (y) none of the execution and delivery of this Agreement by the Stockholder, the consummation by the Stockholder of the transactions contemplated hereby or compliance by the Stockholder with any of the provisions hereof shall (1) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which the Stockholder is a party or by which the Stockholder or any of the Stockholder's properties or assets may be bound, or (2) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to the Stockholder or any of the Stockholder's properties or assets.

(d) No Finder's Fees. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Stockholder.

(e) No Encumbrances. The Option Shares and the certificates representing such Option Shares are now, and at all times during the term hereof will be, held by the Stockholder, or by a nominee or custodian for the benefit of the Stockholder, free and clear of all liens, claims, options, charges, security interests, proxies, voting trusts or agreements, understandings or arrangements or any other legal or equitable rights or encumbrances whatsoever, except for any such encumbrances or proxies arising hereunder and except under the Letter Agreement and the Indemnity Agreement (when executed and delivered by the parties thereto). The gift by the Stockholder of the Option Shares to the Charitable Institution as described in the fifth recital hereto shall pass to and unconditionally vest in the Charitable Institution good and valid title to all the Option Shares, free and clear of all claims, liens, restrictions, security interests, pledges, limitations and encumbrances whatsoever (other than in favor of Parent and Sub under this Agreement and under the Indemnity Agreement and Charitable Institution Option Agreement, each when executed and delivered by the parties thereto). The transfer, if any, by the Stockholder of the Option Shares to Sub in the Offer or hereunder (after payment in full of the purchase price thereof) shall pass to and unconditionally vest in Sub good and valid title to all Option Shares, free and clear of all claims, liens, restrictions, security interests, pledges, limitations and encumbrances whatsoever (other than those in favor of Parent and Sub under this Agreement and under the Indemnity Agreement, when executed and delivered by the parties thereto).

(f) Reliance by Parent. The Stockholder understands and acknowledges that Parent is entering into, and causing Sub to enter into, the Letter Agreement in reliance upon the Stockholder's execution, delivery and performance of this Agreement and the Indemnity Agreement.

6. Additional Covenants of the Stockholder. In addition to the covenants and agreements included elsewhere herein, the Stockholder covenants and agrees as follows:

(a) No Solicitation. The Stockholder (and Persons acting on behalf of the Stockholder) shall not directly or indirectly, initiate, solicit (including by way of furnishing information), encourage or respond to or take any other action knowingly to facilitate, any inquiries or the making of any proposal by any Person (other than Parent or any affiliate of Parent) with respect to, an Acquisition Transaction (an "Acquisition Proposal"), or enter into or maintain or continue discussions or negotiate with any Person (other than Parent or any affiliate of Parent) in furtherance of such inquiries or to obtain any Acquisition Proposal, or agree to or endorse any Acquisition Proposal, or authorize or permit any Person acting on behalf of the Stockholder to do any of the foregoing. The Stockholder will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Person conducted heretofore with respect to any of the foregoing. If the Stockholder receives any inquiry or proposal regarding any acquisition Proposal, the Stockholder shall promptly inform Sub of that inquiry or proposal, the details thereof, the identify of the Person making such inquiry or proposal and shall in the case of written proposals or inquiries, furnish Sub with a copy of such proposal or inquiry (and all amendments and supplements thereto).

(b) Restriction on Transfer, Proxies and Non- Interference. Except as contemplated by this Agreement or the Letter Agreement, the Stockholder shall not directly or indirectly, (i) offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to, or consent to the offer for sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of the Option Shares or any interest therein; (ii) grant any proxies or powers of attorney, deposit any Option Shares into a voting trust or enter into a voting agreement with respect to any Option Shares; or (iii) take any action that would make any representation or warranty of the Stockholder contained herein untrue or incorrect or have the effect of preventing or disabling the Stockholder from performing the Stockholder's obligations under this Agreement.

(c) Waiver of Appraisal Rights. The Stockholder hereby irrevocably waives any rights of appraisal or rights to dissent from the Merger that the Stockholder may have.

(d) Stop Transfer; Changes in Option Shares. Except as contemplated by the Letter Agreement, the Stockholder agrees with, and covenants to, Parent and Sub that the Stockholder shall not request that the Company register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of the Option Shares, unless such transfer is made in compliance with this Agreement. In the event of a stock dividend, split-up, merger, recapitalization, combination, conversion exchange of shares or the like (in each case with a record date prior to the termination of this Agreement), (i) the term "Option Shares" shall be deemed to refer to and include the Option Shares as well as all such stock dividends and distributions and any securities into which or for which any or all of the Option Shares may be changed or exchanged and such dividends, distributions and securities, as the case may be, shall be paid to Sub at the Closing or promptly following the receipt of such dividend or distribution, if the Closing theretofore shall have occurred and (ii) the number and kind of shares subject to this Agreement and Purchase Price shall be appropriately adjusted to reflect changes made in the Company Common Stock so that Sub shall receive, upon exercise of the Stock Option and payment of the Purchase Price, the number and class of shares, other securities, property or cash that Sub would have received in respect of the Option Shares if the Stock Option had been exercised and the Option Shares had been issued to Sub immediately prior to such event or the record date therefor, as applicable.

7. Termination. This Agreement (other than Section 4(c) if, and to the extent applicable) shall terminate, and no party shall have any rights or obligations hereunder and this Agreement shall become null and void and have no effect from and after the last date on which the Stock Option is exercisable pursuant to Section 4.

8. Miscellaneous.

(a) Further Assurances. From time to time, at the other party's request and without further consideration, each party hereto shall execute and deliver such additional documents and take all such further lawful action as may be necessary or appropriate to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

(b) Entire Agreement; No Third Party Beneficiaries. This Agreement, the Letter Agreement and the Indemnity Agreement (when executed and delivered by the parties thereto) constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, written or oral, among the parties with respect to the subject matter hereof. This Agreement is not intended for the benefit of or intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

(c) Certain Events. The Stockholder agrees that this Agreement and the obligations hereunder shall attach to the Option Shares and shall be binding upon any Person to which legal or beneficial ownership of such Option Shares shall pass, whether by operation of law or otherwise, including, without limitation, the Stockholder's heirs, guardians, administrators or successors. Notwithstanding any transfer of Option Shares, the transferor shall remain liable for the performance of all obligations under this Agreement of the transferor.

(d) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other parties provided that Parent and Sub may assign, in their sole discretion, their rights and obligations hereunder to any direct or indirect wholly-owned subsidiary of Parent, although no such assignment shall relieve Parent or Sub of their obligations hereunder if such assignee does not perform such obligations.

(e) Amendments, Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, except upon the execution and delivery of a written agreement executed by the relevant parties hereto; provided that Schedule I hereto may be supplemented by Parent and Sub by adding the name and other relevant information concerning any stockholder of the Company who agrees to be bound by the terms of this Agreement without the agreement of any other party hereto, and thereafter such added stockholder shall be treated as a "Stockholder" for all purposes of this Agreement.

(f) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram or teletype, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following

addresses:

If to the Stockholder: _____

Facsimile: _____

Attention:

If to Parent or Sub: c/o Northern Telecom Limited
3 Robert Speck Parkway
Mississauga, Ontario
Canada L4Z 3C8
Facsimile: 905-566-3082

Attention: Mr. William R. Kerr
Vice President and Treasurer

copy to: Northern Telecom Limited
3 Robert Speck Parkway
Mississauga, Ontario
Canada L4Z 3C8
Facsimile: 905-566-3457

Attention: Anthony J. Lafleur, Esq.
Vice President and Associate
General Counsel

and to: Cleary, Gottlieb, Steen & Hamilton
1 Liberty Plaza
New York, New York 10006
Facsimile: 212-225-3999

Attention: Victor I. Lewkow, Esq.

or to such other address as the Person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(g) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(h) Specific Performance. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

(i) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(j) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(k) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

(l) Jurisdiction. Each party hereby irrevocably submits to the exclusive jurisdiction of the Court of Chancery in the State of Delaware or the United States District Court for the Southern District of New York or any court of the State of New York located in the City of New York in any action, suit or proceeding arising in connection with this Agreement, and agrees that any such action, suit or proceeding shall be brought

only in such court (and waives any objection based on forum non conveniens or any other objection to venue therein); provided, however, that such consent to jurisdiction is solely for the purpose referred to in this paragraph (l) and shall not be deemed to be a general submission to the jurisdiction of said Courts or in the States of Delaware or New York other than for such purposes. EACH PARTY HERETO HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY SUCH ACTION, SUIT OR PROCEEDING.

(m) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Parent, Sub and the Stockholder have caused this Agreement to be duly executed as of the day and year first above written.

