

**EXECUTION COPY**

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CREDIT AGREEMENT

dated as of

July 17, 2006

among

ALLTEL HOLDING CORP.  
(to be known as WINDSTREAM CORPORATION),

The Lenders Party Hereto

and

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent and Collateral Agent,

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED,  
as Syndication Agent,

and

BANK OF AMERICA, N.A.,  
CITIBANK, N.A.

and

WACHOVIA BANK, NATIONAL ASSOCIATION,  
as Co-Documentation Agents

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J.P. MORGAN SECURITIES INC. and MERRILL LYNCH, PIERCE,  
FENNER & SMITH  
INCORPORATED and  
MERRILL LYNCH & CO.,

as Joint Bookrunners and Co-Lead Arrangers

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Exhibit B-1 -- Form of Opinion of John P. Fletcher, Esq., General Counsel of the  
Borrower  
Exhibit B-2 -- Form of Opinion of William Ojile, Esq., General Counsel of Valor  
Exhibit B-3 -- Form of Opinion of Kirkland & Ellis LLP, special counsel for the  
Loan Parties  
Exhibit B-4 -- Form of Opinion of Wilkinson Barker Knauer, LLP, special  
regulatory counsel for the Loan Parties  
Exhibit C -- Form of Guarantee Agreement  
Exhibit D -- Form of Security Agreement

CREDIT AGREEMENT dated as of July 17, 2006, among ALLTEL HOLDING CORP., the LENDERS party hereto and JPMORGAN CHASE BANK, N.A., as Administrative Agent and Collateral Agent, MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED, as Syndication Agent, and BANK OF AMERICA, N.A., CITIBANK, N.A. and WACHOVIA BANK, NATIONAL ASSOCIATION, as Co-Documentation Agents.

The parties hereto agree as follows:

ARTICLE 1  
DEFINITIONS

Section 1.01. *Defined Terms.* As used in this Agreement, the following terms have the meanings specified below:

“**2006 Equity Incentive Plan**” means Windstream Corporation’s 2006 Equity Incentive Plan, attached as Annex G to the Registration Statement.

“**2016 Notes**” means the 8<sup>5</sup>/<sub>8</sub>% senior unsecured notes due 2016 of the Borrower issued to Alltel on or prior to the Effective Date in an aggregate principal amount not to exceed \$1,746,000,000.

“**2013 Notes**” means the 8<sup>1</sup>/<sub>8</sub>% senior unsecured notes due 2013 of the Borrower issued under Rule 144A under the Securities Act on or prior to the Effective Date in an aggregate principal amount not to exceed \$800,000,000.

“**ABR**”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“**AC Holdings**” means Alltel Communications Holdings of the Midwest, Inc., a Nebraska corporation (formerly known as Aliant Communications Inc.).

“**AC Holdings Bonds**” means the 6<sup>3</sup>/<sub>4</sub>% Notes due 2028 issued by AC Holdings in an aggregate principal amount not to exceed \$100,000,000.

“**AC Holdings Indenture**” means the Indenture dated as of February 23, 1998 under which the AC Holdings Bonds were issued.

“**Acquisition**” means any purchase or acquisition by any Wireline Company in a single transaction or a series of transactions individually or, together with its Affiliates, of (a) any Equity Interests in another Person which are sufficient to permit such Wireline Company and its Affiliates to Control such other Person or (b) all or substantially all of the assets of, or assets comprising a

division, unit or line of business of, another Person, whether or not involving a merger or consolidation with such other Person. “**Acquire**” has a meaning correlative thereto.

“**Adjusted LIBO Rate**” means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“**Administrative Agent**” means JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Lenders hereunder and under the other Loan Documents, and its permitted successors in such capacity as provided in Article 8.

“**Administrative Questionnaire**” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“**Affiliate**” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“**Agents**” means the Administrative Agent, the Collateral Agent, the Syndication Agent, the Co-Documentation Agents and the Lead Arrangers.

“**Alltel**” means Alltel Corporation, a Delaware corporation.

“**Alltel Georgia**” means Alltel Georgia Communications Corp., a Georgia corporation.

“**Alltel Georgia Bonds**” means the 6½% Debentures due 2013 issued by Alltel Georgia in an aggregate principal amount not to exceed \$80,000,000.

“**Alternate Base Rate**” means, for any day, a rate per annum equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1%. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

“**Applicable Rate**” means, for any day, (a) with respect to any Revolving Loan, Tranche A Term Loan or Tranche C Term Loan, (i) 0.25% per annum in the case of an ABR Loan and (ii) 1.25% per annum in the case of a Eurodollar Loan, and (b) with respect to any Tranche B Term Loan, (i) 0.75% per annum in the case of an ABR Loan and (ii) 1.75% per annum in the case of a Eurodollar Loan; and (c) with respect to any Incremental Loan, the rate specified in the Incremental Facility Amendment.

“**Approved Fund**” has the meaning assigned to such term in Section 9.04.

“**Asset Disposition**” means (a) any sale, lease, transfer or other disposition (including pursuant to a Sale and Leaseback Transaction) of any assets of any Wireline Company pursuant to Section 6.05(b)(ii), (h), (k) or (m), (b) the issuance by any Subsidiary of any Equity Interest, or (c) the receipt by any Subsidiary of any capital contribution, other than (x) any such issuance of an Equity Interest to, or the receipt of any such capital contribution from, another Wireline Company and (y) directors’ qualifying shares and shares issued to foreign nationals to the extent required by applicable law; *provided* that any single transaction or series of related transactions that involves assets or Equity Interests having a Fair Market Value of less than \$25,000,000 shall not be deemed to be an Asset Disposition.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“**Assumed Bonds**” means the AC Holdings Bonds, the Alltel Georgia Bonds and the Assumed Valor Bonds.

“**Assumed Valor Bonds**” means the Valor Bonds, other than, after the Change of Control Payment Date (as defined in, and determined pursuant to, the Valor Indenture), any Tendered Valor Bonds (whether or not repurchased pursuant to the Valor Indenture).

“**Attributable Debt**” in respect of a Sale and Leaseback Transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value will be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP.

“**Available Cash**” means, on any date of determination, an amount (which may be a negative amount) equal to the sum of the following in respect of the Wireline Companies on a consolidated basis for the period commencing on the first day of the first Fiscal Quarter commencing after the Effective Date and ending on the last day of the most recent Fiscal Quarter for which a certificate shall have been delivered to the Administrative Agent pursuant to Section 5.01(c) (and which the Administrative Agent shall have had an opportunity to review for not less than five Business Days):

- (a) Consolidated Adjusted EBITDA for such period; *plus*

(b) to the extent not included in calculating such Consolidated Adjusted EBITDA, any extraordinary or non-recurring cash gain during such period, other than any such gain resulting from any sale, transfer or other disposition of assets; *minus*

(c) without duplication and to the extent included in determining such Consolidated Adjusted EBITDA, the sum of (i) Consolidated Cash Interest Expense for such period, except to the extent constituting Restricted Payments; (ii) all taxes of the Wireline Companies paid in cash during such period; and (iii) any extraordinary or nonrecurring loss, expense or charge paid in cash during such period; *provided* that amounts shall be included in this clause (c) for any period only to the extent not duplicative of any cost or expense which was (x) included in determining Consolidated Adjusted Net Income for such period and (y) not been added back to such Consolidated Adjusted Net Income in determining Consolidated Adjusted EBITDA for such period.

**“Available Distributable Cash”** means, on any date of determination, an amount (which may be a negative amount) equal to the sum of:

(a) Available Cash as of such date of determination; *minus*

(b) without duplication, the sum of the following amounts, in each case for the period commencing on the Effective Date and ending on such date of determination:

(i) the aggregate amount of Restricted Payments made by the Wireline Companies during such period, other than any such Restricted Payments (A) made to another Wireline Company, (B) paid from Available Equity Proceeds, (C) made as a part of the Transactions, (D) permitted under clause (ii) or (ix) of Section 6.08(a) or (E) permitted under clause (x) of Section 6.08(a) to the extent not exceeding the amount of cash and Cash Equivalents owned by Valor immediately prior to, and by the Borrower immediately after giving effect to, the Merger;

(ii) the aggregate amount of Investments, determined net (without duplication of any other netting) of the aggregate amount of cash proceeds received by the Wireline Companies from any subsequent sale or repayment thereof, made by the Wireline Companies during such period, other than any such Investments (A) in connection with a Permitted Acquisition, but only to the extent funded with the proceeds of Permitted Additional Debt, (B) in connection with a Permitted Asset Exchange, but only to the extent the consideration paid by the Wireline Companies consists of assets or properties (other than cash) or cash consideration funded with the proceeds of Permitted Additional Debt, (C) in any Collateral Support Party (except, in the case of any Investment by a Loan

Party in a Collateral Support Party that is not a Loan Party, to the extent that the distribution or repayment to such Loan Party of such Investment is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Collateral Support Party or its equity holders), (D) funded from Available Equity Proceeds or (E) permitted under clause (a), (b), (g), (h), (j), (k), (l), (m), (n) (but only to the extent such Investment is reflected in and duplicative of all or a portion of a Permitted Acquisition), (o), (p) or (q) of Section 6.04);

(iii) the aggregate amount of payments made by the Wireline Companies to repay, prepay, redeem, defease or acquire for value at or prior to stated maturity, or to refund, refinance or exchange, any Indebtedness (other than (A) Revolving Loans hereunder, (B) any of the Refinancings, or (C) any Indebtedness incurred pursuant to Section 6.01(a)(v) unless such Indebtedness is a Distribution Advance) or make any other scheduled, mandatory or voluntary payment of any such Indebtedness, other than any such payments funded from (1) Available Equity Proceeds, (2) the proceeds of Permitted Additional Debt or (3) the proceeds of Permitted Refinancing Indebtedness; and

(iv) the aggregate amount of Capital Expenditures made during such period, other than Capital Expenditures financed with (1) Available Equity Proceeds, (2) Reinvestment Funds or (3) the proceeds of a Debt Issuance (other than proceeds of Revolving Loans).

**“Available Equity Proceeds”** means, on any date of determination, an amount equal to the sum of the following amounts, in each case for the period commencing on the Effective Date and ending on such date of determination:

(a) the aggregate amount of Net Proceeds of any Equity Issuances (excluding Equity Issuances of Disqualified Stock but including Equity Issuances pursuant to the conversion or exchange of Indebtedness or Disqualified Stock) during such period; *minus*

(b) the aggregate amount of such Net Proceeds of Equity Issuances which have been applied prior to such date of determination to fund any of the following payments, without duplication:

(i) all or a portion of the consideration payable by the Wireline Companies in connection with a Permitted Acquisition;

(ii) Capital Expenditures;

(iii) any other Investments, determined net (without duplication of any other netting) of the aggregate amount of cash proceeds received by the Wireline Companies from any subsequent sale or repayment thereof, made by the Wireline Companies (other than (A) Investments in any Collateral Support Party (except, in the case of any Investment by a Loan Party in a Collateral Support Party that is not a Loan Party, to the extent that the distribution or repayment to such Loan Party of such Investment is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Collateral Support Party or its equity holders); and (B) Investments permitted under clause (b), (h), (j), (k), (o), (n) (but only to the extent such Investment is reflected in and duplicative of all or a portion of a Permitted Acquisition) or (q) of Section 6.04);

(iv) Restricted Payments made by the Wireline Companies (other than Restricted Payments to any Wireline Company); *provided* that any such Restricted Payment by a Wireline Company to any other Person (other than another Wireline Company) which is made with the proceeds of a substantially contemporaneous Restricted Payment from another Wireline Company shall be deemed to be a single Restricted Payment for these purposes; and

(v) any payments made by the Wireline Companies to repay, prepay, redeem, defease or acquire for value at or prior to stated maturity, or to refund, refinance or exchange any Indebtedness (other than (i) Revolving Loans hereunder or (ii) any Indebtedness incurred pursuant to Section 6.01(a)(v), unless such Indebtedness is a Distribution Advance) or make any other scheduled, mandatory or voluntary payment of any such Indebtedness.

“**Beneficial Owner**” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms “Beneficially Owns” and “Beneficially Owned” will have a corresponding meaning.

“**Board**” means the Board of Governors of the Federal Reserve System of the United States of America.

“**Borrower**” means ALLTEL Holding Corp., a Delaware corporation, together with its successors (including Valor as the surviving entity of the Merger, to be renamed “Windstream Corporation”).

“**Borrowing**” means Loans of the same Class and Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“**Borrowing Request**” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“**Business Day**” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; *provided* that, when used in connection with a Eurodollar Loan, the term “**Business Day**” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“**Capital Expenditures**” means, for any period, (a) the additions to property, plant and equipment and other capital expenditures of the Wireline Companies that are (or should be) set forth in a consolidated statement of cash flows of the Wireline Companies for such period prepared in accordance with GAAP and (b) any Capital Lease Obligations incurred by the Wireline Companies during such period in connection with any such capital expenditures, but excluding (i) the Merger and Permitted Acquisitions, or (ii) the purchase price of equipment that is purchased substantially contemporaneously with the trade-in of existing equipment but only to the extent such purchase price does not exceed the credit granted by the seller of such equipment for the equipment being traded in at such time.

“**Capital Lease Obligations**” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“**Cash Collateral Account**” has the meaning specified in Section 8 of the Security Agreement.

“**Cash Consideration**” means the consideration received by the Wireline Companies for any Asset Disposition that is in the form of cash, Cash Equivalents or Replacement Assets or a combination of the foregoing. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities (as shown on the Borrower's most recent balance sheet) of the Wireline Companies (other than contingent liabilities, Restricted Indebtedness and liabilities to the extent owed to any Wireline Company) that are assumed by the transferee of any such assets or Equity Interests pursuant to a written assignment and assumption agreement that releases the applicable Wireline Companies from further liability therefor;

(b) any securities, notes or other obligations received by the Wireline Companies from such transferee that are converted by the Wireline Companies into Cash Equivalents or Replacement Assets within 180 days of the receipt thereof (to the extent of the Cash Equivalents or Replacement Assets received in that conversion); and

(c) any Designated Noncash Consideration received by the Wireline Companies in such Asset Disposition having an aggregate Fair Market Value, taken together with all other Designated Noncash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of (x) 1.5% of Total Assets at such time and (y) \$100,000,000 (with the Fair Market Value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value).

**"Cash Equivalents" means:**

(a) dollars and foreign currency received in the ordinary course of business or exchanged into dollars within 180 days;

(b) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States is pledged in support thereof), maturing, unless such securities are deposited to defease any Indebtedness, not more than one year from the date of acquisition;

(c) certificates of deposit and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any Lender Party or any domestic commercial bank having capital and surplus in excess of \$500,000,000 and a rating at the time of acquisition thereof of P-1 or better from Moody's or A-1 or better from S&P;

(d) repurchase obligations for underlying securities of the types described in clauses (b) and (c) above entered into with any financial institution meeting the qualifications specified in clause (c) above;

(e) commercial paper issued by a corporation (other than an Affiliate of the Borrower) rated at least "A-2" or higher from Moody's or S&P and in each case maturing within one year after the date of acquisition;

(f) securities issued and fully guaranteed by any state, commonwealth or territory of the United States, or by any political subdivision or taxing authority thereof, rated at least "A" by Moody's or S&P and having maturities of not more than one year from the date of acquisition; and

(g) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (f) of this definition.

**"Cash Management Agreements"** means all agreements between the Borrower and any Lender or any Affiliate of a Lender (determined at the time such agreement is designated as a Cash Management Agreement pursuant to Section 20 of the Security Agreement) in respect of any overdraft and related liabilities arising from treasury, depository and cash management services or any automated clearing house transfers of funds.

**"Casualty Event"** means any casualty or other insured damage to any property of any Wireline Company with a fair market value immediately prior to such event of at least \$10,000,000, or any taking of any such property under power of eminent domain or by condemnation or similar proceeding, or any transfer of any such property in lieu of a condemnation or similar taking thereof.

**"Change in Law"** means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender, Issuing Bank or Participant (or, for purposes of Section 2.14(b), by any lending office of such Lender or by such Lender's or such Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

**"Change of Control"** means the occurrence of any of the following:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the Beneficial Owner, directly or indirectly, of 50% or more of the voting power of the Voting Stock of the Borrower;

(b) the first day on which a majority of the members of the board of directors of the Borrower are not Continuing Directors;

(c) the Borrower consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into any Wireline Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Borrower or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where (i) the Voting Stock of the Borrower outstanding immediately prior to such transaction continues as, or is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and (ii) immediately after such transaction, no "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the Exchange Act) becomes, directly or indirectly, the Beneficial Owner of 50% or more of the voting power of the Voting Stock of the surviving or transferee Person; or

(d) the occurrence of any "Change in Control" (or similar event, however denominated) under any indenture or other agreement in respect of Material Indebtedness, except for a "Change of Control" under the Valor Indenture resulting from the Merger.

**"Class"** (a) when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Tranche A Term Loans, Tranche B Term Loans or Tranche C Term Loans, (b) when used in reference to any Commitment, refers to whether such Commitment is a Revolving Commitment, Tranche A Commitment, Tranche B Commitment or Tranche C Commitment and (c) when used in reference to any Lender, refers to whether such Lender is a Revolving Lender, Tranche A Lender, Tranche B Lender or Tranche C Lender.

**"Co-Documentation Agents"** means Bank of America, N.A., Citibank, N.A. and Wachovia Bank, National Association, each in its capacity as a co-documentation agent.

**"Code"** means the Internal Revenue Code of 1986, as amended from time to time.

**"Collateral"** means any and all "Collateral", as defined in any applicable Security Document.

**"Collateral Agent"** means JPMorgan Chase Bank, N.A. in its capacity as collateral agent for the Secured Parties hereunder and under the other Loan Documents, and its permitted successors in such capacity as provided in Article 8.

**"Collateral and Guarantee Requirement"** means at any time the requirement that:

(a) the Collateral Agent shall have received from each Loan Party either (i) counterparts of the Guarantee Agreement and the Security Agreement, duly executed and delivered on behalf of such Loan Party, or (ii) in the case of any Person that becomes a Loan Party after the Effective Date, supplements to the Guarantee Agreement and the Security Agreement, in the form specified therein, duly executed and delivered on behalf of such Person (within the time frames required thereby);

(b) all outstanding Equity Interests in and all outstanding promissory notes issued by any Wireline Company owned by or on behalf of any Loan Party shall have been pledged pursuant to the Security Agreement (except that the Loan Parties shall not be required to pledge more than 66% of the outstanding voting Equity Interests in any Foreign Subsidiary that is not a Loan Party) and the Collateral Agent shall have received all certificates or other instruments representing such Equity Interests (except to the extent such Equity Interests are not represented by certificates or other instruments) and Indebtedness, together with undated stock powers or other instruments of transfer with respect thereto endorsed in blank;

(c) except as otherwise provided in the Security Agreement, all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded to create the Liens intended to be created by the Security Documents and perfect or record such Liens to the extent, and with the priority, required by this Agreement and the Security Agreement, shall have been (or shall have made arrangements to provide for) filed, registered or recorded or delivered to the Collateral Agent for filing, registration or recording;

(d) each Loan Party shall have obtained all consents and approvals required to be obtained by it in connection with the execution and delivery of all Security Documents to which it is a party, the performance of its obligations thereunder and the granting of the Liens granted by it thereunder, in each case to the extent required by this Agreement and the Security Documents; and

(e) each Loan Party shall have taken all other action required to perfect, register and/or record the Liens granted by it thereunder, in each case to the extent required by this Agreement and the Security Documents.

**“Collateral Support Parties”** means (a) the Loan Parties and (b) each other Subsidiary (i) that is not required to Guarantee the Facility Obligations pursuant to the Loan Documents (other than any Insignificant Subsidiary) and (ii) all Equity Interests in which, and all Indebtedness owing to any Loan Party of which, shall have been pledged and delivered to the Collateral Agent in accordance with the Collateral and Guarantee Requirement.

“**Commitment**” means a Revolving Commitment, Tranche A Commitment, Tranche B Commitment or Tranche C Commitment, or any combination thereof (as the context may require).

“**Commitment Fee Rate**” means, for any day, a rate per annum equal to (a) if the Leverage Ratio on the most recent determination date is 2.00 to 1.0 or higher, 0.25% and (b) otherwise, 0.20%. For purposes of this definition, (x) the Leverage Ratio shall be determined as of the end of each Fiscal Quarter based on the Borrower’s consolidated financial statements delivered pursuant to Section 5.01(a) or 5.01(b) and (y) each change in the Commitment Fee Rate resulting from a change in the Leverage Ratio shall be effective during the period from and including the day when the Administrative Agent receives the financial statements indicating such change to but excluding the effective date of the next such change; *provided* that, at the option of the Administrative Agent (or at the request of the Required Lenders), if the Borrower fails to deliver consolidated financial statements to the Administrative Agent as and when required by Section 5.01(a) or 5.01(b), the Commitment Fee Rate will be that set forth in clause (a) above during the period from the expiration of the time specified for such delivery until such financial statements are so delivered.

“**Commitment Letter**” means the Commitment Letter dated as of December 8, 2005 among Alltel, the Lead Arrangers and JPMCB and MLCC, as amended by the letter agreement among such parties dated April 12, 2006.

“**Communications Act**” means, collectively, the Communications Act of 1934, as amended, the rules and regulations of the FCC, and written orders, policies, and decisions of the FCC and the courts’ interpretation of the foregoing.

“**Consolidated Adjusted EBITDA**” means, for any period, Consolidated Adjusted Net Income for such period *plus*, without duplication:

- (a) provision for taxes based on income or profits of the Wireline Companies for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Adjusted Net Income; *plus*
- (b) Interest Expense of the Wireline Companies for such period, to the extent that such Interest Expense was deducted in computing such Consolidated Adjusted Net Income; *plus*
- (c) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period), goodwill impairment charges and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of the Wireline Companies for such period to the

extent that such depreciation, amortization and other non-cash charges or expenses were deducted in computing such Consolidated Adjusted Net Income; *plus*

(d) the amount of any minority interest expense deducted in computing such Consolidated Adjusted Net Income; *plus*

(e) any non-cash compensation charge arising from any grant of stock, stock options or other equity-based awards, to the extent deducted in computing such Consolidated Adjusted Net Income; *plus*

(f) any non-cash Statement of Financial Accounting Standards No. 133 income (or loss) related to hedging activities, to the extent deducted in computing such Consolidated Adjusted Net Income; *minus*

(g) non-cash items increasing such Consolidated Adjusted Net Income for such period, other than (i) the accrual of revenue consistent with past practice and (ii) the reversal in such period of an accrual of, or cash reserve for, cash expenses in a prior period, to the extent such accrual or reserve did not increase Consolidated Adjusted EBITDA in a prior period;

in each case determined on a consolidated basis in accordance with GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, the Interest Expense of, and the depreciation and amortization and other non-cash expenses of, a Subsidiary will be added to Consolidated Adjusted Net Income to compute Consolidated Adjusted EBITDA (A) in the same proportion that the Net Income of such Subsidiary was added to compute such Consolidated Adjusted Net Income and (B) only to the extent that a corresponding amount would be permitted, as of such determination date, to be dividended or distributed to the Borrower by such Subsidiary (x) without direct or indirect restriction pursuant to the terms of its charter and all agreements and instruments applicable to such Subsidiary or its stockholders and (y) solely for purposes of any determination of Available Distributable Cash, without prior governmental approval (that has not been obtained) (unless and to the extent that such amount constitutes a Distribution Advance) and without direct or indirect restriction pursuant to the terms of any judgments, decrees, orders, statutes, rules and/or governmental regulations applicable to such Subsidiary and/or its any of stockholders.

**“Consolidated Adjusted Net Income”** means, for any period, the aggregate of the Net Income of the Wireline Companies for such period, determined on a consolidated basis in accordance with GAAP; *provided that:*

(a) the Net Income of any Person that is not a Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to a Wireline Company during such period (and the net loss of any such Person will be included only to the extent that such loss is funded in cash by a Wireline Company during such period);

(b) the Net Income of any Subsidiary will be excluded to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such Net Income is not, as of such date of determination, permitted (x) directly or indirectly, by operation of the terms of its charter or any agreement or instrument applicable to such Subsidiary or its equityholders or (y) solely for purposes of any determination of Available Distributable Cash, without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of any judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary or its equityholders, in each case except to the extent that such amount was advanced prior to such date in cash by such Subsidiary (directly or indirectly) to the Borrower in accordance with Section 6.01(a)(v) (any such advance, except to the extent it has been repaid, prepaid, redeemed, acquired or otherwise returned (directly or indirectly) to such Subsidiary, a “**Distribution Advance**”);

(c) the Net Income of any Person acquired during the specified period for any period prior to the date of such acquisition will be excluded; and

(d) the cumulative effect of a change in accounting principles will be excluded.

“**Consolidated Cash Interest Expense**” means, for any period, the excess of (a) the sum of (i) Interest Expense of the Borrower and the Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP, and (ii) any cash payments made by or on behalf of the Borrower or any Subsidiary during such period in respect of Interest Expense that were or will be amortized, accrued or otherwise recognized in a previous or future period, *minus* (b) the sum of (i) to the extent included in such consolidated Interest Expense for such period, any non-cash amounts amortized, accrued or otherwise recognized in such period, and (ii) cash interest income actually received by the Borrower or any Subsidiary (determined on a consolidated basis) in such period.

“**Consolidated Debt**” means, as of any date, the principal amount of Indebtedness of the Wireline Companies outstanding as of such date, determined on a consolidated basis; *provided* that, for purposes of this definition, the term “Indebtedness” will not include (i) contingent obligations of any Wireline Company as an account party or applicant in respect of any letter of credit or letter of guaranty, unless such letter of credit or letter of guaranty supports an

obligation that constitutes Indebtedness of a Person other than a Wireline Company, (ii) any obligation constituting Indebtedness pursuant to clause (j) of the definition thereof, (iii) any Earn-out Obligation or obligation in respect of purchase price adjustment permitted pursuant to Section 6.01(a)(xv) and (iv) any bonds or similar instruments in the nature of surety, performance, appeal or similar bonds.

**“Continuing Directors”** means, as of any date of determination, any member of the board of directors of the Borrower who:

- (a) was a member of such board of directors on the Effective Date; or
- (b) was nominated for election or elected to such board of directors with the approval of a majority of the Continuing Directors who were members of such board of directors at the time of such nomination or election.

**“Contributed Subsidiaries”** means the subsidiaries of Alltel that, after giving effect to the Preliminary Restructuring, own any assets, liabilities or operations of Alltel’s wireline telecommunications business.

**“Contribution”** means the contribution by Alltel to the Borrower, directly or indirectly, of all of the issued and outstanding capital stock or other Equity Interests in the Contributed Subsidiaries in exchange for all of the issued and outstanding shares of common stock of the Borrower, the 2016 Notes and the Special Dividend.

**“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by agreement or otherwise.

**“Controlling”** and **“Controlled”** have meanings correlative thereto.

**“Debt Exchange”** means the exchange for its outstanding debt securities or other transfer to its creditors of the 2016 Notes by Alltel.

**“Debt Issuance”** means the issuance or other incurrence by any Wireline Company of any Indebtedness for borrowed money.

**“Default”** means any event or condition which constitutes an Event of Default or which, upon notice, lapse of time or both, would, unless cured or waived, become an Event of Default under Article 7.

**“Defaulting Lender”** has the meaning assigned to such term in Section 2.18(b).

**“Designated Noncash Consideration”** means the Fair Market Value of noncash consideration received by the Wireline Companies in connection with an

Asset Disposition that is so designated as Designated Noncash Consideration pursuant to a certificate of a Financial Officer, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

**“Disclosed Matters”** means the actions, suits and proceedings and the environmental matters disclosed in Schedule 3.06.