NORTHERN TELECOM INC.

By: _____
Name: Peter Currie
Title: Attorney-in-fact

ELDER CORPORATION

By: _____
Name: William R. Kerr
Title: Vice President and
Treasurer

Stockholder:

**SCHEDULE I TO
STOCK OPTION AGREEMENT**

Name of Stockholder

Number of Option Shares Owned

**FORM OF
INDEMNITY AGREEMENT**

INDEMNITY AGREEMENT dated as of _____, 1996 by and among Northern Telecom Inc., a Delaware corporation ("Parent"), Elder Corporation, a Delaware corporation and a wholly owned subsidiary of Parent ("Sub"), and _____ (the "Indemnitor").

WITNESSETH:

WHEREAS, Parent, Sub, Odyssey Partners, L.P., a Delaware limited partnership ("Odyssey"), and an affiliate of Odyssey entered into a Stock Option Agreement dated as of May 13, 1996 (the "Odyssey Option Agreement");

WHEREAS, the Odyssey Option Agreement requires, among other things, that Odyssey validly tender (and not withdraw) 4,737,733 shares held by it (the "Shares") of the common stock, \$.0000001 par value per share (the "Company Common Stock"), of MICOM Communications Corp., a Delaware corporation (the "Company"), pursuant to and in accordance with the Offer (as defined in the Odyssey Option Agreement);

WHEREAS, in connection with the Odyssey Option Agreement, pursuant to a letter dated May 30, 1996 from Odyssey to each of Parent and Sub (the "Letter Agreement") (i) Odyssey has distributed to the Indemnitor _____ of the Shares (together with any additional shares of Company Common Stock or other Company securities received as dividends thereon or received as a result of any stock split, reclassification or similar transaction relating to such shares, the "Distributed Shares") and the Indemnitor has entered into a stock option agreement with respect to such Distributed Shares with Parent and Sub in the form of Exhibit A to the Letter Agreement (the "Indemnitor Option Agreement") and (ii) the Indemnitor is making a charitable gift to _____ (the "Charitable Institution") of all of the Distributed Shares and, as a condition precedent to making such gift, the Charitable Institution is entering into a stock option agreement with respect to such Shares with Parent and Sub in the form of Exhibit B to the Letter Agreement (the "Charitable Institution Option Agreement"); and

WHEREAS, to induce Parent and Sub to enter into the Letter Agreement, the Indemnitor agreed pursuant to the Letter Agreement to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual premises, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Indemnity.

(a) The Indemnitor shall indemnify and reimburse each of Parent and Sub for (i) any payment (including in connection with the exercise of any appraisal rights under applicable law) by Sub or the Surviving Corporation (as defined in the Merger Agreement dated as of May 13, 1996 among Parent, Sub and the Company) to the Charitable Institution (or its successors, permitted assigns or any purchaser from the Charitable Institution of the Distributed Shares) pursuant to the Offer or, if applicable, the Merger (as defined in the Charitable Institution Agreement), of any amount for the Distributed Shares in excess of the aggregate amount (such aggregate amount, the "Purchase Price") otherwise payable by Sub to the Charitable Institution for the Distributed Shares pursuant to the penultimate sentence of Section 2(a) of the Charitable Institution Option Agreement (excluding from such excess any amount required to be paid to the Charitable Institution pursuant to Section 4(c) of the Charitable Institution Option Agreement);

(ii) an amount equal to 50% of the excess (if any) of (a) the aggregate proceeds (net of selling commissions, if any) received by the Charitable Institution in any sale or other disposition by the Charitable Institution of the Distributed Shares to a third party in breach of the Charitable Institution Option Agreement over (b) the Purchase Price for the Distributed Shares subject to such sale, provided that such amount otherwise shall not have been paid over by the Charitable Institution to Parent or Sub (or any of their respective affiliates), and provided further that if any of the proceeds of such sale received by the Charitable Institution shall consist of securities, for purposes hereof, the proceeds of such sale shall be deemed to be the net amount that would actually have been received in an orderly sale of such securities commencing on the first business day following actual receipt of such securities by the Charitable Institution, in the written opinion of an investment banking firm of national reputation selected by Sub and reasonably satisfactory to the Indemnitor and delivered by such investment bank to each of them; and (iii) any and all reasonable out-of-pocket expenses actually incurred by Parent or Sub in enforcing this Agreement against the Indemnitor.

(b) Any claim for indemnification shall be made by written notice addressed to the Indemnitor, c/o Odyssey Partners, L.P., 31 West 52nd Street, New York, New York 10019, Fax: 212- 708-0750 (with a copy to Weil, Gotshal & Manges, 767 Fifth Avenue, New York, NY 10153, attention: Simeon Gold, Esq., Fax:

212-310-8007), setting forth, in reasonable detail, the basis for such claim. With respect to any claim for payment under clauses

(i) and (ii) of Section 1(a), the Indemnitor shall be required to remit such payment within 10 days after receipt of such notice, by certified or bank cashier's check payable to the order of Parent or Sub as directed in such notice, provided that in the case of clause (ii), if any of the proceeds of the sale referred to therein shall consist of securities, the Indemnitor shall not be required to remit such payment until after the receipt of the investment banking firm's written opinion to each of the Indemnitor and Sub as described in such clause (ii). With respect to any claim for payment under clause (iii) of Section 1

(a), the Indemnitor shall be required to remit such payment in the same manner as provided for in the immediately preceding sentence promptly after a final determination of the amounts due with respect to such claim for payment.

2. Release. Except as expressly contemplated in this Agreement, each of Parent and Sub shall fully and unconditionally release the Indemnitee from any and all obligations to be performed by the Indemnitee under the Indemnitee Option Agreement with respect to the Distributed Shares (and the Indemnitee hereby relinquishes any and all rights thereunder relating to such Distributed Shares, including any rights to payment under Section 4(c) thereof) from and after the making of the charitable gift of the Distributed Shares by the Indemnitee to the Charitable Institution, except that the Indemnitee's obligations under Section 3 of the Indemnitee Option Agreement, if any, and the Indemnitee's representations and warranties under Section 5(e) of the Indemnitee Option Agreement shall survive such release in accordance with the respective terms applicable thereto. Except as expressly modified by this Agreement, the Indemnitee Option Agreement shall remain in full force and effect.

3. Representations and Warranties. The Indemnitee hereby represents and warrants to each of Parent and Sub that:

(a) The Indemnitee has the legal capacity, power and authority to enter into and perform all of the Indemnitee's obligations under this Agreement.

(b) The execution, delivery and performance of this Agreement by the Indemnitee will not violate or cause a breach of or a default under (or give rise to any third party right of termination, cancellation, modification or acceleration) any other agreement to which the Indemnitee is a party or violate any writ, order, decree or judgment binding on the Indemnitee.

(c) No consent or other approval of any third party is necessary for the execution, delivery and performance of this Agreement by the Indemnitee.

4. Incorporation by Reference. The provisions contained in Sections 9(d) (Assignment), (f) (Notices), (g) (Severability), (h) (Specific Performance), (i) (Remedies Cumulative), (j) (No Waiver), (k) (Governing Law), (l) (Jurisdiction), (m) (Descriptive Headings) and (n) (Counterparts) of the Indemnitee Option Agreement are hereby incorporated by reference herein as if set forth in full herein.

5. Amendments; Waivers. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, except upon the execution and delivery of a written agreement executed by the parties hereto; provided that any waiver need only be executed and delivered in writing by the party against whom the waiver is to be enforced.

6. Entire Agreement; No Third Party Beneficiaries. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, written or oral, between the parties with respect to the subject matter hereof. This Agreement is not intended for the benefit of or intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

IN WITNESS WHEREOF, Parent, Sub and the Indemnitor have caused this Agreement to be duly executed as of the day and year first written above.

NORTHERN TELECOM INC.

By: _____
Name: Peter Currie
Title: Attorney-in-fact

ELDER CORPORATION

By: _____
Name: William R. Kerr
Title: Vice President and
Treasurer

Indemnitor:

Exhibit C

FORM OF

CHARITABLE INSTITUTION

STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT dated as of _____, 1996 by and among Northern Telecom Inc., a Delaware corporation ("Parent"), Elder Corporation, a Delaware corporation and a wholly owned subsidiary of Parent ("Sub"), and _____ (the "Stockholder").