**“Disqualified Stock”** means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 123 days after the Tranche B Maturity Date or, if such Equity Interests are issued after the Borrower has obtained any Incremental Loans constituting term loans or while any Commitments from Incremental Lenders to make Incremental Loans constituting term loans remain in effect, 123 days after the maturity date for such Incremental Loans, unless all such Incremental Loans have been repaid in full and all Commitments in respect thereof have been terminated; *provided, however*, that only the portion of such Equity Interests which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such dates shall be deemed to be Disqualified Stock. Notwithstanding the preceding sentence, any Equity Interests that would constitute Disqualified Stock solely because the holders thereof have the right to require a Wireline Company to repurchase such Equity Interests upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Equity Interest provide that the Wireline Companies may not repurchase or redeem any such Equity Interest pursuant to such provisions unless such repurchase or redemption complies with Section 6.08. The term “Disqualified Stock” will also include any options, warrants or other rights that are convertible into Disqualified Stock or that are redeemable at the option of the holder, or required to be redeemed, prior to the date that is 123 days after the Tranche B Maturity Date or, if such Equity Interests are issued after the Borrower has obtained any Incremental Loans constituting term loans or while any Commitments from Incremental Lenders to make Incremental Loans constituting term loans remain in effect, 123 days after the maturity date for such Incremental Loans, unless all such Incremental Loans have been repaid in full and all Commitments in respect thereof have been terminated.

**“Distribution”** means the distribution by Alltel to its shareholders of all of the common stock of the Borrower.

**“Distribution Advance”** has the meaning set forth in clause (b) of the definition of “Consolidated Adjusted Net Income”.

**“Distribution Agreement”** means the Distribution Agreement dated as of December 8, 2005 between Alltel and the Borrower, as filed with the SEC as Annex B to the Registration Statement.

**“Dividend Suspension Period”** means any period (a) commencing on any day on which consolidated financial statements are delivered pursuant to Section 5.01(a) or 5.01(b) (or, if applicable, the last day of the most recently completed Dividend Suspension Period) if the Leverage Ratio as of the last day of the then most recently completed Fiscal Quarter covered thereby is greater than 4.50 to 1.0 and (b) ending on the first day thereafter on which a Financial Officer delivers consolidated financial statements pursuant to Section 5.01(a) or 5.01(b) and a certificate pursuant to Section 5.01(c), all demonstrating that the Leverage Ratio was equal to or less than 4.50 to 1.0 as of the last day of the then most recently completed Fiscal Quarter covered thereby.

**“dollars”** or **“\$”** refers to lawful money of the United States.

**“Domestic Subsidiary”** means any Subsidiary other than a Foreign Subsidiary.

**“Earn-out Obligation”** means any contingent consideration based on the future operating performance of an acquired entity or assets, or other purchase price adjustment or indemnification obligation, payable following the consummation of an acquisition (including pursuant to a merger or consolidation) based on criteria set forth in the documentation governing or relating to such acquisition.

**“Effective Date”** means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 9.02).

**“Environmental Laws”** means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, having the force or effect of law and relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of, or exposure to, any pollutant, toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous substance, waste or material or to occupational health and safety matters.

**“Environmental Liability”** means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Wireline Company directly or indirectly resulting from or based upon (a) actual or alleged violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials,

(d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

**“Equity Interests”** means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest but excluding any debt security that is convertible into, or exchangeable for, any of the foregoing.

**“Equity Issuance”** means any issuance by the Borrower of any of its Equity Interests to any Person (other than another Wireline Company) or receipt by any Wireline Company of a capital contribution from any Person (other than another Wireline Company), including the issuance of Equity Interests pursuant to the exercise of options or warrants and the conversion of any Indebtedness to equity.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended from time to time.

**“ERISA Affiliate”** means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

**“ERISA Event”** means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a

Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“**Eurodollar**”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“**Event of Default**” has the meaning assigned to such term in Article 7.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules of the SEC thereunder.

“**Excluded Taxes**” means, with respect to any Agent, any Lender, any Issuing Bank, any Participant or any other recipient of any payment to be made by or with respect to any obligation of the Borrower hereunder (each, a “**Recipient**”), (a) income or franchise taxes imposed on (or measured by) its net income by any jurisdiction, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which the Borrower is located and (c) in the case of a Foreign Recipient (other than an assignee pursuant to a request by the Borrower under Section 2.18(b)), any withholding tax that (i) is imposed by a Governmental Authority in the United States on amounts payable to such Foreign Recipient at the time such Foreign Recipient becomes a party to this Agreement (or designates a new Lending Affiliate or lending office) or, in the case of a Participant, at the time the Participant purchases the relevant participation, except to the extent that such Foreign Recipient (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 2.16(a), or (ii) is attributable to such Foreign Recipient’s failure to comply with Section 2.16(e).

“**Existing Letters of Credit**” means the letters of credit previously issued pursuant to the Valor 2005 Credit Facility which are (i) outstanding on the Effective Date and (ii) listed on Schedule 1.01-B.

“**Facilities**” means the credit facilities provided to the Loan Parties under the Loan Documents.

“**Facility Guarantee**” has the meaning specified in Section 1(b) of the Guarantee Agreement.

“**Facility Obligations**” means (i) all principal of all Loans and LC Reimbursement Obligations outstanding from time to time under this Agreement, all interest (including Post-Petition Interest) on such Loans and LC Reimbursement Obligations and all other amounts now or hereafter payable by the Borrower to the Lenders pursuant to the Loan Documents, (ii) all obligations

of the Borrower under the Cash Management Agreements and Swap Agreements listed on Schedule 1.01-A and all interest (including Post-Petition Interest) thereon and (iii) all obligations (if any) designated by the Borrower as additional Facility Obligations pursuant to Section 20 of the Security Agreement.

**“Fair Market Value”** means a price that would be paid in an arm’s-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by a Financial Officer of the Borrower, whose determination, unless otherwise specified below, will be conclusive if evidenced by an officer’s certificate. Notwithstanding the foregoing, a Financial Officer’s determination of Fair Market Value must be evidenced by a certificate of a Financial Officer delivered to the Administrative Agent if the Fair Market Value exceeds \$25,000,000.

**“FCC”** means the Federal Communications Commission or any successor Governmental Authority exercising similar functions.

**“Federal Funds Effective Rate”** means, for any day, the weighted average (rounded upwards, if necessary, to the next 1/100 of 1%) of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average (rounded upwards, if necessary, to the next 1/100 of 1%) of the quotations for such day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

**“Fee Letters”** means (a) the Fee Letter dated as of December 8, 2005 among Alltel, the Lead Arrangers and JPMCB and MLCC and (b) the Fee Letter dated as of July 17, 2006 between the Borrower and the Administrative Agent.

**“Financial Officer”** means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

**“Fiscal Quarter”** means a fiscal quarter of the Borrower.

**“Fiscal Year”** means a fiscal year of the Borrower.

**“Foreign Recipient”** has the meaning assigned to such term in Section 2.16(e)

**“Foreign Subsidiary”** means a Subsidiary (which may be a corporation, limited liability company, partnership or other legal entity) organized under the laws of a jurisdiction outside the United States, other than any such entity that is

(whether as a matter of law, pursuant to an election by such entity or otherwise) treated as a partnership in which any Loan Party is a partner or as a branch of any Loan Party for United States income tax purposes.

“**GAAP**” means generally accepted accounting principles in the United States.

“**Governmental Authority**” means the government of the United States, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body (including the FCC and any PUC, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government).

“**Governmental Authorization**” means any authorization, approval, consent, franchise, license, covenant, order, ruling, permit, certification, exemption, notice, declaration or similar right, undertaking or other action of, to or by, or any filing, qualification or registration with any Governmental Authority.

“**Guarantee**” of or by any Person (the “**guarantor**”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the “**primary obligor**”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; *provided* that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business; and *provided, further*, that the amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guarantor may be liable pursuant to the terms of the instrument embodying such Guarantee or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guarantor’s maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

**“Guarantee Agreement”** means the Guarantee Agreement between the Subsidiaries party thereto and the Collateral Agent, substantially in the form of Exhibit C.

**“Guarantors”** means each Person listed on the signature pages of the Guarantee Agreement under the caption “Guarantors” and each Subsidiary that shall, at any time after the date hereof, become a Guarantor pursuant to Section 5.10, until such time as released from their obligations under the Guarantee Agreement.

**“Hazardous Materials”** means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law because of their harmful, dangerous or deleterious properties or characteristics.

**“Incremental Facility Amendment”** has the meaning specified in Section 2.01(b)(iii).

**“Incremental Lender”** has the meaning specified in Section 2.01(b)(iii).

**“Incremental Loan”** has the meaning specified in Section 2.01(b)(i).

**“Indebtedness”** of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accrued obligations or trade payables, in each case incurred in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing unconditional right to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations and Attributable Debt of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances, (j) all net obligations of such Person under any Swap Agreements, and (k) all obligations of such Person to redeem, repay or otherwise repurchase any Disqualified Stock, valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is

liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. The amount of Indebtedness of any Person pursuant to clause (e) of this definition shall (unless such Indebtedness has been assumed by such Person) be deemed to be equal to the lesser of (A) the aggregate unpaid amount of such Indebtedness and (B) the Fair Market Value of the property encumbered thereby at the date of determination of the amount of such Indebtedness. The amount of any Indebtedness outstanding as of any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, and will be: (1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and (2) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

**"Indemnified Taxes"** means Taxes imposed by any Governmental Authority of or in the United States or any other jurisdiction from which or through which payments are made under the Loan Documents, other than Excluded Taxes.

**"Information Memorandum"** means the Confidential Information Memorandum dated June 2006 relating to the Wireline Companies and the Transactions.

**"Insignificant Subsidiary"** means any Subsidiary of the Borrower that has total assets of not more than \$5,000,000 and that is designated by the Borrower as an "Insignificant Subsidiary," *provided* that the total assets of all Subsidiaries that are so designated, as reflected on the Borrower's most recent consolidating balance sheet prepared in accordance with GAAP, may not in the aggregate at any time exceed \$25,000,000.

**"Interest Coverage Ratio"** means, on any date of determination, the ratio of (a) Consolidated Adjusted EBITDA to (b) Consolidated Cash Interest Expense for the period of four consecutive Fiscal Quarters ended on such day (or, in the case of any calculation to be made on Pro Forma Basis, if such day is not the last day of a Fiscal Quarter, ended on the last day of the Fiscal Quarter most recently ended before such day).

**"Interest Election Request"** means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.06.

**"Interest Expense"** means, with respect to any specified Person for any period, the sum, without duplication, of:

(a) the consolidated interest expense of such Person and its subsidiaries for such period, whether paid or accrued, including, without limitation, original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Swap Agreements, but excluding the amortization or write-off of debt issuance costs; *plus*

(b) the consolidated interest of such Person and its subsidiaries that was capitalized during such period; *plus*

(c) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its subsidiaries or secured by a Lien on assets of such Person or one of its subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*

(d) all dividends, whether paid or accrued and whether or not in cash, on any series of Disqualified Stock of such Person, other than dividends on Equity Interests payable solely in Equity Interests (other than Disqualified Stock) of such Person or to such Person or to a subsidiary of such Person,

in each case determined on a consolidated basis in accordance with GAAP.

**"Interest Payment Date"** means (a) with respect to any ABR Loan, the last day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

**"Interest Period"** means, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter (or nine or twelve months thereafter if, at the time of the relevant borrowing or conversion or continuation thereof, all Lenders participating therein agree to make an interest period of such duration available), as the Borrower may elect; *provided*, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Borrowing only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any

Interest Period pertaining to a Eurodollar Borrowing that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“**Investment**” has the meaning set forth in Section 6.04.

“**Issuing Bank**” means, as the context may require, JPMorgan Chase Bank, N.A., or, at any time and from time to time, up to three other Revolving Lenders that are designated in writing by the Borrower, are reasonably acceptable to the Administrative Agent, and that agree to issue one or more Letters of Credit hereunder and to report in writing to the Administrative Agent all activity with respect to such Letters of Credit in a manner reasonably satisfactory to the Administrative Agent, in each case in its capacity as an issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.04(i); *provided* that with respect to the Existing Letters of Credit, the Revolving Lender which issued the same shall be an Issuing Bank with respect thereto. Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “**Issuing Bank**” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“**JPMCB**” means JPMorgan Chase Bank, N.A.

“**Knowledge**” means the actual knowledge of a Responsible Officer.

“**LC Disbursement**” means a payment made by an Issuing Bank pursuant to a Letter of Credit.

“**LC Exposure**” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Reimbursement Obligations at such time. The LC Exposure of any Revolving Lender at any time shall be its Revolving Percentage of the total LC Exposure at such time.

“**LC Reimbursement Obligations**” means, at any time, all obligations of the Borrower to reimburse the Issuing Bank for amounts paid by it in respect of drawings under Letters of Credit, including any portion of such obligations to which Lenders have become subrogated by making payments to the Issuing Bank pursuant to Section 2.04(e).

“**Lead Arrangers**” means J.P. Morgan Securities Inc. and Merrill, Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch & Co., in their capacity as Co-Lead Arrangers and Joint Bookrunners.

“**Lender Parties**” means the Lenders, the Issuing Banks and the Agents.

“**Lenders**” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption and the terms and provisions in Section 9.04, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption and the terms and provisions in Section 9.04.

“**Letter of Credit**” means any letter of credit issued pursuant to this Agreement (including each Existing Letter of Credit).

“**Leverage Ratio**” means, on any date of determination, the ratio of (a) Consolidated Debt as of such day to (b) Consolidated Adjusted EBITDA for the period of four consecutive Fiscal Quarters ended on such day (or, in the case of any calculation to be made on a Pro Forma Basis, if such day is not the last day of a Fiscal Quarter, ended on the last day of the Fiscal Quarter most recently ended before such day).

“**LIBO Rate**” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate per annum equal to the British Bankers Association LIBOR Rate (“**BBA LIBOR**”) from Telerate Successor Page 3750, as published by Reuters (or other commercially available source providing quotations of BBA LIBOR as designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “**LIBO Rate**” with respect to such Eurodollar Borrowing for such Interest Period shall be the rate at which dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“**Lien**” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

**“Loan Documents”** means this Agreement, the Commitment Letter, the Fee Letters, any Incremental Facility Amendment and the Security Documents.

**“Loan Parties”** means the Borrower and the Guarantors.

**“Loans”** means the loans made by the Lenders to the Borrower pursuant to this Agreement.

**“Material Adverse Effect”** means a material adverse effect on (a) the business, assets, properties or liabilities or (I) in the case of any determination to be made prior to the Merger, condition (financial or otherwise) or (II) in the case of any other determination, financial condition of (x) the Wireline Companies taken as a whole or (y) with respect to any determination to be made prior to the Merger, Valor and its subsidiaries, in each case taken as a whole, or the ability of the Borrower or Valor to perform its obligations under the Merger Agreement; excluding, in the case of any determination to be made prior to the Merger, any facts, events, changes, effects or developments (i) generally affecting the rural, regional or nationwide wireline voice and data industry in the United States or in other countries in which such person or its subsidiaries conduct business, including regulatory and political developments and changes in law or generally accepted accounting principles, (ii) generally affecting the economy or financial markets in the United States or in other countries in which such person or its subsidiaries conduct business, or (iii) resulting from the announcement of the Merger or the taking of any action required by the Merger Agreement or related agreements in connection with the Merger (including any decrease in customer demand, any reduction in revenues, any disruption in supplier, partner or similar relationships, or any loss of employees), (b) the ability of any Loan Party to perform any of its payment obligations under any Loan Document or (c) the rights of or remedies available to any Lender Party under any Loan Document.

**“Material Indebtedness”** means Indebtedness (other than the Loans and Letters of Credit) of any one or more of the Wireline Companies in an aggregate principal amount exceeding \$75,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of any Wireline Company in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that such Wireline Company would be required to pay if such Swap Agreement were terminated at such time.

**“Merger”** means the merger of the Borrower with and into Valor, with Valor as the surviving entity, followed immediately by the merger of the Windstream Corporation, a Delaware corporation, with and into Valor, with Valor as the surviving entity (to be renamed “Windstream Corporation”).

**“Merger Agreement”** means the Agreement and Plan of Merger dated as of December 8, 2005 among Alltel, the Borrower and Valor, as filed with the SEC as Annex A to the Registration Statement, as amended on May 18, 2006.

**“MLCC”** means Merrill Lynch Capital Corporation.

**“Moody’s”** means Moody’s Investors Service, Inc.

**“Multiemployer Plan”** means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

**“Net Income”** means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends, excluding, however:

(a) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with: (i) any sale of assets outside the ordinary course of business of such Person or any of its subsidiaries; or (ii) the disposition of any securities by such Person or any of its subsidiaries or the extinguishment of any Indebtedness of such Person or any of its subsidiaries; and

(b) any extraordinary or non-recurring gain, loss, expense or charge (including any one-time expenses related to the Transactions), together with any related provision for taxes; *provided* that non-recurring cash charges other than related to the Transactions shall not exceed \$25,000,000 in any period of four consecutive Fiscal Quarters.

**“Net Proceeds”** means the aggregate cash proceeds (including (x) payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not the interest component, thereof) and (y) any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Disposition or Casualty Event) received by the Borrower or any of its Subsidiaries in respect of any Asset Disposition or Casualty Event, net of (1) the direct costs relating to such Asset Disposition or Casualty Event and the sale or other disposition of any such non-cash consideration, including, without limitation, legal, accounting, investment banking and brokerage fees, and sales commissions, and any relocation expenses incurred as a result thereof, (2) Taxes paid or payable as a result thereof, in each case, after taking into account any available Tax credits or deductions and any Tax sharing arrangements, (3) amounts required to be applied to the repayment of Indebtedness or other liabilities secured by a Lien on the asset or assets that were the subject of such Asset Disposition or Casualty Event or required to be paid as a result of such Asset Disposition or Casualty Event, (4) any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP, (5) in the case of any Asset Disposition by a Subsidiary of the Borrower, payments to

holders of Equity Interests in such Subsidiary in such capacity (other than such Equity Interests held by the Borrower or any Subsidiary) to the extent that such payment is required to permit the distribution of such proceeds in respect of the Equity Interests in such Subsidiary held by the Borrower or such Subsidiary and (6) appropriate amounts to be provided by the Borrower or its Subsidiaries as a reserve against liabilities associated with such Asset Disposition or Casualty Event, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Disposition or Casualty Event, all as determined in accordance with GAAP; *provided* that (a) any excess amounts set aside for payment of Taxes pursuant to clause (2) above that are remaining after such Taxes have been paid in full or the statute of limitations therefor has expired and (b) any amounts held in reserve pursuant to clause (6), will, in each case when no longer so held, become Net Proceeds.

“**New Notes**” means the 2016 Notes and the 2013 Notes.

“**New Notes Documents**” means the indenture under which the New Notes are issued and all other instruments, agreements and other documents evidencing or governing the New Notes or providing for any Guarantee or other right in respect thereof.

“**Non-Consenting Lender**” has the meaning assigned to such term in Section 9.02(c).

“**Other Taxes**” means any and all present or future recording, stamp or documentary taxes or any other excise, transfer, sales or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of this Agreement.

“**Participant**” has the meaning set forth in Section 9.04.

“**PBGC**” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“**Perfection Certificate**” means a certificate in the form of Exhibit E to the Security Agreement or any other form approved by the Collateral Agent and the Borrower.

“**Permitted Acquisition**” means any Acquisition by a Collateral Support Party; *provided* that:

(a) the property acquired (or the property of the Person acquired) in such Acquisition shall be used or useful in a Permitted Business;

(b) the Borrower shall be in compliance with Sections 6.14 and 6.15, determined on a Pro Forma Basis;

(d) no Default shall have occurred and be continuing or would result from such Acquisition; and

(e) if the aggregate consideration paid by the Wireline Companies for any Acquisition (including the principal amount of Indebtedness assumed by the Wireline Companies in connection therewith) exceeds \$100,000,000, the Administrative Agent shall have received a certificate from a Financial Officer describing such Acquisition and certifying as to the foregoing matters and demonstrating such compliance in reasonable detail.

**“Permitted Additional Debt”** means unsecured Indebtedness of any Loan Party that (a) does not require any scheduled payment of principal (including pursuant to a sinking fund obligation) or mandatory redemption or redemption at the option of the holders thereof (except for redemptions in respect of asset sales and changes in control on terms that are market terms on the date of issuance) prior to the date that is 123 days after the Tranche B Maturity Date or, if such Indebtedness is incurred after the Borrower has obtained any Incremental Loans constituting term loans or while any Commitments from Incremental Lenders to make Incremental Loans constituting term loans remain in effect, 123 days after the maturity date for such Incremental Loans, unless all such Incremental Loans have been repaid in full and all Commitments in respect thereof have been terminated, (b) contains other terms (including covenants, events of default, remedies, redemption provisions and change of control provisions) that are market terms on the date of issuance as determined by a Financial Officer in good faith, *provided* that such covenants and events of default are not materially more restrictive than the covenants and events of default contained in this Agreement and do not require the maintenance or achievement of any financial performance standards other than as a condition to the taking of specified actions, and (c) bears interest at a market rate of interest on the date of issuance of such Indebtedness.

**“Permitted Asset Exchange”** means a disposition of assets and property of any of the Wireline Companies in consideration for the Acquisition of assets and property of a Person engaged in the Permitted Business (other than an Affiliate of any Wireline Company); *provided* that:

(a) the aggregate assets and properties of the Wireline Companies which may be disposed of in all Permitted Asset Exchanges shall not relate to more than 35% of the access lines of the Wireline Companies determined at the time of any disposition;

(b) the assets and properties disposed of in any Permitted Asset Exchange, together with any cash consideration paid by the Wireline Companies,

shall have a Fair Market Value substantially equivalent to the Fair Market Value of the assets and properties Acquired by the Wireline Companies in such Permitted Asset Exchange, together with any cash consideration received by the Wireline Companies;

(c) the Borrower shall comply with Section 2.10(b) with respect to any Net Proceeds received by the Wireline Companies in respect of any Permitted Asset Exchange;

(d) any cash consideration paid by the Wireline Companies in respect of any Permitted Asset Exchange (but not any other property or assets disposed of in any such transaction) shall be treated hereunder as consideration paid by the Wireline Companies for a Permitted Acquisition for purposes of determining whether a certificate is required to be delivered by the Borrower pursuant to clause (e) of the definition of such term; and

(e) if the Net Proceeds thereof exceed \$100,000,000, (i) the Borrower shall be in compliance with Sections 6.14 and 6.15, determined on a Pro Forma Basis; and (ii) no Default shall have occurred and be continuing or would result therefrom.

**“Permitted Business”** means any business conducted or proposed to be conducted (as described in the Information Memorandum) by the Wireline Companies on the Effective Date and other businesses reasonably related thereto, including any reasonable extension or expansion thereof.

**“Permitted Encumbrances”** means:

(a) Liens for Taxes, assessments and governmental charges not yet delinquent or which are being contested in compliance with Section 5.05;

(b) Liens incurred or deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other social security obligations;

(c) Liens, deposits or pledges to secure the performance of bids, tenders, trade contracts, leases, or other similar obligations, in each case in the ordinary course of business;

(d) Liens, deposits or pledges to secure public or statutory obligations, surety, stay, appeal, indemnity, performance or other similar bonds or obligations; and deposits or pledges in lieu of such bonds or obligations, or to secure such bonds or obligations, or to secure letters of credit in lieu of or supporting the payment of such bonds or obligations;

(e) judgment and attachment liens that do not constitute an Event of Default under clause (k) of Article 7 and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which reserves have been made in accordance with GAAP;

(f) survey exceptions, encumbrances, easements or reservations of, or rights of other for, rights of way, zoning or other restrictions as to the use of properties, and defects in title which, in the case of any of the foregoing, were not incurred or created to secure the payment of Indebtedness, and which in the aggregate do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by any Wireline Company;

(g) Liens in favor of collecting or payor banks having a right of setoff, revocation, refund or chargeback with respect to money or instruments of the Borrower or any Subsidiary thereof on deposit with or in possession of such bank;

(h) Liens representing any interest or title of a licensor, lessor or sublicensor or sublessor, or a licensee, lessee or sublicensee or sublessee, in the property subject to any lease, license or sublicense permitted by this Agreement (other than any property that is the subject of a Sale and Leaseback Transaction); and

(i) Liens arising from precautionary Uniform Commercial Code financing statements regarding operating leases;

*provided* that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

**"Permitted Refinancing Indebtedness"** means any Indebtedness of the Borrower or any of its Subsidiaries incurred in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Borrower or any of its Subsidiaries (other than Indebtedness of the Borrower to any Subsidiary or of any Subsidiary to the Borrower or any other Subsidiary); *provided* that:

(a) the amount of such Permitted Refinancing Indebtedness does not exceed the amount of the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued and unpaid interest thereon and the amount of any reasonably determined premium necessary to accomplish such refinancing and such reasonable expenses incurred in connection therewith);

(b) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the then Weighted Average Life to Maturity of, the

Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(c) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Secured Obligations, such Permitted Refinancing Indebtedness has a final maturity date later than 123 days after the Tranche B Maturity Date or, if such Equity Interests are issued after the Borrower has obtained any Incremental Loans constituting term loans or while any Commitments from Incremental Lenders to make Incremental Loans constituting term loans remain in effect, 123 days after the maturity date for such Incremental Loans, unless all such Incremental Loans have been repaid in full and all Commitments in respect thereof have been terminated and is subordinated to the Secured Obligations on terms at least as favorable, taken as a whole, to the Secured Parties as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(d) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is unsecured, such Permitted Refinancing Indebtedness is unsecured;

(e) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is Indebtedness under the Loan Documents, the Assumed Valor Bonds or the AC Holdings Bonds, such Permitted Refinancing Indebtedness is unsecured; and

(f) such Indebtedness is incurred by either (i) by the Borrower or any Loan Party or (ii) by the Subsidiary that is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Plan**” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is an “employer” as defined in Section 3(5) of ERISA.

“**Post-Petition Interest**” has the meaning specified in Section 1(c) of the Security Agreement.

“**Preferred Stock**” means, with respect to any Person, any Equity Interests in such Person that have preferential rights to any other Equity Interests in such Person with respect to dividends or redemptions upon liquidation.

**“Preliminary Restructuring”** means the contribution by Alltel of all of the assets, liabilities and operations of its wireline telecommunications business to its subsidiaries.

**“Prime Rate”** means the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank, N.A. as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective.

**“Pro Forma Basis”** means, with respect to the preparation of the Pro Forma Financial Statements and the calculation of the Leverage Ratio or the Interest Coverage Ratio at any time, that such calculation shall give pro forma effect to all Permitted Acquisitions, all Permitted Asset Exchanges, all issuances, incurrences or assumptions or repayments of Indebtedness (and the application of proceeds thereof) and all sales, transfers or other dispositions of any Subsidiary, line of business or division (any of the foregoing, an **“Applicable Transaction”**) and to the Transactions (with any such Indebtedness being deemed to be amortized over the applicable measurement period in accordance with its terms and, if any such Indebtedness bears interest at a floating rate, assuming that such Indebtedness bears interest during any portion of such measurement period prior to the consummation of the Applicable Transaction or the Transactions at the interest rate applicable to such Indebtedness at such time), in each case that have occurred during (or, if such calculation is being made for the purpose of determining whether any proposed transaction will constitute a Permitted Acquisition or Permitted Asset Exchange or an incurrence of Indebtedness pursuant to Section 6.01(a)(viii) or Section 6.01(a)(xviii), Permitted Additional Debt or Incremental Loans, since the beginning of) the four consecutive Fiscal Quarter period of the Borrower most recently ended on or prior to such date as if they had occurred on the first day of such four consecutive Fiscal Quarter period (including cost savings (i) to the extent such cost savings would be permitted to be reflected in pro forma financial information complying with the requirements of GAAP and Article 11 of Regulation S-X under the Securities Act, as interpreted by the Staff of the SEC, and as certified by a Financial Officer and (ii) which, in the case of the Transactions, may include additional cost savings which have otherwise been realized or for which steps necessary for realization have been taken or are reasonably expected to be taken following the Transactions as determined in good faith by a Financial Officer, *provided* that the net cost savings in connection with the Transactions pursuant to clauses (i) and (ii) above that may be given such effect shall not exceed \$50,000,000 in the aggregate for purposes of any calculation during the first of four consecutive Fiscal Quarters after the Effective Date (or, in any case thereafter, such amount less \$12,500,000 for each additional full Fiscal Quarter thereafter).