WITNESSETH:

WHEREAS, Parent, Sub and MICOM Communications Corp., a Delaware corporation (the "Company"), entered into an Agreement and Plan of Merger dated as of May 13, 1996 (as such agreement may hereafter be amended from time to time, the "Merger Agreement"; capitalized terms used and not defined herein having the respective meanings given to them in the Merger Agreement), pursuant to which Sub will be merged with and into the Company (the "Merger");

WHEREAS, concurrently with the execution and delivery of the Merger Agreement and as an inducement and a condition to Parent and Sub entering into the Merger Agreement, Parent, Sub, Odyssey Partners, L.P., a Delaware limited partnership ("Odyssey"), and an affiliate of Odyssey entered into a Stock Option Agreement dated as of May 13, 1996 (the "Odyssey Option Agreement");

WHEREAS, in furtherance of the Merger and pursuant to the Merger Agreement, on May 17, 1996, Sub commenced a cash tender offer pursuant to which Sub has offered to purchase all outstanding shares of Company Common Stock (as defined in Section 1), including all of the Option Shares (as defined in Section 2), upon the terms and conditions set forth in the Merger Agreement and the offering documents for the Offer;

WHEREAS, the Odyssey Option Agreement requires, among other things, that Odyssey validly tender (and not withdraw) 4,737,733 shares held by it (the "Shares") of the Company Common Stock, pursuant to and in accordance with the Offer;

WHEREAS, in connection with the Odyssey Option Agreement, pursuant to a letter dated May 30, 1996 from Odyssey to each of Parent and Sub (the "Letter Agreement") (i) Odyssey has distributed to _____ (the "Odyssey Distributee") _____ of the Shares, which constitute all of the Option Shares hereunder, and the Odyssey Distributee has entered into a stock option agreement with respect to the Option Shares with Parent and Sub in the form of Exhibit A to the Letter Agreement and (ii) (a) the Odyssey Distributee is making a charitable gift to the Stockholder of the Option Shares and, as a condition precedent to making such gift, the Stockholder is entering into this Agreement with respect to the Option Shares, and (b) the Odyssey Distributee is entering into an indemnity agreement with respect to the Option Shares with Parent and Sub in the form of Exhibit B to the Letter Agreement; and

WHEREAS, as an inducement and a condition to Parent and Sub entering into the Letter Agreement, and as a condition to the Odyssey Distributee's making of the charitable gift of the Option Shares to the Stockholder, Parent and Sub have required that the Stockholder agree, and the Stockholder has agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Acquisition Transaction" shall mean any merger, consolidation, liquidation, dissolution, recapitalization, reorganization or other business combination, acquisition or sale or other disposition of a material amount of assets or securities, tender offer or exchange offer or any other similar transaction involving the Company, its securities or any of its material subsidiaries or divisions.

(b) "beneficially own" or "beneficial ownership" with respect to any securities shall mean having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Securities Act of 1934, as amended (the "Exchange Act")), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities by the same holder, securities beneficially owned by a Person shall include securities beneficially owned by all other Persons with whom such Person would constitute a "group" as within the meaning of Section 13(d)(3) of the Exchange Act.

(c) "Company Common Stock" shall mean at any time the common stock, \$0.0000001 par value, of the Company.

(d) "Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, firm, association, trust, unincorporated organization or other entity.

2. Tender of Option Shares. To induce Parent and Sub to enter into the Letter Agreement and subject to terms and conditions set forth herein:

(a) Stockholder hereby agrees to validly tender (and not to withdraw) pursuant to and in accordance with the terms of the Offer, promptly (but not later than June 7, 1996), for acceptance by Sub in the Offer, the number of shares of Company Common Stock set forth opposite the Stockholder's name on Schedule I hereto (together with any additional shares of Company Common Stock or other Company securities received as dividends thereon or received as a result of any stock split, reclassification or similar transaction relating to such shares, the "Option Shares"), beneficially owned by it; provided that, if the purchase price per share of Company Common Stock of the Offer is for any reason increased to an amount greater than the Purchase Price (as defined in Section 4), then (i) the Stockholder will not tender the Option Shares into the Offer after the first public announcement of such increase, and (ii) if any Option Shares were tendered into the Offer prior to such first public announcement, the Stockholder will promptly withdraw its tender of such Option Shares. In the event that the Stockholder is not permitted to tender (or is required to withdraw) the Option Shares pursuant to the proviso to the immediately preceding sentence, Sub shall be obligated to, and will, exercise the Stock Option on the first business day following the purchase of any shares of Company Common Stock pursuant to the Offer, in which case (notwithstanding the notice period set forth in Section 4(b)), no notice need be given to the Stockholder, and the closing of the purchase of the Option Shares (the "Closing") shall also take place on the first business day following the purchase of Shares pursuant to the Offer, at 11:00

A.M. (New York time) at Cleary, Gottlieb, Steen & Hamilton, One Liberty Plaza, New York, NY, or at such other time and place as the parties shall agree. The Stockholder hereby acknowledges and agrees that Sub's obligation to accept for payment and pay for Company Common Stock in the Offer, including the Option Shares, is subject to the terms and conditions of the Offer.

(b) The Stockholder hereby agrees to permit Parent and Sub to publish and disclose in the Offer Documents and, if approval of the stockholders of the Company is required under applicable law, the Proxy Statement (including all documents and schedules filed with the Securities and Exchange Commission) its identify and ownership of Company Common Stock and the nature of its commitments, arrangements and understandings under this Agreement.

3. Provisions Concerning Company Common Stock. The Stockholder hereby agrees that during the period commencing on the date hereof and continuing until the first to occur of (i) the Effective Time and (ii) the termination of this Agreement as set forth in Section 8, at any meeting of the holders of Company Common Stock, however called, or in connection with any written consent of the holders of Company Common Stock, the Stockholder shall vote (or cause to be voted) the Option Shares held of record or beneficially owned by the Stockholder whether issued, heretofore owned or hereafter acquired, (i) in favor of the approval and adoption of the agreement of merger (as such term is used in Section 251 of the Delaware General Corporation Law) contained in the Merger Agreement, (ii) in favor of any other action related to the Merger or in furtherance of the transactions contemplated by the Merger Agreement and this Agreement, (iii) against any action or agreement that would result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or this Agreement, and (iv) except as otherwise agreed to in writing in advance by Sub, against the following actions (other than the Merger and the transactions contemplated by the Merger Agreement): (x) any Acquisition Transaction; and (y) (1) any change in a majority of the persons who constitute the Board of Directors of the Company; (2) any change in the present capitalization of the Company or any amendment of Company's Certificate of Incorporation or By-laws;

(3) any other material change in the Company's corporate structure or business; and (4) any other action involving the Company or its subsidiaries which is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, or otherwise adversely affect the Offer, the Merger and the transactions contemplated by this Agreement and the Merger Agreement. The Stockholder shall not enter into any agreement or understanding with any Person the effect of which would be inconsistent with or violative of the provisions and agreements contained in this Section 3.

4. Option.

(a) To induce Parent and Sub to enter into the Letter Agreement and subject to the terms and conditions set forth herein, the Stockholder hereby grants to Sub an irrevocable option (the "Stock Option") to purchase the Option Shares at a purchase price per share of \$12.00 (the "Purchase Price"). If

(i) the Offer is terminated, abandoned or withdrawn by Parent or Sub (whether due to the failure of any of the conditions thereto or otherwise), (ii) the Offer is consummated but Sub has not accepted for payment and paid for the Option Shares (whether due to the proviso to the first sentence of Section 2 or otherwise) or (iii) the Merger Agreement is terminated in accordance with its terms (other than for the failure of Parent or Sub to fulfill any material obligation under the Merger Agreement or by mutual agreement of the parties thereto), the Stock Option shall, in any such case, become exercisable, in whole but not in part, upon the first to occur of any such event and remain exercisable, in whole but not in part, until the date which is 60 days after the date of the occurrence of such event, so long as: (x) all waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), required for the purchase of the Stock Option upon such exercise shall have expired or been waived, and (y) there shall not then be in effect any preliminary or final injunction or other order issued by any court or governmental, administrative or regulatory agency or authority prohibiting the exercise of the Stock Option pursuant to this Agreement. In the event that the Stock Option is not exercisable because the circumstances described in clauses (x) and (y) do not exist, then the Stock Option shall be exercisable for a period not exceeding an additional 30 days after the 60-day period referred to in the immediately preceding sentence.