**“Pro Forma Financial Statements”** has the meaning set forth in Section 3.04(b).

**“PUC”** means any state public service or public utility commission or other state Governmental Authority that exercises jurisdiction over the rates or services or the acquisition, construction or operation of any telecommunications system of any Person who owns, constructs or operates any telecommunications system, in each case by reason of the nature or type of the business subject to regulation and not pursuant to laws and regulations of general applicability to Persons conducting business in such state.

**“Refinancings”** means the repayment of all principal of, all accrued interest on, and all premiums, fees and other amounts owing in respect of (a) the 9.44% Sinking Fund Debentures due 2009, the 9.55% Sinking Fund Debentures due 2009 and the 9.14% Sinking Fund Debentures due 2011, in each case issued by Alltel New York, Inc. (formerly Midstate Telephone Corporation), (b) the 8.05% Senior Notes (Series A) due 2009 and the 8.17% Senior Notes (Series B) due 2014, in each case issued by Georgia Alltel Telecom, Inc., (c) the 9.07% Sinking Fund Debentures due 2011 issued by Alltel Pennsylvania, Inc. (formerly Mid-Penn Telephone Corporation), (d) the 8.11% Senior Notes due 2018 issued by Texas Alltel, Inc., (e) the 8.05% Senior Notes (Series A) due 2009 and the 8.17% Senior Notes (Series B) due 2014, in each case issued by The Western Reserve Telephone Company, (f) the Valor 2005 Credit Facility and (g) the Tendered Valor Bonds, and the termination and release of all Guarantees of and all Liens securing any of the foregoing.

**“Register”** has the meaning set forth in Section 9.04(b).

**“Registration Statement”** means Valor’s Registration Statement on Form S-4, as filed with the SEC on February 28, 2006, as amended to the Effective Date.

**“Regulatory Authorization”** means any Governmental Authorization of the FCC or any PUC.

**“Reinvestment Funds”** means any Net Proceeds of an asset disposition of, or casualty event with respect to, non-current assets that are not otherwise required to be applied to prepay Loans pursuant to Section 2.10(b) or (c).

**“Related Parties”** means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents, trustees and advisors of such Person and such Person’s Affiliates.

**“Replacement Assets”** means (a) non-current assets (including any such assets acquired by capital expenditures) that will be used or useful in a Permitted

Business or (b) substantially all the assets of a Permitted Business or the voting stock of any Person engaged in a Permitted Business that will become on the date of Acquisition thereof a Collateral Support Party.

**“Required Lenders”** means, at any time, Lenders (other than Defaulting Lenders) having Revolving Credit Exposures, outstanding Term Loans and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures, outstanding Term Loans and unused Commitments at such time (excluding any Revolving Credit Exposures, outstanding Term Loans and unused Commitments of Defaulting Lenders).

**“Required Revolving Lenders”** means, at any time, Lenders (other than Defaulting Lenders) having Revolving Credit Exposures and unused Revolving Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Revolving Commitments at such time (excluding any Revolving Credit Exposures and unused Revolving Commitments of Defaulting Lenders).

**“Required Tranche C Lenders”** means, at any time, Lenders (other than Defaulting Lenders) having outstanding Tranche C Term Loans or unused Tranche C Commitments representing more than 50% of the sum of the total outstanding Tranche C Term Loans or unused Tranche C Commitments at such time (excluding any outstanding Tranche C Term Loans and unused Tranche C Commitments of Defaulting Lenders).

**“Requirement of Law”** means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person and (b) any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

**“Responsible Officer”** means the chief executive officer, president, chief financial officer or any vice president of the Borrower or any other Financial Officer.

**“Restricted Indebtedness”** means the New Notes, the Assumed Bonds and any Permitted Additional Debt.

**“Restricted Payment”** means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in any Wireline Company, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any

such Equity Interests in any Wireline Company, or any other payment (including, without limitation, any payment under a Swap Agreement) that has a substantially similar effect to any of the foregoing.

**“Revolving Availability Period”** means the period from and including the Effective Date to but excluding the earlier of the Revolving Maturity Date and the date of termination of the Revolving Commitments.

**“Revolving Commitment”** means, with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Revolving Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable. The initial aggregate amount of the Lenders’ Revolving Commitments is \$500,000,000.

**“Revolving Credit Exposure”** means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure at such time.

**“Revolving Lender”** means a Lender with a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with a Revolving Credit Exposure.

**“Revolving Loan”** means a Loan made pursuant to Section 2.01(a)(iv).

**“Revolving Maturity Date”** means July 17, 2011.

**“Revolving Percentage”** means, with respect to any Revolving Lender, the percentage of the total Revolving Commitments represented by such Lender’s Revolving Commitments. If the Revolving Commitments have terminated or expired, the Revolving Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments that occur after such termination or expiration.

**“S&P”** means Standard & Poor’s Ratings Group, Inc.

**“Sale and Leaseback Transaction”** has the meaning set forth in Section 6.06.

**“SEC”** means the Securities and Exchange Commission or any Governmental Authority succeeding to any of its principal functions.

“**Secured Obligations**” has the meaning specified in Section 1(c) of the Security Agreement.

“**Secured Parties**” has the meaning specified in Section 1(c) of the Security Agreement.

“**Securities Act**” means the Securities Act of 1933, as amended.

“**Security Agreement**” means the Security Agreement among the Loan Parties and the Collateral Agent, substantially in the form of Exhibit D.

“**Security Documents**” means the Guarantee Agreement, the Security Agreement and each other agreement, instrument or other document executed and delivered pursuant to Section 5.10 or 5.11 to guarantee or secure any of the Secured Obligations.

“**Special Dividend**” means a cash dividend paid by the Borrower to Alltel in an amount not to exceed \$2,275,000,000.

“**Special Stub Dividend**” shall mean dividends declared by Valor prior to the Effective Date and paid by the Borrower thereafter in an aggregate amount not to exceed \$6,000,000.

“**SPV**” has the meaning set forth in Section 9.04(e).

“**Statutory Reserve Rate**” means a fraction (expressed as a decimal carried to the sixth decimal place), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve, liquid asset or similar requirement percentages (including any marginal, special, emergency or supplemental reserves or other requirements) expressed as a decimal established by the Board to which the Administrative Agent is subject for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. Eurodollar Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve, liquid asset or similar requirement.

“**subsidiary**” means, with respect to any Person (the “**parent**”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were

prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held.

“**Subsidiary**” means any subsidiary of the Borrower. For purposes of the representations and warranties made herein on the Effective Date, the term “**Subsidiary**” includes the Contributed Subsidiaries and each of Valor and its subsidiaries.

“**Swap Agreement**” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; *provided* that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

“**Syndication Agent**” means Merrill Lynch, Pierce, Fenner & Smith Incorporated, in its capacity as syndication agent.

“**Taxes**” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“**Tendered Valor Bonds**” means the Valor Bonds tendered for repurchase pursuant to a “Change of Control Offer” in accordance with Section 4.14 of the Valor Indenture.

“**Term Commitment**” means a Tranche A Commitment, Tranche B Commitment or Tranche C Commitment, or any combination thereof (as the context may require).

“**Term Lender**” means a Tranche A Lender, Tranche B Lender or Tranche C Lender.

“**Term Loans**” means a Tranche A Term Loan, Tranche B Term Loan or Tranche C Term Loan, or any combination thereof (as the context may require).

“**Total Assets**” means the total assets of the Borrower and its Subsidiaries on a consolidated basis, as shown on the most recent balance sheet of the

Borrower prepared in conformity with GAAP but excluding the value of any outstanding Investments made pursuant to Section 6.04(t).

**“Tranche A Commitment”** means, with respect to each Lender, the commitment, if any, of such Lender to make a Tranche A Term Loan on the Effective Date, expressed as an amount representing the maximum aggregate amount of such Tranche A Term Loan, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Tranche A Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its initial Tranche A Commitment, as applicable. The initial aggregate amount of the Lenders’ Tranche A Commitments is \$500,000,000.

**“Tranche A Lender”** means a Lender with a Tranche A Commitment or, if the Tranche A Commitments have terminated or expired, a Lender with an outstanding Tranche A Term Loan.

**“Tranche A Maturity Date”** means July 17, 2011.

**“Tranche A Term Loan”** means a Loan made pursuant to Section 2.01(a)(i).

**“Tranche B Commitment”** means, with respect to each Lender, the commitment, if any, of such Lender to make a Tranche B Term Loan on the Effective Date, expressed as an amount representing the maximum aggregate amount of such Tranche B Term Loan, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Tranche B Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its initial Tranche B Commitment, as applicable. The initial aggregate amount of the Lenders’ Tranche B Commitments is \$1,900,000,000.

**“Tranche B Lender”** means a Lender with a Tranche B Commitment or, if the Tranche B Commitments have terminated or expired, a Lender with an outstanding Tranche B Term Loan.

**“Tranche B Maturity Date”** means July 17, 2013.

**“Tranche B Term Loan”** means a Loan made pursuant to Section 2.01(a)(ii).

**“Tranche C Availability Period”** means the period from and including the Effective Date to but excluding the earlier of the Tranche C Commitment Termination Date and the date of termination of the Tranche C Commitments.

**“Tranche C Commitment”** means, with respect to each Lender, the commitment, if any, of such Lender to make a Tranche C Term Loan during the Tranche C Availability Period, expressed as an amount representing the maximum aggregate amount of such Tranche C Term Loan, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Tranche C Commitment is set forth on Schedule 2.01, or in the Assignment and Assumption pursuant to which such Lender shall have assumed its initial Tranche C Commitment, as applicable. The initial aggregate amount of the Lenders’ Tranche C Commitments is \$400,000,000.

**“Tranche C Commitment Termination Date”** means November 17, 2006.

**“Tranche C Lender”** means a Lender with a Tranche C Commitment or, if the Tranche C Commitments have terminated or expired, a Lender with an outstanding Tranche C Term Loan.

**“Tranche C Maturity Date”** means July 17, 2011.

**“Tranche C Term Loan”** means a Loan made pursuant to Section 2.01(a)(iii).

**“Transactions”** means (a) the Preliminary Restructuring, (b) the Contribution (including the payment of the Special Dividend and the issuance of the 2016 Notes), (c) the execution, delivery and performance by each Loan Party of the Loan Documents and the funding of the Loans, the use of proceeds thereof and the issuance of Letters of Credit thereunder, (d) the issuance and sale of the 2013 Notes, (e) the Distribution, (f) the Merger, (g) the Refinancings, (h) the Debt Exchange (if any) and the resale of the 2016 Notes, and (i) the payment of the fees and expenses incurred in connection with any of the foregoing.

**“Transaction Documents”** means (a) the Merger Agreement, the Distribution Agreement, the Voting Agreement and the other “Transaction Agreements” referred to in the Merger Agreement and the Distribution Agreement, (b) the New Notes Documents, (c) the Loan Documents, and (d) the indentures and agreements under which any of the Assumed Bonds were issued and all other instruments, agreements and other documents evidencing or governing any of the Assumed Bonds or providing for any Guarantee or other right in respect thereof.

**“Transaction Liens”** means the Liens on Collateral granted by the Loan Parties under the Security Documents.

**“Type”**, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

**“United States”** means the United States of America.

**“Valor”** means Valor Communications Group, Inc., a Delaware corporation.

**“Valor 2005 Credit Facility”** means the Amended and Restated Credit Agreement dated as of February 14, 2005 among Valor Telecommunications Enterprises, LLC, as borrower, Valor and certain of its domestic subsidiaries, as guarantors, the lenders party thereto, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, JPMorgan Chase Bank, N.A. (formerly known as JPMorgan Chase Bank, National Association), and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Syndication Agents, CIBC World Markets Corp. and Wachovia Bank, N.A., as Documentation Agents, Banc of America Securities LLC and J.P. Morgan Securities Inc., as Sole and Exclusive Lead Arrangers, and Banc of America Securities LLC, J.P. Morgan Securities Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Sole and Exclusive Book Managers, as amended by Amendment No. 1 dated as of August 9, 2005 and as further amended prior to the Effective Date.

**“Valor Bonds”** means the 7-3/4% Senior Notes due 2015 issued by Valor Telecommunications Enterprises, LLC and Valor Telecommunications Enterprises Finance Corp. in an original aggregate principal amount not to exceed \$400,000,000.

**“Valor Indenture”** means the Indenture dated as of February 14, 2005 under which the Valor Bonds were issued.

**“Voting Agreement”** means the Voting Agreement dated as of December 8, 2005 among the Borrower and certain shareholders of Valor.

**“Voting Stock”** of any Person as of any date means the Equity Interests in such Person that are ordinarily entitled to vote in the election of the board of directors of such Person.

**“Weighted Average Life to Maturity”** means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(b) the then outstanding principal amount of such Indebtedness.

“**wholly-owned**” means, with respect to any subsidiary of any Person (the “**parent**”) at any date, that securities or other ownership interests representing 100% of the Equity Interests in such subsidiary (other than directors’ qualifying shares) are, as of such date, owned, controlled or held by the parent or one or more wholly-owned subsidiaries of the parent or by the parent and one or more wholly-owned subsidiaries of the parent.

“**Wireline Companies**” means the Borrower and the Subsidiaries.

“**Withdrawal Liability**” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

Section 1.02. *Classification of Loans and Borrowings.* For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “**Revolving Loan**”) or by Type (e.g., a “**Eurodollar Loan**”) or by Class and Type (e.g., a “**Eurodollar Revolving Loan**”). Borrowings also may be classified and referred to by Class (e.g., a “**Revolving Borrowing**”) or by Type (e.g., a “**Eurodollar Borrowing**”) or by Class and Type (e.g., a “**Eurodollar Revolving Borrowing**”).