(b) In the event that Sub wishes to exercise the Stock Option, and subject to Section 2(a), Sub shall send a written notice to the Stockholder identifying the place and time for the Closing at least three business days, and not more than five business days, prior to the Closing. Subject to the terms and conditions of this Agreement, in reliance on the representations, warranties and covenants of the Stockholder contained herein and in full payment for the Option Shares, Sub will deliver at the Closing to the Stockholder, by wire transfer of immediately available funds to an account designated by the Stockholder at least one business day in advance, an aggregate amount equal to the product of (x) the Purchase Price and (y) the number of Option Shares. At the Closing, the Stockholder will deliver, or cause to be delivered, to Sub certificates representing the Option Shares duly endorsed to Sub or accompanied by stock powers duly executed by the Stockholder in blank, together with

any necessary stock transfer stamps properly affixed.

(c) Acquired Option Shares. In the event the Option Shares are acquired by Sub pursuant to the exercise of the Option ("Acquired Option Shares"), the Stockholder shall be entitled to receive, upon any subsequent disposition, transfer or sale (other than to an affiliate who takes such Acquired Option Shares subject to Sub's obligations under this Section) ("Sale") of the Acquired Option Shares for which a binding contract of sale is entered into within 180 days of the Closing, an amount in cash equal to 50% of the excess (if any) of the aggregate proceeds received in the Sale (net of selling commissions, if any) over the aggregate Purchase Price for the Acquired Option Shares subject to such Sale. If any of the consideration received by Sub in such Sale consists of securities, for purposes hereof the proceeds of such Sale shall be deemed to be the net amount that would actually have been received in an orderly sale of such securities commencing on the first business day following actual receipt of such securities by Sub, in the written opinion of an investment banking firm of national reputation selected by Sub and reasonably satisfactory to the Stockholder. Any payment due hereunder shall be paid by Sub to the Stockholder within five days after receipt of the Sale proceeds or, if any of the consideration consists of securities, after the receipt of such investment banking firm's written opinion to the parties. Nothing herein shall create any duty by Sub to engage in a Sale of the Acquired Option Shares.

5. Representations and Warranties of the Stockholder. The Stockholder hereby represents and warrants to Parent and Sub as follows:

(a) Ownership of Option Shares. The Stockholder is the record and beneficial owner of the number of Option Shares set forth opposite the Stockholder's name on Schedule I hereto. The Stockholder has sole voting power and sole power to issue instructions with respect to the matters set forth in Sections 2, 3 and 4 hereof, sole power of disposition, sole power of conversion, sole power to demand appraisal rights and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Option Shares, with no limitations, qualifications or restrictions on such rights, subject to applicable securities laws and the terms of this Agreement.

(b) Power; Binding Agreement. The Stockholder has the legal capacity, power and authority to enter into and perform all of the Stockholder's obligations under this Agreement. The execution, delivery and performance of this Agreement by the Stockholder will not violate any other agreement to which the Stockholder is a party including, without limitation, any voting agreement, stockholders' agreement or voting trust. This Agreement has been duly and validly executed and delivered by the Stockholder and constitutes a valid and binding agreement of the Stockholder, enforceable against the Stockholder in accordance with its terms. There is no beneficiary or holder of a voting trust certificate or other interest of any trust of which the Stockholder is trustee whose consent is required for the execution and delivery of this Agreement or the consummation by the Stockholder of the transactions contemplated hereby. The Stockholder hereby revokes any and all proxies with respect to any of the Option Shares.

(c) No Conflicts. Except for filings and approvals under the HSR Act or the Exchange Act, if applicable, (x) no filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority or any Person is necessary for the execution of this Agreement by the Stockholder and the consummation by the Stockholder of the transactions contemplated hereby and (y) none of the execution and delivery of this Agreement by the Stockholder, the consummation by the Stockholder of the transactions contemplated hereby or compliance by the Stockholder with any of the provisions hereof shall (1) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which the Stockholder is a party or by which the Stockholder or any of the Stockholder's properties or assets may be bound, or (2) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to the Stockholder or any of the Stockholder's properties or assets.

(d) No Finder's Fees. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Stockholder.

(e) No Encumbrances. The Option Shares and the certificates representing such Option Shares are now, and at all times during the term hereof will be, held by the Stockholder, or by a nominee or custodian for the benefit of the Stockholder, free and clear of all liens, claims, options, charges, security interests, proxies, voting trusts or agreements, understandings or arrangements or any other legal or equitable rights or encumbrances whatsoever, except for any such encumbrances or proxies arising hereunder. The transfer by the Stockholder of the Option Shares to Sub in the Offer or hereunder (after payment in full of the purchase price thereof) shall pass to and unconditionally vest in Sub good and valid title to all Option Shares, free and clear of all claims, liens, restrictions, security interests, pledges, limitations and encumbrances whatsoever (other than those in favor of Parent and Sub).

6. Additional Covenants of the Stockholder. In addition to the covenants and agreements included elsewhere herein, the Stockholder covenants and agrees as follows:

(a) No Solicitation. The Stockholder (and Persons acting on behalf of the Stockholder) shall not directly or indirectly, initiate, solicit (including by way of furnishing information), encourage or respond to or take any other action knowingly to facilitate, any inquiries or the making of any proposal by any Person (other than Parent or any affiliate of Parent) with respect to, an Acquisition Transaction (an "Acquisition Proposal"), or enter into or maintain or continue discussions or negotiate with any Person (other than Parent or any affiliate of Parent) in furtherance of such inquiries or to obtain any Acquisition Proposal, or agree to or endorse any Acquisition Proposal, or authorize or permit any Person acting on behalf of the Stockholder to do any of the foregoing. The Stockholder will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Person conducted heretofore with respect to any of the foregoing. If the Stockholder receives any inquiry or proposal regarding any acquisition Proposal, the Stockholder shall promptly inform Sub of that inquiry or proposal, the details thereof, the

identify of the Person making such inquiry or proposal and shall in the case of written proposals or inquiries, furnish Sub with a copy of such proposal or inquiry (and all amendments and supplements thereto).

(b) Restriction on Transfer, Proxies and Non- Interference. Except as contemplated by this Agreement, the Stockholder shall not directly or indirectly, (i) offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to, or consent to the offer for sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of the Option Shares or any interest therein; (ii) grant any proxies or powers of attorney, deposit any Option Shares into a voting trust or enter into a voting agreement with respect to any Option Shares; or (iii) take any action that would make any representation or warranty of the Stockholder contained herein untrue or incorrect or have the effect of preventing or disabling the Stockholder from performing the Stockholder's obligations under this Agreement.

(c) Waiver of Appraisal Rights. The Stockholder hereby irrevocably waives any rights of appraisal or rights to dissent from the Merger that the Stockholder may have.

(d) Stop Transfer; Changes in Option Shares. The Stockholder agrees with, and covenants to, Parent and Sub that the Stockholder shall not request that the Company register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of the Option Shares, unless such transfer is made in compliance with this Agreement. In the event of a stock dividend, split-up, merger, recapitalization, combination, conversion exchange of shares or the like (in each case with a record date prior to the termination of this Agreement), (i) the term "Option Shares" shall be deemed to refer to and include the Option Shares as well as all such stock dividends and distributions and any securities into which or for which any or all of the Option Shares may be changed or exchanged and such dividends, distributions and securities, as the case may be, shall be paid to Sub at the Closing or promptly following the receipt of such dividend or distribution, if the Closing therefor shall have occurred and

(ii) the number and kind of shares subject to this Agreement and Purchase Price shall be appropriately adjusted to reflect changes made in the Company Common Stock so that Sub shall receive, upon exercise of the Stock Option and payment of the Purchase Price, the number and class of shares, other securities, property or cash that Sub would have received in respect of the Option Shares if the Stock Option had been exercised and the Option Shares had been issued to Sub immediately prior to such event or the record date therefor, as applicable.

7. Termination. This Agreement (other than Section 4(c) if, and to the extent applicable) shall terminate, and no party shall have any rights or obligations hereunder and this Agreement shall become null and void and have no effect from and after the last date on which the Stock Option is exercisable pursuant to Section 4.

8. Miscellaneous.

(a) Further Assurances. From time to time, at the other party's request and without further consideration, each party hereto shall execute and deliver such additional documents and take all such further lawful action as may be necessary or appropriate to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

(b) Entire Agreement; No Third Party Beneficiaries. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, written or oral, among the parties with respect to the subject matter hereof. This Agreement is not intended for the benefit of or intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

(c) Certain Events. The Stockholder agrees that this Agreement and the obligations hereunder shall attach to the Option Shares and shall be binding upon any Person to which legal or beneficial ownership of such Option Shares shall pass, whether by operation of law or otherwise, including, without limitation, the Stockholder's heirs, guardians, administrators or successors. Notwithstanding any transfer of Option Shares, the transferor shall remain liable for the performance of all obligations under this Agreement of the transferor.

(d) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other parties provided that Parent and Sub may assign, in their sole discretion, their rights and obligations hereunder to any direct or indirect wholly-owned subsidiary of Parent, although no such assignment shall relieve Parent or Sub of their obligations hereunder if such assignee does not perform such obligations.

(e) Amendments, Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, except upon the execution and delivery of a written agreement executed by the relevant parties hereto; provided that Schedule I hereto may be supplemented by Parent and Sub by adding the name and other relevant information concerning any stockholder of the Company who agrees to be bound by the terms of this Agreement without the agreement of any other party hereto, and thereafter such added stockholder shall be treated as a "Stockholder" for all purposes of this Agreement.

(f) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram or teletype, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following

addresses:

If to the Stockholder: _____

Facsimile: _____
Attention: _____

If to Parent or Sub: c/o Northern Telecom Limited
3 Robert Speck Parkway
Mississauga, Ontario
Canada L42 3C8
Facsimile: 905-566-3082

Attention: Mr. William R. Kerr
Vice President and
Treasurer

copy to: Northern Telecom Limited
3 Robert Speck Parkway
Mississauga, Ontario
Canada L42 3C8
Facsimile: 905-566-3457

Attention: Anthony J. Lafleur, Esq.
Vice President and Associate
General Counsel

and to: Cleary, Gottlieb, Steen & Hamilton
1 Liberty Plaza
New York, New York 10006
Facsimile: 212-225-3999

Attention: Victor I. Lewkow, Esq.

or to such other address as the Person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(g) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(h) Specific Performance. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

(i) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(j) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(k) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

(l) Jurisdiction. Each party hereby irrevocably submits to the exclusive jurisdiction of the Court of Chancery in the State of Delaware or the United States District Court for the Southern District of New York or any court of the State of New York located in the City of New York in any action, suit or proceeding arising in connection with this Agreement, and agrees that any such action, suit or proceeding shall be brought only in such court (and waives any objection based on forum non conveniens or any other objection to venue therein); provided, however, that such consent to jurisdiction is solely for the purpose referred to in this paragraph (l) and shall not be deemed to be a general submission to the jurisdiction of said Courts or in the States of Delaware or New York other than for such purposes. EACH PARTY HERETO HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY SUCH ACTION, SUIT OR PROCEEDING.

(m) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part

of or to affect the meaning or interpretation of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Parent, Sub and the Stockholder have caused this Agreement to be duly executed as of the day and year first above written.

NORTHERN TELECOM INC.

By: _____
Name: Peter Currie
Title: Attorney-in-fact

ELDER CORPORATION

By: _____
Name: William R. Kerr
Title: Vice President and
Treasurer

By: _____
Name:
Title:

**SCHEDULE I TO
STOCK OPTION AGREEMENT**

Name of Stockholder Number of Option Shares Owned

E. R. Yost

May 30, 1996

Northern Telecom Inc.
Elder Corporation
c/o Northern Telecom Limited
3 Robert Speck Parkway
Mississauga, Ontario
Canada L4Z 3C8

Ladies and Gentlemen:

I refer to that certain Stock Option Agreement, dated as of May 13, 1996 (the "Agreement"), among Northern Telecom Inc., a Delaware corporation ("Parent"), Elder Corporation, a Delaware corporation ("Sub"), and the undersigned (the "Stockholder"). Capitalized terms not otherwise defined herein have the meanings assigned to them in the Agreement.

Pursuant to the Agreement, the Stockholder has agreed, among other things, subject to the conditions set forth therein, to validly tender pursuant to the Offer (and not to withdraw) all of the Existing Shares beneficially owned by the Stockholder and also has granted Parent and Sub the Stock Option with respect to the Existing Shares. Stockholder wishes to make charitable gifts of a portion of such Existing Shares, and Parent and Sub hereby agree to the same, with such Existing Shares remaining effectively subject to the terms of the Agreement (including the Stock Option). Accordingly, this is to confirm that, notwithstanding anything to the contrary in the Agreement:

1. I may make a charitable gift to The Jewish Communal Fund (the "JCF") of all or a portion of my Existing Shares, whereafter I shall be fully and unconditionally released from any and all obligations required to be performed by me under the Agreement with respect to any and all shares of such Common Stock so distributed, but not any other Option Shares, provided that, (a) concurrently with such gift, I shall execute and deliver to Parent and Sub an Indemnity Agreement in the form of Exhibit A hereto and (b) prior to making such gift, the JCF shall have executed and delivered to Parent and Sub a stock option agreement in the form of Exhibit B hereto, it being understood that such execution and delivery is a condition to making such gift.
2. The second sentence of Section 5(e) of the Agreement is hereby amended to delete the words "to Parent".
3. Parent and Sub hereby agree that, notwithstanding the letter dated May 23, 1996 from Parent and Sub to the Stockholder, the Stockholder shall not be obligated to tender the Existing Shares pursuant to the Offer prior to the close of business on June 7, 1996.
4. Except as expressly modified by this letter, the Agreement shall remain in full force and effect.

Please confirm your agreement to the foregoing by signing this letter where indicated below.

Very truly yours,

/s/ E. R. Yost

E. R. Yost

ACCEPTED AND AGREED:

NORTHERN TELECOM INC.

By: */s/ Peter Currie*

ELDER CORPORATION

By: */s/ William R. Kerr*

Exhibit A

**FORM OF
INDEMNITY AGREEMENT**

INDEMNITY AGREEMENT dated as of June 3, 1996, by and among Northern Telecom Inc., a Delaware corporation ("Parent"), Elder Corporation, a Delaware corporation and a wholly-owned subsidiary of Parent ("Sub"), and Eugene R. Yost (the "Indemnitor").

WITNESSETH:

WHEREAS, Parent, Sub, and Indemnitor entered into a Stock Option Agreement dated as of May 13, 1996 (the "Yost Option Agreement");

WHEREAS, the Yost Option Agreement requires, among other things, that Indemnitor validly tender (and not withdraw) 413,412 shares held by it (the "Shares") of the common stock, \$.0000001 par value per share (the "Company Common Stock"), of MICOM Communications Corp., a Delaware corporation (the "Company"), pursuant to and in accordance with the Offer (as defined in the Yost Option Agreement);

WHEREAS, in connection with the Yost Option Agreement, pursuant to a letter dated May 30, 1996 from Yost to each of Parent and Sub (the "Letter Agreement") the Indemnitor is making a charitable gift to the Jewish Communal Fund (the "Charitable Institution") of 42,000 shares and, as a condition precedent to making such gift, the Charitable Institution is entering into a stock option agreement with respect to such shares with Parent and Sub in the form of Exhibit B to the Letter Agreement (the "Charitable Institution Option Agreement"); and

WHEREAS, to induce Parent and Sub to enter into the Letter Agreement, the Indemnitor agreed pursuant to the Letter Agreement to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual premises, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Indemnity.

(a) The Indemnitor shall indemnify and reimburse each of Parent and Sub for (I) any payment (including in connection with the exercise of any appraisal rights under applicable law) by Sub or the Surviving Corporation (as defined in the Merger Agreement dated as of May 13, 1996 among Parent, Sub and the Company) to the Charitable Institution (or its successors, permitted assigns or any purchaser from the Charitable Institution of the 42,000 shares) pursuant to the Offer or, if applicable, the Merger (as defined in the Charitable Institution Agreement), of any amount for the shares in excess of the aggregate amount (such aggregate amount, the "Purchase Price") otherwise payable by Sub to the Charitable Institution for the shares pursuant to the penultimate sentence of Section 2(a) of the Charitable Institution Option Agreement (excluding from such excess any amount required to be paid to the Charitable Institution pursuant to Section 4(c) of the Charitable Institution Option Agreement; (ii) an amount equal to 50% of the excess (if any) of (a) the aggregate proceeds (net of selling commissions, if any) received by the Charitable Institution in any sale or other disposition by the Charitable Institution of the shares to a third party in breach of the Charitable Institution Option Agreement over (b) the Purchase Price for the shares subject to such sale, provided that such amount otherwise shall not have been paid over by the Charitable Institution to Parent or Sub (or any of their respective affiliates), and provided further that if any of the proceeds of such sale received by the Charitable Institution shall consist of securities, for purposes hereof, the proceeds of such sale shall be deemed to be the net amount that would actually have been received in an orderly sale of such securities commencing on the first business day following actual receipt of such securities by the Charitable Institution, in the written opinion of an investment banking firm of national reputation selected by Sub and reasonable satisfactory to the Indemnitor and delivered by such investment bank to each of them; and (iii) any and all reasonable out-of-pocket expenses actually incurred by Parent or Sub in enforcing this Agreement against the Indemnitor.