Section 1.03. *Terms Generally.* The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the phrase “**without limitation**”. The word “**will**” shall be construed to have the same meaning and effect as the word “**shall**”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “**herein**”, “**hereof**” and “**hereunder**”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits

and Schedules to, this Agreement, (e) the words “**asset**” and “**property**” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights and whether real, personal or mixed and (f) any reference to any Requirement of Law shall, unless otherwise specified, refer to such Requirement of Law as amended, modified or supplemented from time to time.

Section 1.04. *Accounting Terms; GAAP.* Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided that*, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision (including any definition) hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Upon any such request for an amendment, the Borrower, the Required Lenders and the Administrative Agent agree to consider in good faith any such amendment in order to amend the provisions of this Agreement so as to reflect equitably such accounting changes so that the criteria for evaluating Borrower’s financial condition shall be the same after such accounting changes as if such accounting changes had not occurred.

Section 1.05. *Pro Forma Calculations.* With respect to any period (i) during which any Permitted Acquisition, Permitted Asset Exchange or sale, transfer or other disposition of any Subsidiary, line of business or division occurs or (ii) as to which fewer than four full Fiscal Quarters have elapsed since the Effective Date, calculations of the Leverage Ratio and the Interest Coverage Ratio with respect to such period shall be made on a Pro Forma Basis.

## ARTICLE 2 THE CREDITS

Section 2.01. *Loans.* (a) *Commitments.* Subject to the terms and conditions set forth herein:

- (i) each Tranche A Lender agrees to make a Tranche A Term Loan to the Borrower on the Effective Date in a principal amount not exceeding its Tranche A Commitment;

(ii) each Tranche B Lender agrees to make a Tranche B Term Loan to the Borrower on the Effective Date in a principal amount not exceeding its Tranche B Commitment;

(iii) each Tranche C Lender agrees to make a Tranche C Term Loan to the Borrower during the Tranche C Availability Period in a principal amount not exceeding its Tranche C Commitment; and

(iv) each Revolving Lender agrees to make Revolving Loans to the Borrower from time to time during the Revolving Availability Period in an aggregate principal amount that will not result in such Lender's Revolving Credit Exposure exceeding such Lender's Revolving Commitment.

(b) *Incremental Loan Facility.* (i) At any time and from time to time prior to the Tranche B Maturity Date, subject to the terms and conditions set forth herein, the Borrower may, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly deliver a copy to each of the Lenders), request to add one or more additional tranches of loans ("**Incremental Loans**" and each such tranche, an "**Incremental Facility**"), *provided* that at the time of each such request and upon the effectiveness of each Incremental Facility Amendment, (A) no Event of Default has occurred and is continuing or shall result therefrom, (B) the Borrower shall be in compliance on a Pro Forma Basis with the covenants contained in Sections 6.14 and 6.15 recomputed as of the last day of the most-recently ended Fiscal Quarter for which financial statements have been delivered pursuant to Section 5.01(a) or (b), and (C) the Borrower shall have delivered a certificate of a Financial Officer to the effect set forth in clauses (A) and (B) above, together with reasonably detailed calculations demonstrating compliance with clause (B) above. Notwithstanding anything to the contrary herein, the aggregate principal amount of all commitments, loans and other extensions of credit made available under the Incremental Facilities since the Effective Date shall not exceed \$800,000,000. Each Incremental Facility shall be in an amount that is an integral multiple of \$5,000,000 and not less than \$50,000,000, *provided* that an Incremental Facility may be in any amount less than \$50,000,000 if such amount represents all the remaining availability under the Incremental Facilities pursuant to the immediately preceding sentence.

(ii) The Incremental Loans shall rank *pari passu* or junior in right of payment in respect of the Collateral and with the obligations in respect of the Revolving Commitments, the Tranche A Term Loans, the Tranche B Term Loans and the Tranche C Term Loans, if any. In addition, (A) any Incremental Facility providing for term loans shall (1) not have a final maturity date earlier than the Tranche B Maturity Date or a Weighted Average Life to Maturity that is shorter than the Weighted Average Life to Maturity of the then-remaining Tranche B Term Loans,

(2) for purposes of prepayments, be treated substantially the same as (and in any event no more favorably than) the Tranche B Term Loans and (3) otherwise have terms that are no more favorable to the lenders providing such Incremental Facility than the terms applicable to the Tranche B Term Loans, *provided* that (x) if the Applicable Rate relating to the loans under any Incremental Facility exceeds the Applicable Rate relating to the Tranche B Term Loans by more than 0.25%, the Applicable Rate relating to the Tranche B Term Loans shall be adjusted to be equal to the Applicable Rate relating to such Incremental Loans and (y) any determination of the Applicable Rate relating to Incremental Loans or Tranche B Term Loans under the foregoing clause (x) shall include all upfront or similar fees or original issue discount payable to the Lenders providing such Loans) and (B) any Incremental Facility providing for revolving loans shall (1) not have a final maturity date, or a commitment availability period that ends, earlier than the Revolving Maturity Date and (2) be subject to other terms that are similar to the terms then available in the bank financing market to companies having a credit quality similar to the Borrower.

(iii) Each notice from the Borrower pursuant to this Section 2.01(b) shall set forth the requested amount and proposed terms of the relevant Incremental Facility. Any bank, financial institution or other Person (whether or not an existing Lender or Affiliate of an existing Lender) that elects to provide any Incremental Facility (each, an **"Incremental Lender"**) shall be reasonably satisfactory to the Borrower and (other than in the case of existing Lenders providing only term loans under such Incremental Facility) the Administrative Agent and the Syndication Agent; *provided* that no existing Lender shall be obligated to provide any Incremental Loans, unless it so agrees. Any Incremental Facility will be effected pursuant to an amendment (an **"Incremental Facility Amendment"**) to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, the Incremental Lenders providing such Incremental Facility (and no other Lenders) and the Administrative Agent. Upon the effectiveness of any Incremental Facility Amendment, each Incremental Lender shall become a "Lender" under this Agreement with respect to its obligations under such Incremental Facility, and the commitments of the Incremental Lenders in respect of such Incremental Facility shall become "Commitments" hereunder; and any Incremental Loans under such Incremental Facility shall, when made, constitute "Loans" under this Agreement. In addition, any Incremental Facility Amendment may, without the consent of any Lenders other than the Incremental Lenders, effect such amendments to any Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent, to effect the provisions of this Section 2.01(b) (including to

provide for voting provisions applicable to the Incremental Lenders comparable to the provisions of clause (B) of the second proviso of Section 9.02(b)). The effectiveness of an Incremental Facility Amendment shall, unless otherwise agreed to by the Administrative Agent and the Incremental Lenders, be subject to the satisfaction on the date thereof (an "**Incremental Facility Closing Date**") of each of the conditions set forth in Section 4.02 (it being understood that all references to "the date of such Borrowing" in Section 4.02 shall be deemed to refer to the Incremental Facility Closing Date). The proceeds of Incremental Loans will be used only for working capital and other general corporate purposes (including to finance Permitted Acquisitions or Capital Expenditures, in each case to the extent otherwise permitted hereunder).

Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed.

Section 2.02. *Loans and Borrowings.* (a) Each Revolving Loan and Term Loan shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; *provided* that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.13, (i) each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided* that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$1,000,000; *provided* that an ABR Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Revolving Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e). Borrowings of more than one Type and Class may be outstanding at the same time; *provided* that there shall not at any time be more than a total of 20

Eurodollar Borrowings outstanding (or, if any Incremental Loans are outstanding, 30).

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect to the applicable Loan would end after the Revolving Maturity Date, Tranche A Maturity Date, Tranche B Maturity Date or Tranche C Maturity Date, as applicable.

Section 2.03. *Requests for Borrowings.* To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing or (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the date of the proposed Borrowing; *provided* that any such notice of an ABR Revolving Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e) may be given not later than 12:00 noon, New York City time, on the date of the proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery, e-mail of a pdf copy or teletype to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Borrower. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) whether the requested Borrowing is to be a Revolving Borrowing, Tranche A Term Borrowing, Tranche B Term Borrowing or Tranche C Term Borrowing;
- (ii) the aggregate amount of the requested Borrowing;
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing;
- (v) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";
- (vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05; and
- (vii) as of such date Sections 4.02(a) and (b) are satisfied.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the relevant Class of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.04. *Letters of Credit.* (a) *General.* (i) Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit for its own account (or for the account of any Wireline Company so long as the Borrower and such Wireline Company are co-applicants), in a form reasonably acceptable to the Administrative Agent and the Issuing Bank requested to issue such Letter of Credit, at any time and from time to time during the Revolving Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(ii) *Existing Letters of Credit.* Upon consummation of the Merger on the Effective Date and the satisfaction of the conditions in Section 4.02, in each case automatically and without further action on the part of any Person, (A) each Existing Letter of Credit will be deemed to be a Letter of Credit issued hereunder for all purposes of the Loan Documents, and (B) each Revolving Lender that has issued an Existing Letter of Credit shall be deemed to have granted to each other Revolving Lender, and each other Revolving Lender shall be deemed to have acquired from such issuer, a participation in each Existing Letter of Credit equal to such other Revolving Lender's Revolving Percentage of (I) the aggregate amount available to be drawn under such Existing Letter of Credit and (II) the aggregate amount of any outstanding LC Reimbursement Obligations in respect thereof. With respect to each Existing Letter of Credit (x) if, prior to the Effective Date, the relevant issuer has heretofore sold a participation therein to a Revolving Lender, such issuer and Revolving Lender agree that such participation shall be automatically canceled upon consummation of the Merger on the Effective Date, and (y) if, prior to the Effective Date, the relevant issuer has heretofore sold a participation therein to any bank or financial institution that is not a Revolving Lender, such issuer shall procure the termination of such participation on or prior to the Effective Date.

(b) *Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions.* To request the issuance of a Letter of Credit (or the amendment,

renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver, e-mail or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank requested to issue such Letter of Credit) to such Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank requested to issue such Letter of Credit, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed \$30,000,000 and (ii) the sum of the total Revolving Credit Exposures shall not exceed the total Revolving Commitments. Promptly upon the issuance of a Letter of Credit (or amendment, renewal, extension or termination of an outstanding Letter of Credit), the Issuing Bank shall provide notice of such issuance, amendment, renewal, extension or termination to the Administrative Agent (if different from the Issuing Bank), who shall in turn promptly provide notice of same to the Revolving Lenders.

(c) *Expiration Date.* Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Revolving Maturity Date; *provided* that (x) any Letter of Credit may provide for the automatic extension or renewal thereof and may be automatically renewed or extended upon notice delivered by the Borrower in accordance with the terms thereof for additional periods of a duration requested by the Borrower (which shall in no event extend beyond the date referred to in clause (ii) above) and (y) with the consent of the applicable Issuing Bank and the Administrative Agent, Letters of Credit with a term longer than one year shall be permitted (which shall in no event extend beyond the date referred to in clause (ii) above).

(d) *Participations.* By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Bank thereof or any of the Lenders, such Issuing Bank hereby grants to each Revolving Lender, and each Revolving

Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Revolving Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank, such Lender's Revolving Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) *Reimbursement.* If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 3:00 p.m., New York City time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 3:00 p.m., New York City time, on (i) the Business Day that the Borrower receives such notice, if such notice is received prior to 10:00 a.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; *provided* that, if such LC Disbursement is not less than \$1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Revolving Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing. If the Borrower fails to make such payment when due (or if any such reimbursement payment is required to be refunded to the Borrower for any reason), the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Revolving Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Revolving Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.05 with respect to Loans made by such Lender (and Section 2.05 shall apply, *mutatis mutandis*, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall

promptly pay to the applicable Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Revolving Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) *Obligations Absolute.* Except as provided below, the Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Bank; *provided* that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that (i) are caused by such Issuing Bank's gross negligence or willful misconduct in determining whether drafts and other documents presented under a Letter of Credit issued by it comply with the terms thereof, or (ii) result from such Issuing Bank's willful or grossly negligent failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a

sight draft and certificate(s) strictly complying with the terms and conditions of such Letter of Credit. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank thereof may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit, and any such acceptance or refusal shall be deemed not to constitute gross negligence or willful misconduct.

(g) *Disbursement Procedures.* Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit issued by it. Such Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; *provided* that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement in accordance with paragraph (e) of this Section.

(h) *Interim Interest.* If any Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Revolving Loans; *provided* that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.12(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) *Replacement of an Issuing Bank.* Any Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of an Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid

fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.11(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) *Cash Collateralization.* If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in its Cash Collateral Account an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; *provided* that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (h) or (i) of Article 7. Such deposit shall be held by the Collateral Agent as collateral for the payment and performance of the Secured Obligations. Moneys in such account (including any earnings on amounts therein) shall be applied by the Collateral Agent to pay LC Reimbursement Obligations as they become due or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy the Secured Obligations as provided in Section 13 of the Security Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned (together with any earnings thereon) to the Borrower within three Business Days after all Events of Default have been cured or waived.

Section 2.05. *Funding of Borrowings.* (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent in New York City and designated by the Borrower in the applicable Borrowing Request; *provided* that ABR Revolving Loans made to finance the reimbursement of an LC

Disbursement as provided in Section 2.04(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to Section 2.04(e) to reimburse such Issuing Bank, then to such Lenders and the applicable Issuing Bank as their interests may appear.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

Section 2.06. *Interest Elections.* (a) Each Revolving Borrowing and Term Borrowing initially shall be of the Type specified in the applicable Borrowing Request or designated by Section 2.03 and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or designated by Section 2.03. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery, e-mail of a pdf copy or telecopy to the Administrative Agent of a written Interest

Election Request in a form approved by the Administrative Agent and signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the relevant Class of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower (or, in the case of an Event of Default of the type described in paragraph (h) or (i) of Article 7 with respect to the Borrower, automatically), then, so long as an Event of Default has occurred and is continuing, no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing having an Interest Period longer than one month; *provided* that, if (x) an Event of Default of the type described in paragraph (a), (b), (h) or (i) of Article 7 has occurred and is continuing and (y) other than in

the case of an Event of Default of the type described in paragraph (h) or (i) of Article 7 with respect to the Borrower, the Required Lenders have so requested, then (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid prior to or at the end of the Interest Period then applicable thereto, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of such Interest Period.