(b) Any claim for indemnification shall be made by written notice addressed to the Indemnitor, c/o Pitcairn Trust Company, One Pitcairn Place, Suite 3000, 165 Township Line Road, Jenkintown, PA 19046, Fax: (215) 881-6090 setting forth, in reasonable detail, the basis for such claim. With respect to any claim for payment under clauses (i) and (ii) of Section 1(a), the Indemnitor shall be required to remit such payment within 10 days after receipt of such notice, by certified or bank cashier's check payable to the order of Parent or Sub as directed in such notice, provided that in the case of clause (ii), if any of the proceeds of the sale referred to therein shall consist of securities, the Indemnitor shall not be required to remit such payment until after the receipt of the investment banking firm's written opinion to each of the Indemnitor and Sub as described in such clause (ii). With respect to any claim for payment under clause (iii) of Section 1(a), the Indemnitor shall be required to remit such payment in the same manner as provided for in the immediately preceding sentence promptly after a final determination of the amounts due with respect to such claim for payment.

2. Release. Except as expressly contemplated in this Agreement, each of Parent and Sub shall fully and unconditionally release the Indemnitor from any and all obligations to be performed by the Indemnitor under the Yost Option Agreement with respect to the 42,000 Shares (and the Indemnitor hereby relinquishes any and all rights thereunder relating to such shares, including any rights to payment under Section 4(c) thereof) from and after the making of the charitable gift of the shares by the Indemnitor to the Charitable Institution, except that the Indemnitor's obligations under Section 3 of the Yost Option Agreement, if any, and the Indemnitor's representations and warranties under Section 5(e) of the Yost Option Agreement shall survive such release in accordance with the respective terms applicable thereto. Except as expressly modified by this Agreement, the Yost Option Agreement shall remain in full force and effect.

3. Representations and Warranties. The Indemnitor hereby represents and warrants to each of Parent and Sub that:

(a) The Indemnitor has the legal capacity, power and authority to enter into and perform all of the Indemnitor's obligations under this Agreement.

(b) The execution, delivery and performance of this Agreement by the Indemnitor will not violate or cause a breach of or a default under (or give rise to any third party right of termination, cancellation, modification or acceleration) any other agreement to which the Indemnitor is a party of violate any writ, order, decree or judgment binding on the Indemnitor.

(c) No consent or other approval of any third party is necessary for the execution, delivery and performance of this Agreement by the Indemnitor.

4. Incorporation by Reference. The provisions contained in Sections 8(d) (Assignment), (f) (Notices), (g) (Severability), (h) (Specific Performance), (i) (Remedies Cumulative), (j) (No Waiver), (k) (Governing Law), (l) (Jurisdiction), (m) (Descriptive Headings) and (n) (Counterparts) of the Yost Option Agreement are hereby incorporated by reference herein as if set forth in full herein.

5. Amendments; Waivers. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, except upon the execution and delivery of a written agreement executed by the parties hereto; provided that any waiver need only be executed and delivered in writing by the party against whom the waiver is to be enforced.

6. Entire Agreement; No Third Party Beneficiaries. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, written or oral, between the parties with respect to the subject matter hereof. This Agreement is not intended for the benefit of or intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

IN WITNESS WHEREOF, Parent, Sub and the Indemnitor have caused this Agreement to be duly executed as of the day and year first written above.

NORTHERN TELECOM INC.

By: _____
Name: Peter Currie
Title: Attorney-in-fact

ELDER CORPORATION

By: _____
Name: William R. Kerr
Title: Vice President and
Treasurer

Indemnitor: EUGENE R. YOST

Exhibit B

FORM OF

CHARITABLE INSTITUTION

STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT dated as of _____, 1996 by and among Northern Telecom Inc., a Delaware corporation ("Parent"), Elder Corporation, a Delaware corporation and a wholly owned subsidiary of Parent ("Sub"), and _____ (the "Stockholder").

WITNESSETH:

WHEREAS, Parent, Sub and MICOM Communications Corp., a Delaware corporation (the "Company"), entered into an Agreement and Plan of Merger dated as of May 13, 1996 (as such agreement may hereafter be amended from time to time, the "Merger Agreement"; capitalized terms used and not defined herein having the respective meanings given to them in the Merger Agreement), pursuant to which Sub will be merged with and into the Company (the "Merger");

WHEREAS, concurrently with the execution and delivery of the Merger Agreement and as an inducement and a condition to Parent and Sub entering into the Merger Agreement, Parent, Sub, Odyssey Partners, L.P., a Delaware limited partnership ("Odyssey"), and an affiliate of Odyssey entered into a Stock Option Agreement dated as of May 13, 1996 (the "Odyssey Option Agreement");

WHEREAS, in furtherance of the Merger and pursuant to the Merger Agreement, on May 17, 1996, Sub commenced a cash tender offer pursuant to which Sub has offered to purchase all outstanding shares of Company Common Stock (as defined in Section 1), including all of the Option Shares (as defined in Section 2), upon the terms and conditions set forth in the Merger Agreement and the offering documents for the Offer;

WHEREAS, the Odyssey Option Agreement requires, among other things, that Odyssey validly tender (and not withdraw) 4,737,733 shares held by it (the "Shares") of the Company Common Stock, pursuant to and in accordance with the Offer;

WHEREAS, in connection with the Odyssey Option Agreement, pursuant to a letter dated May 30, 1996 from Odyssey to each of Parent and Sub (the "Letter Agreement") (i) Odyssey has distributed to _____ (the "Odyssey Distributee") _____ of the Shares, which constitute all of the Option Shares hereunder, and the Odyssey Distributee has entered into a stock option agreement with respect to the Option Shares with Parent and Sub in the form of Exhibit A to the Letter Agreement and (ii) (a) the Odyssey Distributee is making a charitable gift to the Stockholder of the Option Shares and, as a condition precedent to making such gift, the Stockholder is entering into this Agreement with respect to the Option Shares, and (b) the Odyssey Distributee is entering into an indemnity agreement with respect to the Option Shares with Parent and Sub in the form of Exhibit B to the Letter Agreement; and

WHEREAS, as an inducement and a condition to Parent and Sub entering into the Letter Agreement, and as a condition to the Odyssey Distributee's making of the charitable gift of the Option Shares to the Stockholder, Parent and Sub have required that the Stockholder agree, and the Stockholder has agreed, to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual premises, representations, warranties, covenants and agreements contained herein, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Definitions. For purposes of this Agreement:

(a) "Acquisition Transaction" shall mean any merger, consolidation, liquidation, dissolution, recapitalization, reorganization or other business combination, acquisition or sale or other disposition of a material amount of assets or securities, tender offer or exchange offer or any other similar transaction involving the Company, its securities or any of its material subsidiaries or divisions.

(b) "beneficially own" or "beneficial ownership" with respect to any securities shall mean having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Securities Act of 1934, as amended (the "Exchange Act")), including pursuant to any agreement, arrangement or understanding, whether or not in writing. Without duplicative counting of the same securities by the same holder, securities beneficially owned by a Person shall include securities beneficially owned by all other Persons with whom such Person would constitute a "group" as within the meaning of Section 13(d)(3) of the Exchange Act.

(c) "Company Common Stock" shall mean at any time the common stock, \$0.0000001 par value, of the Company.

(d) "Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, firm, association, trust, unincorporated organization or other entity.

2. Tender of Option Shares. To induce Parent and Sub to enter into the Letter Agreement and subject to terms and conditions set forth herein:

(a) Stockholder hereby agrees to validly tender (and not to withdraw) pursuant to and in accordance with the terms of the Offer, promptly (but not later than June 7, 1996), for acceptance by Sub in the Offer, the number of shares of Company Common Stock set forth opposite the Stockholder's name on Schedule I hereto (together with any additional shares of Company Common Stock or other Company securities received as dividends thereon or received as a result of any stock split, reclassification or similar transaction relating to such shares, the "Option Shares"), beneficially owned by it; provided that, if the purchase price per share of Company Common Stock of the Offer is for any reason increased to an amount greater than the Purchase Price (as defined in Section 4), then (i) the Stockholder will not tender the Option Shares into the Offer after the first public announcement of such increase, and (ii) if any Option Shares were tendered into the Offer prior to such first public announcement, the Stockholder will promptly withdraw its tender of such Option Shares. In the event that the Stockholder is not permitted to tender (or is required to withdraw) the Option Shares pursuant to the proviso to the immediately preceding sentence, Sub shall be obligated to, and will, exercise the Stock Option on the first business day following the purchase of any shares of Company Common Stock pursuant to the Offer, in which case (notwithstanding the notice period set forth in Section 4(b)), no notice need be given to the Stockholder, and the closing of the purchase of the Option Shares (the "Closing") shall also take place on the first business day following the purchase of Shares pursuant to the Offer, at 11:00

A.M. (New York time) at Cleary, Gottlieb, Steen & Hamilton, One Liberty Plaza, New York, NY, or at such other time and place as the parties shall agree. The Stockholder hereby acknowledges and agrees that Sub's obligation to accept for payment and pay for Company Common Stock in the Offer, including the Option Shares, is subject to the terms and conditions of the Offer.