Section 2.07. *Termination and Reduction of Commitments.* (a) Unless previously terminated, (i) the Tranche A Commitments and Tranche B Commitments shall terminate on the Effective Date immediately after the funding and closing hereunder, (ii) the Tranche C Commitments shall terminate on the Tranche C Commitment Termination Date and (iii) the Revolving Commitments shall terminate on the Revolving Maturity Date.

(b) The Borrower may at any time, without premium or penalty, terminate, or from time to time reduce, the Commitments of any Class; *provided* that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$1,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Commitments to the extent, after giving effect to any concurrent prepayment of the Revolving Loans in accordance with Section 2.10, the sum of the Revolving Credit Exposures would exceed the total Revolving Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; *provided* that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the occurrence or non-occurrence of any event specified therein (including the consummation of an acquisition, sale or other similar transaction, or the receipt of proceeds from the incurrence or issuance of Indebtedness or Equity Interests or the effectiveness of other credit facilities), in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

Section 2.08. *Repayment of Loans; Evidence of Debt.* (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent (i) for the account of each Revolving Lender the then unpaid principal amount of such Lender's Revolving Loans on the Revolving Maturity Date and (ii) for the

account of each Term Lender the then unpaid principal amount of such Lender's Term Loans as provided in Section 2.09.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be, absent manifest error, *prima facie* evidence of the existence and amounts of the obligations recorded therein; *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans of any Class made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent; *provided* that, in order for any such promissory note to be delivered on the Effective Date, the request therefor shall be delivered no later than two Business Days prior to the Effective Date. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

Section 2.09. *Scheduled Amortization of Term Loans.* (a) Subject to adjustment pursuant to Section 2.09(e), the Borrower shall repay Tranche A Term Loans on each date set forth below in the aggregate principal amount equal to the percentage set forth opposite such date *times* the initial principal amount of Tranche A Term Loans:

Date	Percentage
Last day of each Fiscal Quarter ending during the period from and including September 30, 2007 to but excluding September 30, 2008 .....	1.25%
Last day of each Fiscal Quarter ending during the period from and including	2.50%

September 30, 2008 to but excluding September 30, 2009.....	
Last day of each Fiscal Quarter ending during the period from and including September 30, 2009 to but excluding September 30, 2010.....	3.75%
Last day of each Fiscal Quarter ending during the period from and including September 30, 2010 to but excluding June 30, 2011.....	5.00%
Tranche A Maturity Date.....	55.00%

(b) Subject to adjustment pursuant to Section 2.09(e), the Borrower shall repay Tranche B Term Loans (i) on the last day of each Fiscal Quarter ending on or after September 30, 2007 and prior to the Tranche B Maturity Date in an aggregate principal amount equal to 0.25% of the initial principal amount of Tranche B Term Loans and (ii) on the Tranche B Maturity Date in an aggregate principal amount equal to the principal amount of Tranche B Term Loans then outstanding.

(c) Subject to adjustment pursuant to Section 2.09(e), the Borrower shall repay Tranche C Term Loans on each date set forth below in the aggregate principal amount equal to the percentage set forth opposite such date *times* the initial principal amount of Tranche C Term Loans:

Date	Percentage
Last day of each Fiscal Quarter ending during the period from and including September 30, 2007 to but excluding September 30, 2008.....	1.25%
Last day of each Fiscal Quarter ending during the period from and including September 30, 2008 to but excluding September 30, 2009.....	2.50%
Last day of each Fiscal Quarter ending during the period from and including September 30, 2009 to but excluding September 30, 2010.....	3.75%
Last day of each Fiscal Quarter ending during the period from and including September 30, 2010 to but excluding June 30, 2011.....	5.00%
Tranche C Maturity Date.....	55.00%

(d) To the extent not previously paid, (i) all Tranche A Term Loans shall be due and payable on the Tranche A Maturity Date, (ii) all Tranche B Term Loans shall be due and payable on the Tranche B Maturity Date and (iii) all Tranche C Term Loans shall be due and payable on the Tranche C Maturity Date.

(e) Any prepayment of Term Loans of any Class will be applied to reduce the subsequent scheduled repayments of the Term Loans of such Class to be made pursuant to this Section, in the case of mandatory prepayments, in direct order of maturity, and in the case of voluntary prepayments, ratably. If the aggregate amount of the Term Loans of any Class made on the Effective Date is less than the initial aggregate amount of the Term Commitments of such Class, the scheduled repayments of the Term Loans of such Class shall be reduced ratably to an aggregate amount equal to the aggregate amount of such Term Loans actually made.

(f) Before repaying any Term Loans of any Class pursuant to this Section, the Borrower shall select the Borrowing or Borrowings of the applicable Class to be repaid and shall notify the Administrative Agent by telephone (confirmed by telecopy) of such selection not later than 11:00 a.m., New York City time, three Business Days before the scheduled date of such repayment. Each such repayment of a Borrowing shall be applied ratably to the Loans included in such Borrowing and shall be accompanied by accrued interest on the amount repaid.

Section 2.10. *Optional and Mandatory Prepayment of Loans.* (a) *Optional Prepayments.* The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part without premium or penalty but subject to Section 2.15 and the requirements of this Section.

(b) *Asset Dispositions.* Within five Business Days after any Net Proceeds are received by or on behalf of any Wireline Company in respect of any Asset Disposition, the Borrower shall (subject to paragraph (h) of this Section) prepay Term Borrowings in an aggregate amount equal to such Net Proceeds; *provided* that, if the Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer to the effect that (i) the Wireline Companies intend to apply the Net Proceeds from such Asset Disposition (or a portion thereof specified in such certificate), within 365 days after receipt of such Net Proceeds, to acquire Replacement Assets, (ii) the property acquired in connection therewith will be included in the Collateral at least to the extent that the property disposed of was included therein or shall be property of a Collateral Support Party and (iii) no Event of Default has occurred and is continuing, then no prepayment will be required pursuant to this subsection in respect of such Net Proceeds (or the portion of such Net Proceeds specified in such certificate, if applicable) except that, if any such Net Proceeds have not been so applied (or committed to be applied, except to the extent such Net Proceeds are not so applied within 365 days after such commitment) by the end of such 365-day period, a prepayment will be required at that time in an amount equal to the amount of such Net Proceeds that have not been so applied or committed to be so applied.

(c) *Casualty Events.* Within five Business Days after any Net Proceeds are received by or on behalf of any Wireline Company in respect of any Casualty Event, the Borrower shall (subject to paragraph (h) of this Section) prepay Term Borrowings in an aggregate amount equal to such Net Proceeds; *provided* that, if the Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer to the effect that (i) the Wireline Companies intend to apply the Net Proceeds from such event (or a portion thereof specified in such certificate), within 365 days after receipt of such Net Proceeds, to repair, restore or replace the property with respect to which such Net Proceeds were received or to acquire Replacement Assets, and (ii) any property acquired in connection with such application (whether as replacement property or Replacement Assets) will be

included in the Collateral at least to the extent that the property to be replaced was included therein or shall be property of a Collateral Support Party, then no prepayment will be required pursuant to this subsection in respect of such Net Proceeds (or the portion of such Net Proceeds specified in such certificate, if applicable) except that, if any such Net Proceeds have not been so applied (or committed to be applied, except to the extent such Net Proceeds are not so applied within 365 days after such commitment) by the end of such 365-day period, a prepayment will be required at that time in an amount equal to the amount of such Net Proceeds that have not been so applied or committed to be so applied.

(d) *Allocation of Prepayments, Right to Decline Tranche B Mandatory Prepayments.* Before any optional or mandatory prepayment of Borrowings hereunder, the Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to paragraph (g) of this Section. In the event of any optional or mandatory prepayment of Term Borrowings made at a time when Term Borrowings of more than one Class remain outstanding, the Borrower shall select Term Borrowings to be prepaid so that the aggregate amount of such prepayment is allocated among the Term Borrowings of each Class pro rata based on the aggregate principal amount of outstanding Borrowings of each such Class, *provided* that any Tranche B Lender may elect, by notice to the Administrative Agent by telephone (confirmed by telecopy) at least one Business Day prior to the prepayment date, to decline all or any portion of any prepayment of its Tranche B Term Loans pursuant to this Section (other than an optional prepayment pursuant to paragraph (a) of this Section, which may not be declined), in which case the aggregate amount of the prepayment that would have been applied to prepay Tranche B Term Loans of any such Class but was so declined shall be applied to prepay Term Borrowings of the other Classes until no Term Borrowings of any other Class remain outstanding. Any excess Net Proceeds after application to such other Classes shall be applied to prepay any outstanding Tranche B Term Loans.

(e) *Accrued Interest.* Each prepayment of a Borrowing shall be accompanied by accrued interest to the extent required by Section 2.12.

(f) *Notice of Prepayments.* The Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; *provided* that, if a notice of prepayment is given in connection with a conditional notice of termination of the

Revolving Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07; *provided* further that, the Borrower may deliver a conditional prepayment notice subject to the proviso in Section 2.07(c). Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof.

(g) *Partial Prepayments.* Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as needed to apply fully the required amount of a mandatory prepayment or to allocate an optional prepayment of Term Loans as required by paragraph (d) of this Section. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12.

(h) *Deferral of Prepayments.* The Borrower may defer any mandatory prepayment otherwise required under paragraph (b) or (c) above until the aggregate amount of Net Proceeds otherwise required to be applied to prepay Borrowings pursuant to paragraphs (b) and (c) above (whether resulting from one or more Asset Dispositions or Casualty Events, but after giving effect to any applications of proceeds permitted under such paragraphs) equals or exceeds \$30,000,000, at which time the entire unutilized amount of such Net Proceeds (not only the amount in excess of \$30,000,000) will be applied as provided in paragraphs (b) and (c) above, as applicable.

Section 2.11. *Fees.* (a) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender and each Tranche C Lender (in each case, other than a Defaulting Lender) a commitment fee, which shall accrue at the Commitment Fee Rate on the average daily unused amount of the Revolving Commitment of such Revolving Lender and the Tranche C Commitment of such Tranche C Lender during the period from and including the Effective Date to but excluding the date on which such Commitment terminates. Accrued commitment fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments of the relevant Class terminate, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender (other than a Defaulting Lender) a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Eurodollar Revolving Loans on the average daily amount of such Lender's LC

Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank a fronting fee, which shall accrue at the rate of 0.25% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) with respect to each Letter of Credit issued by such Issuing Bank during the period from and including the Effective Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure with respect to Letters of Credit issued by such Issuing Bank, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Effective Date; *provided* that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent, for its own account and the account of the Collateral Agent, fees payable in the amounts and at the times separately agreed upon between the Borrower such Agents.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to each Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

Section 2.12. *Interest.* (a) The Loans comprising each ABR Borrowing of each Class shall bear interest at the Alternate Base Rate plus the Applicable Rate for such Class.

(b) The Loans comprising each Eurodollar Borrowing of each Class shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate for such Class.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder or under any

other Loan Document is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of any principal of any Loan or any LC Disbursements, 2% plus the rate otherwise applicable to such Loan or LC Disbursement as provided in the preceding paragraphs of this Section or (ii) in the case of any other overdue amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; *provided* that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Adjusted LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

Section 2.13. *Alternate Rate of Interest.* If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or teletype as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election

Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurodollar Borrowing, such Borrowing shall be made as an ABR Borrowing.

Section 2.14. *Increased Costs.* (a) Except with respect to Taxes, which shall be governed by Section 2.16, if any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any Issuing Bank; or

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender or Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender or Issuing Bank hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or the Issuing Bank or its

holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation; *provided* that the Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 180 days prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; *provided further* that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.15. *Break Funding Payments.* In the event of (a) the payment by or on behalf of the Borrower of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto (including as a result of an Event of Default), (c) the failure by the Borrower to borrow, convert, continue or prepay any Eurodollar Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.10(f) and is revoked in accordance therewith), or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18 or Section 9.02(c), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive

absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

Section 2.16. *Taxes.* (a) Except as required by applicable law, any and all payments by or with respect to any obligation of the Borrower hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; *provided* that if the Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) any Agent, Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) To the extent not paid by the Borrower pursuant to Section 2.16(a), the Borrower shall indemnify each Agent, each Lender and each Issuing Bank, within 10 Business Days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by such Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or with respect to any obligation of the Borrower hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A copy of a receipt or any other document evidencing payment that is reasonably acceptable to Borrower as to the amount of such payment or liability delivered to the Borrower by, an Agent, a Lender or an Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of an Agent, a Lender or an Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) (i) Each Recipient that is a U.S. person as defined in Section 7701(a)(30) of the Code shall deliver to the Borrower and the Administrative Agent, and if applicable, the assigning Lender (or, in the case of a Participant, to

the Lender from which the related participation shall have been purchased) on or before the date on which it becomes a party to this Agreement (or, in the case of (i) a Participant, on or before the date on which such Participant purchases the related participation and (ii) an assignee, on or before the effective date of such assignment), two duly completed and signed copies of Internal Revenue Service Form W-9. Each Recipient that is not a U.S. person as defined in Section 7701(a)(30) of the Code (a "**Foreign Recipient**") shall, to the extent it is legally able to do so, deliver to the Borrower and the Administrative Agent, and if applicable, the assigning Lender (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) on or before the date on which it becomes a party to this Agreement (or, in the case of (x) a Participant, on or before the date on which such Participant purchases the related participation and (y) an assignee, on or before the effective date of such assignment) either:

(A) two copies of a duly completed and signed Internal Revenue Service Form W-8ECL, Form W-8BEN (with respect to eligibility for benefits under any income tax treaty) or Form W-8IMY or successor and related applicable forms, as the case may be, certifying to such Foreign Recipient's entitlement as of such date to an exemption from or reduction of United States withholding tax with respect to payments to be made under this Agreement, or

(B) in the case of a Foreign Recipient that is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code and that does not comply with the requirements of clause (A) hereof, (x) a statement in form and content reasonably acceptable to the Administrative Agent and the Borrower to the effect that such Foreign Recipient is eligible for a complete exemption from withholding of U.S. Taxes under Code section 871(h) or 881(c) (a "**Foreign Recipient Complete Exemption Certificate**"), and (y) two duly completed and signed copies of Internal Revenue Service Form W-8BEN or any successor and related applicable form.