(b) The Stockholder hereby agrees to permit Parent and Sub to publish and disclose in the Offer Documents and, if approval of the stockholders of the Company is required under applicable law, the Proxy Statement (including all documents and schedules filed with the Securities and Exchange Commission) its identify and ownership of Company Common Stock and the nature of its commitments, arrangements and understandings under this Agreement.

3. Provisions Concerning Company Common Stock. The Stockholder hereby agrees that during the period commencing on the date hereof and continuing until the first to occur of (i) the Effective Time and (ii) the termination of this Agreement as set forth in Section 8, at any meeting of the holders of Company Common Stock, however called, or in connection with any written consent of the holders of Company Common Stock, the Stockholder shall vote (or cause to be voted) the Option Shares held of record or beneficially owned by the Stockholder whether issued, heretofore owned or hereafter acquired, (i) in favor of the approval and adoption of the agreement of merger (as such term is used in Section 251 of the Delaware General Corporation Law) contained in the Merger Agreement, (ii) in favor of any other action related to the Merger or in furtherance of the transactions contemplated by the Merger Agreement and this Agreement, (iii) against any action or agreement that would result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or this Agreement, and (iv) except as otherwise agreed to in writing in advance by Sub, against the following actions (other than the Merger and the transactions contemplated by the Merger Agreement): (x) any Acquisition Transaction; and (y) (1) any change in a majority of the persons who constitute the Board of Directors of the Company; (2) any change in the present capitalization of the Company or any amendment of Company's Certificate of Incorporation or By-laws;

(3) any other material change in the Company's corporate structure or business; and (4) any other action involving the Company or its subsidiaries which is intended, or could reasonably be expected, to impede, interfere with, delay, postpone, or otherwise adversely affect the Offer, the Merger and the transactions contemplated by this Agreement and the Merger Agreement. The Stockholder shall not enter into any agreement or understanding with any Person the effect of which would be inconsistent with or violative of the provisions and agreements contained in this Section 3.

4. Option.

(a) To induce Parent and Sub to enter into the Letter Agreement and subject to the terms and conditions set forth herein, the Stockholder hereby grants to Sub an irrevocable option (the "Stock Option") to purchase the Option Shares at a purchase price per share of \$12.00 (the "Purchase Price"). If

(i) the Offer is terminated, abandoned or withdrawn by Parent or Sub (whether due to the failure of any of the conditions thereto or otherwise), (ii) the Offer is consummated but Sub has not accepted for payment and paid for the Option Shares (whether due to the proviso to the first sentence of Section 2 or otherwise) or (iii) the Merger Agreement is terminated in accordance with its terms (other than for the failure of Parent or Sub to fulfill any material obligation under the Merger Agreement or by mutual agreement of the parties thereto), the Stock Option shall, in any such case, become exercisable, in whole but not in part, upon the first to occur of any such event and remain exercisable, in whole but not in part, until the date which is 60 days after the date of the occurrence of such event, so long as: (x) all waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), required for the purchase of the Stock Option upon such exercise shall have expired or been waived, and (y) there shall not then be in effect any preliminary or final injunction or other order issued by any court or governmental, administrative or regulatory agency or authority prohibiting the exercise of the Stock Option pursuant to this Agreement. In the event that the Stock Option is not exercisable because the circumstances described in clauses (x) and (y) do not exist, then the Stock Option shall be exercisable for a period not exceeding an additional 30 days after the 60-day period referred to in the immediately preceding sentence.

(b) In the event that Sub wishes to exercise the Stock Option, and subject to Section 2(a), Sub shall send a written notice to the Stockholder identifying the place and time for the Closing at least three business days, and not more than five business days, prior to the Closing. Subject to the terms and conditions of this Agreement, in reliance on the representations, warranties and covenants of the Stockholder contained herein and in full payment for the Option Shares, Sub will deliver at the Closing to the Stockholder, by wire transfer of immediately available funds to an account designated by the Stockholder at least one business day in advance, an aggregate amount equal to the product of (x) the Purchase Price and (y) the number of Option Shares. At the Closing, the Stockholder will deliver, or cause to be delivered, to Sub certificates representing the Option Shares duly endorsed to Sub or accompanied by stock powers duly executed by the Stockholder in blank, together with

any necessary stock transfer stamps properly affixed.

(c) Acquired Option Shares. In the event the Option Shares are acquired by Sub pursuant to the exercise of the Option ("Acquired Option Shares"), the Stockholder shall be entitled to receive, upon any subsequent disposition, transfer or sale (other than to an affiliate who takes such Acquired Option Shares subject to Sub's obligations under this Section) ("Sale") of the Acquired Option Shares for which a binding contract of sale is entered into within 180 days of the Closing, an amount in cash equal to 50% of the excess (if any) of the aggregate proceeds received in the Sale (net of selling commissions, if any) over the aggregate Purchase Price for the Acquired Option Shares subject to such Sale. If any of the consideration received by Sub in such Sale consists of securities, for purposes hereof the proceeds of such Sale shall be deemed to be the net amount that would actually have been received in an orderly sale of such securities commencing on the first business day following actual receipt of such securities by Sub, in the written opinion of an investment banking firm of national reputation selected by Sub and reasonably satisfactory to the Stockholder. Any payment due hereunder shall be paid by Sub to the Stockholder within five days after receipt of the Sale proceeds or, if any of the consideration consists of securities, after the receipt of such investment banking firm's written opinion to the parties. Nothing herein shall create any duty by Sub to engage in a Sale of the Acquired Option Shares.

5. Representations and Warranties of the Stockholder. The Stockholder hereby represents and warrants to Parent and Sub as follows:

(a) Ownership of Option Shares. The Stockholder is the record and beneficial owner of the number of Option Shares set forth opposite the Stockholder's name on Schedule I hereto. The Stockholder has sole voting power and sole power to issue instructions with respect to the matters set forth in Sections 2, 3 and 4 hereof, sole power of disposition, sole power of conversion, sole power to demand appraisal rights and sole power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Option Shares, with no limitations, qualifications or restrictions on such rights, subject to applicable securities laws and the terms of this Agreement.

(b) Power; Binding Agreement. The Stockholder has the legal capacity, power and authority to enter into and perform all of the Stockholder's obligations under this Agreement. The execution, delivery and performance of this Agreement by the Stockholder will not violate any other agreement to which the Stockholder is a party including, without limitation, any voting agreement, stockholders' agreement or voting trust. This Agreement has been duly and validly executed and delivered by the Stockholder and constitutes a valid and binding agreement of the Stockholder, enforceable against the Stockholder in accordance with its terms. There is no beneficiary or holder of a voting trust certificate or other interest of any trust of which the Stockholder is trustee whose consent is required for the execution and delivery of this Agreement or the consummation by the Stockholder of the transactions contemplated hereby. The Stockholder hereby revokes any and all proxies with respect to any of the Option Shares.

(c) No Conflicts. Except for filings and approvals under the HSR Act or the Exchange Act, if applicable, (x) no filing with, and no permit, authorization, consent or approval of, any state or federal public body or authority or any Person is necessary for the execution of this Agreement by the Stockholder and the consummation by the Stockholder of the transactions contemplated hereby and (y) none of the execution and delivery of this Agreement by the Stockholder, the consummation by the Stockholder of the transactions contemplated hereby or compliance by the Stockholder with any of the provisions hereof shall (1) result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default (or give rise to any third party right of termination, cancellation, modification or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, contract, commitment, arrangement, understanding, agreement or other instrument or obligation of any kind to which the Stockholder is a party or by which the Stockholder or any of the Stockholder's properties or assets may be bound, or (2) violate any order, writ, injunction, decree, judgment, order, statute, rule or regulation applicable to the Stockholder or any of the Stockholder's properties or assets.

(d) No Finder's Fees. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Stockholder.

(e) No Encumbrances. The Option Shares and the certificates representing such Option Shares are now, and at all times during the term hereof will be, held by the Stockholder, or by a nominee or custodian for the benefit of the Stockholder, free and clear of all liens, claims, options, charges, security interests, proxies, voting trusts or agreements, understandings or arrangements or any other legal or equitable rights or encumbrances whatsoever, except for any such encumbrances or proxies arising hereunder. The transfer by the Stockholder of the Option Shares to Sub in the Offer or hereunder (after payment in full of the purchase price thereof) shall pass to and unconditionally vest in Sub good and valid title to all Option Shares, free and clear of all claims, liens, restrictions, security interests, pledges, limitations and encumbrances whatsoever (other than those in favor of Parent and Sub).

6. Additional Covenants of the Stockholder. In addition to the covenants and agreements included elsewhere herein, the Stockholder covenants and agrees as follows:

(a) No Solicitation. The Stockholder (and Persons acting on behalf of the Stockholder) shall not directly or indirectly, initiate, solicit (including by way of furnishing information), encourage or respond to or take any other action knowingly to facilitate, any inquiries or the making of any proposal by any Person (other than Parent or any affiliate of Parent) with respect to, an Acquisition Transaction (an "Acquisition Proposal"), or enter into or maintain or continue discussions or negotiate with any Person (other than Parent or any affiliate of Parent) in furtherance of such inquiries or to obtain any Acquisition Proposal, or agree to or endorse any Acquisition Proposal, or authorize or permit any Person acting on behalf of the Stockholder to do any of the foregoing. The Stockholder will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Person conducted heretofore with respect to any of the foregoing. If the Stockholder receives any inquiry or proposal regarding any acquisition Proposal, the Stockholder shall promptly inform Sub of that inquiry or proposal, the details thereof, the

identify of the Person making such inquiry or proposal and shall in the case of written proposals or inquiries, furnish Sub with a copy of such proposal or inquiry (and all amendments and supplements thereto).

(b) Restriction on Transfer, Proxies and Non- Interference. Except as contemplated by this Agreement, the Stockholder shall not directly or indirectly, (i) offer for sale, sell, transfer, tender, pledge, encumber, assign or otherwise dispose of, or enter into any contract, option or other arrangement or understanding with respect to, or consent to the offer for sale, transfer, tender, pledge, encumbrance, assignment or other disposition of, any or all of the Option Shares or any interest therein; (ii) grant any proxies or powers of attorney, deposit any Option Shares into a voting trust or enter into a voting agreement with respect to any Option Shares; or (iii) take any action that would make any representation or warranty of the Stockholder contained herein untrue or incorrect or have the effect of preventing or disabling the Stockholder from performing the Stockholder's obligations under this Agreement.

(c) Waiver of Appraisal Rights. The Stockholder hereby irrevocably waives any rights of appraisal or rights to dissent from the Merger that the Stockholder may have.

(d) Stop Transfer; Changes in Option Shares. The Stockholder agrees with, and covenants to, Parent and Sub that the Stockholder shall not request that the Company register the transfer (book-entry or otherwise) of any certificate or uncertificated interest representing any of the Option Shares, unless such transfer is made in compliance with this Agreement. In the event of a stock dividend, split-up, merger, recapitalization, combination, conversion exchange of shares or the like (in each case with a record date prior to the termination of this Agreement), (i) the term "Option Shares" shall be deemed to refer to and include the Option Shares as well as all such stock dividends and distributions and any securities into which or for which any or all of the Option Shares may be changed or exchanged and such dividends, distributions and securities, as the case may be, shall be paid to Sub at the Closing or promptly following the receipt of such dividend or distribution, if the Closing therefor shall have occurred and

(ii) the number and kind of shares subject to this Agreement and Purchase Price shall be appropriately adjusted to reflect changes made in the Company Common Stock so that Sub shall receive, upon exercise of the Stock Option and payment of the Purchase Price, the number and class of shares, other securities, property or cash that Sub would have received in respect of the Option Shares if the Stock Option had been exercised and the Option Shares had been issued to Sub immediately prior to such event or the record date therefor, as applicable.

7. Termination. This Agreement (other than Section 4(c) if, and to the extent applicable) shall terminate, and no party shall have any rights or obligations hereunder and this Agreement shall become null and void and have no effect from and after the last date on which the Stock Option is exercisable pursuant to Section 4.

8. Miscellaneous.

(a) Further Assurances. From time to time, at the other party's request and without further consideration, each party hereto shall execute and deliver such additional documents and take all such further lawful action as may be necessary or appropriate to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated by this Agreement.

(b) Entire Agreement; No Third Party Beneficiaries. This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all other prior agreements and understandings, written or oral, among the parties with respect to the subject matter hereof. This Agreement is not intended for the benefit of or intended to confer upon any Person other than the parties hereto any rights or remedies hereunder.

(c) Certain Events. The Stockholder agrees that this Agreement and the obligations hereunder shall attach to the Option Shares and shall be binding upon any Person to which legal or beneficial ownership of such Option Shares shall pass, whether by operation of law or otherwise, including, without limitation, the Stockholder's heirs, guardians, administrators or successors. Notwithstanding any transfer of Option Shares, the transferor shall remain liable for the performance of all obligations under this Agreement of the transferor.

(d) Assignment. This Agreement shall not be assigned by operation of law or otherwise without the prior written consent of the other parties provided that Parent and Sub may assign, in their sole discretion, their rights and obligations hereunder to any direct or indirect wholly-owned subsidiary of Parent, although no such assignment shall relieve Parent or Sub of their obligations hereunder if such assignee does not perform such obligations.

(e) Amendments, Waivers, Etc. This Agreement may not be amended, changed, supplemented, waived or otherwise modified or terminated, except upon the execution and delivery of a written agreement executed by the relevant parties hereto; provided that Schedule I hereto may be supplemented by Parent and Sub by adding the name and other relevant information concerning any stockholder of the Company who agrees to be bound by the terms of this Agreement without the agreement of any other party hereto, and thereafter such added stockholder shall be treated as a "Stockholder" for all purposes of this Agreement.

(f) Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly received if so given) by hand delivery, telegram or teletype, or by mail (registered or certified mail, postage prepaid, return receipt requested) or by any courier service, such as Federal Express, providing proof of delivery. All communications hereunder shall be delivered to the respective parties at the following

addresses:

If to the Stockholder: _____

Facsimile: _____
Attention: _____

If to Parent or Sub: c/o Northern Telecom Limited
3 Robert Speck Parkway
Mississauga, Ontario
Canada L42 3C8
Facsimile: 905-566-3082

Attention: Mr. William R. Kerr
Vice President and
Treasurer

copy to: Northern Telecom Limited
3 Robert Speck Parkway
Mississauga, Ontario
Canada L42 3C8
Facsimile: 905-566-3457

Attention: Anthony J. Lafleur, Esq.
Vice President and Associate
General Counsel

and to: Cleary, Gottlieb, Steen & Hamilton
1 Liberty Plaza
New York, New York 10006
Facsimile: 212-225-3999

Attention: Victor I. Lewkow, Esq.

or to such other address as the Person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

(g) Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

(h) Specific Performance. Each of the parties hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the other party to sustain damages for which it would not have an adequate remedy at law for money damages, and therefore each of the parties hereto agrees that in the event of any such breach the aggrieved party shall be entitled to the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity.

(i) Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

(j) No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

(k) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law thereof.

(l) Jurisdiction. Each party hereby irrevocably submits to the exclusive jurisdiction of the Court of Chancery in the State of Delaware or the United States District Court for the Southern District of New York or any court of the State of New York located in the City of New York in any action, suit or proceeding arising in connection with this Agreement, and agrees that any such action, suit or proceeding shall be brought only in such court (and waives any objection based on forum non conveniens or any other objection to venue therein); provided, however, that such consent to jurisdiction is solely for the purpose referred to in this paragraph (l) and shall not be deemed to be a general submission to the jurisdiction of said Courts or in the States of Delaware or New York other than for such purposes. EACH PARTY HERETO HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY SUCH ACTION, SUIT OR PROCEEDING.

(m) Descriptive Headings. The descriptive headings used herein are inserted for convenience of reference only and are not intended to be part

of or to affect the meaning or interpretation of this Agreement.

(n) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement.

IN WITNESS WHEREOF, Parent, Sub and the Stockholder have caused this Agreement to be duly executed as of the day and year first above written.

NORTHERN TELECOM INC.

By: _____
Name: Peter Currie
Title: Attorney-in-fact

ELDER CORPORATION

By: _____
Name: William R. Kerr
Title: Vice President and Treasurer

By: _____
Name:
Title:

SCHEDULE I TO
STOCK OPTION AGREEMENT

Name of Stockholder Number of Option Shares Owned

End of Filing

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