Further, each Foreign Recipient agrees, (i) to the extent it is not precluded from doing so by a Change in Law and otherwise legally able to do so, to deliver to the Borrower and the Administrative Agent, and if applicable, the assigning Lender (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased), from time to time, two copies of a duly completed and signed applicable Form W-8 or successor and related applicable forms or certificates, on or before the date that any such form or certificate, as the case may be, expires or becomes obsolete or invalid in accordance with applicable U.S. laws and regulations, (ii) in the case of a Foreign Recipient that delivers a Foreign

Recipient Complete Exemption Certificate, to deliver to the Borrower and the Administrative Agent, and if applicable, the assigning Lender (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased), such statement on an annual basis reasonably promptly after the anniversary of the date on which such Foreign Recipient became a party to this Agreement (or, in the case of a Participant, the date on which the Participant purchased the related participation), and (iii) to notify promptly the Borrower and the Administrative Agent (or, in the case of a Participant, the Lender from which the related participation shall have been purchased) if it is no longer able to deliver, or if it is required to withdraw or cancel, any form or certificate previously delivered by it pursuant to this Section 2.16(e).

(ii) In addition, but without duplication of the covenant as to United States withholding tax contained in Section 2.16(e)(i), any Recipient that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction(s) in which the Borrower is organized, or any treaty to which any such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at a reduced rate.

(f) If any Agent, Lender or Issuing Bank determines, in its discretion exercised in good faith, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.16, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.16 with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of such Agent, Lender or Issuing Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the Borrower, upon the request of such Agent, Lender or Issuing Bank, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to such Agent, Lender or Issuing Bank in the event such Agent, Lender or Issuing Bank is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the any Agent, Lender or Issuing Bank to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

Section 2.17. *Payments Generally; Pro Rata Treatment; Sharing of Set-offs.* (a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC

Disbursements, or of amounts payable under Section 2.14, 2.15 or 2.16, or otherwise) no later than 2:00 pm, New York City time, on the date when due, in immediately available funds, without set off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent to the applicable account designated to the Borrower, except payments to be made directly to an Issuing Bank as expressly provided herein and except that payments pursuant to Section 2.14, 2.15 or 2.16 and Section 9.03 shall be made directly to the Persons entitled thereto and payments made pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder (after giving effect to all applicable grace periods and/or cure periods, if any), such funds shall be applied (i) first, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any

payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to any Wireline Company or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of any of the Lenders or any Issuing Bank hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to such Lenders or Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or such Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(d) or (e), 2.05(a) or (b), 2.17(d) or 9.03(c), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.18. *Mitigation Obligations; Replacement of Lenders.* (a) If any Lender requests compensation under Section 2.14, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all

reasonable costs and out-of-pocket expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Section 2.14, or the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, or (ii) any Lender defaults in its obligation to fund Loans hereunder (any Lender described in this clause (ii), a “**Defaulting Lender**”), then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Revolving Commitment is being assigned, the Issuing Banks), which consents shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and funded participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iii) the Borrower, the Defaulting Lender (if any) or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b) and (iv) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

### ARTICLE 3 REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender Parties that:

Section 3.01. *Organization; Powers.* Each of the Wireline Companies is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required by applicable law.

Section 3.02. *Authorization; Enforceability.* The Transactions to be entered into by each Wireline Company are within its corporate (or other organizational) powers and have been duly authorized by all necessary corporate (or other organizational) action with respect to such Wireline Company and, if required, stockholder action by the holders of such Wireline Company's Equity Interests. This Agreement has been duly executed and delivered by the Borrower and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of the Borrower or such Loan Party, as the case may be, in each case enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03. *Governmental Approvals; No Conflicts.* The Transactions (a) do not require any material Governmental Authorization, except (i) such as have been or prior to or concurrently with the consummation of the Transactions will be obtained or made and are or prior to or concurrently with the consummation of the Transactions will be in full force and effect, (ii) notices required to be filed with the FCC or any applicable PUC after the consummation of the Transactions and (iii) filings necessary to perfect the Transaction Liens, (b) will not violate (1) any applicable law or regulation applicable to any Wireline Company, (2) the charter, by-laws or other organizational documents of any Wireline Company or (3) any material Governmental Authorization in any material respect, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Wireline Company or any of its assets, or give rise to a right thereunder to require any payment to be made by any Wireline Company or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation thereunder, except to the extent the holders of the Valor Bonds may require the repurchase thereof as a result of the "Change of Control" of Valor resulting from the Merger, and (d) will not result in the creation or imposition of any Lien (other than the Transaction Liens) on any asset of any Wireline Company, except, with respect to clauses (b)(1), (c) and (d), to the extent any of the foregoing could not reasonably be expected to have a Material Adverse Effect.

Section 3.04. *Financial Condition; No Material Adverse Change.* (a) (i) The Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (A) as of and for each of the Fiscal Years ended December 31, 2003, December 31, 2004 and December 31, 2005, reported on by PricewaterhouseCoopers LLP, independent public accountants, and (B) as of and for the Fiscal Quarter and the portion of the Fiscal Year ended March 31, 2006, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated

Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (B) above.

(ii) Valor has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (A) as of and for each of the Fiscal Years ended December 31, 2003, December 31, 2004 and December 31, 2005, reported on by Deloitte & Touche LLP, independent public accountants, and (B) as of and for the Fiscal Quarter and the portion of the Fiscal Year ended March 31, 2006, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of Valor and its consolidated subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (B) above.

(b) The Borrower has heretofore furnished to the Lenders pro forma consolidated financial statements of the Borrower as of March 31, 2006 prepared on a Pro Forma Basis (the "**Pro Forma Financial Statements**"). The Pro Forma Financial Statements (i) have been prepared in good faith based on the same assumptions used to prepare the pro forma financial statements included in the Information Memorandum (which assumptions were at the time of the preparation of the Pro Forma Financial Statements believed by the Borrower to be reasonable), (ii) accurately reflect all adjustments reasonably believed by the Borrower to be necessary to give effect to the Transactions and (iii) present fairly, in all material respects, the pro forma financial position of the Borrower as of March 31, 2006 as if the Transactions had occurred on such date.

(c) Since, in the case of any determination to be made prior to the Merger, September 30, 2005, and, in the case of any other determination, December 31, 2005, there has been no state of facts, change, development, event, effect, condition or occurrence that, individually or in the aggregate, has had a Material Adverse Effect.

Section 3.05. *Properties.* (a) Each of the Wireline Companies has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for Liens permitted under Section 6.02, and minor defects in title that do not interfere with its ability to conduct its business as currently conducted and except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Each of the Wireline Companies owns, or has the right to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business, and the use thereof by the Wireline Companies does not

infringe upon the rights of any other Person, except for any such failure to own or have license or such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(c) Schedule 3.05 sets forth the correct address of each material real property having a Fair Market Value (as reasonably determined by a Financial Officer in good faith) exceeding \$10,000,000 that is owned by any Wireline Company as of the Effective Date after giving effect to the Transactions.

Section 3.06. *Litigation and Environmental Matters.* (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting any Wireline Company that (i) could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, or (ii) involve any of the Loan Documents or the Transactions.

(b) Except for the Disclosed Matters and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any other Wireline Company (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received written notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

(c) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or could reasonably be expected to result in, a Material Adverse Effect.

Section 3.07. *Compliance with Laws and Agreements.* Each of the Wireline Companies is in compliance with (a) all laws, regulations and Governmental Authorizations, in each case applicable to it or its property, (b) each of the Transaction Documents and (c) all indentures, agreements and other instruments binding upon it or its property, except, in each case, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

Section 3.08. *Investment and Holding Company Status.* No Wireline Company is required to be regulated as an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

Section 3.09. *Taxes.* Each of the Wireline Companies has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a)

Taxes that are being contested in good faith by appropriate proceedings and for which the applicable Wireline Company has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect. As of the Effective Date, the Tax Sharing Agreement (as defined in the Merger Agreement) is the only agreement among the Loan Parties regarding tax sharing, tax reimbursement or tax indemnification.

Section 3.10. *ERISA*. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

Section 3.11. *Disclosure*. As of the Effective Date, the Borrower has disclosed to the Lenders all agreements, instruments and corporate or other restrictions to which any Wireline Company is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. Neither the Information Memorandum nor any of the reports, financial statements, certificates or other information concerning any of the Wireline Companies (other than the projections, budgets or other estimates, or information of a general economic or industry nature concerning the Wireline Companies) furnished by or on behalf of any Loan Party to any Lender Party in connection with the negotiation of this Agreement or any other Loan Document or delivered hereunder or thereunder (as modified or supplemented by other information so furnished), when taken as a whole, contains as of the date furnished any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; *provided* that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed by it to be reasonable at the time they were made; it being understood that projections by their nature are uncertain and no assurance is being given that the results reflected in such projected financial information will be achieved.

Section 3.12. *Subsidiaries*. Schedule 3.12 sets forth the name of, and the ownership interest of the Borrower in, each of its Subsidiaries and identifies each Subsidiary that is a Guarantor, in each case as of the Effective Date. All the Subsidiaries are, and will at all times be, fully consolidated in the Borrower's consolidated financial statements to the extent required by GAAP.

Section 3.13. *Insurance*. Schedule 3.13 sets forth a description of all material insurance maintained by or on behalf of the Wireline Companies as of the Effective Date. As of the Effective Date, all premiums in respect of such insurance have been paid to the extent then due.

Section 3.14. *Labor Matters.* As of the Effective Date, there are no strikes, lockouts or slowdowns against any Wireline Company pending or, to the knowledge of the Borrower, threatened. The hours worked by and payments made to employees of the Wireline Companies have not violated the Fair Labor Standards Act or any other applicable Federal, state, local or foreign law dealing with such matters, except where it would not reasonably be expected to have a Material Adverse Effect. As of the Effective Date, there is no organizing activity involving the Borrower or any Subsidiary pending or, to the knowledge of the Borrower or any Subsidiary, threatened by any labor union or group of employees, except those that, in the aggregate, would not reasonably be expected to have a Material Adverse Effect. As of the Effective Date, there are no representation proceedings pending or, to the knowledge of the Borrower or any Subsidiary, threatened with the National Mediation Board, and no labor organization or group of employees of the Borrower or any Subsidiary has made a pending demand for recognition, except those that, in the aggregate, would not reasonably be expected to have a Material Adverse Effect. There are no material complaints or charges against the Borrower or any Subsidiary pending or, to the knowledge of the Borrower or any Subsidiary, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment by the Borrower or any Subsidiary of any individual, except those that, in the aggregate, would not reasonably be expected to have a Material Adverse Effect. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement by which any Wireline Company is bound.

Section 3.15. *Solvency.* On the Effective Date, immediately after the Transactions to occur on the Effective Date are consummated and after giving effect to the application of the proceeds of each Loan to be made on the Effective Date, (a) the fair value of the assets of each Loan Party, at a fair valuation, will exceed its debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of each Loan Party will exceed the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (c) each Loan Party will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) no Loan Party will have unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and proposed to be conducted after the Effective Date.

Section 3.16. *Licenses; Franchises.* (a) Each of the Wireline Companies holds, or on the Effective Date will hold, all Regulatory Authorizations and all other material Governmental Authorizations (including but not limited to franchises, ordinances and other agreements granting access to public rights of

way, issued or granted to any Wireline Company by a state or federal agency or commission or other federal, state or local or foreign regulatory bodies regulating competition and telecommunications businesses) (collectively, the “**Wireline Licenses**”) that are required for the conduct of its business as presently conducted and as proposed to be conducted, except to the extent the failure to hold any Wireline Licenses would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) Each Wireline License is, or on the Effective Date will be, valid and in full force and effect and has not been, or will not have been, suspended, revoked, cancelled or adversely modified, except to the extent any failure to be in full force and effect or any suspension, revocation, cancellation or modification has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No Wireline License is subject to (i) any conditions or requirements that have not been imposed generally upon licenses in the same service, unless such conditions or requirements would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (ii) any pending regulatory proceeding (other than those affecting the wireline industry generally) or judicial review before a Governmental Authority, unless such pending regulatory proceedings or judicial review would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Borrower does not have knowledge of any event, condition or circumstance that would preclude any Wireline License from being renewed in the ordinary course (to the extent that such Wireline License is renewable by its terms), except where the failure to be renewed has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) The licensee of each Wireline License is (or on the Effective Date will be) in compliance with each Wireline License and has (or on the Effective Date will have) fulfilled and performed, or will fulfill or perform, all of its material obligations with respect thereto, including with respect to the filing of all reports, notifications and applications required by the Communications Act or the rules, regulations, policies, instructions and orders of the FCC or any PUC, and the payment of all regulatory fees and contributions, except (i) for exemptions, waivers or similar concessions or allowances and (ii) where such failure to be in compliance or to fulfill or perform its obligations or pay such fees or contributions has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(d) A Wireline Company owns, or on the Effective Date will own, all of the Equity Interests in, and Controls, or on the Effective Date will Control, all of the voting power and decision-making authority of, each licensee of the Wireline Licenses, except where the failure to own such Equity Interests or Control such voting power and decision-making authority of such licensees would not

reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.17. *OFAC*. Neither the Borrower nor any Subsidiary is (a) named on the list of Specially Designated Nationals or Blocked Persons maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control or (b)(i) an agency of the government of a country, (ii) an organization controlled by a country or (iii) a Person resident in a country, in each case that is subject to a sanctions program identified on the list maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control, as such program may be applicable to such agency, organization or Person, and the proceeds from the Loans will not be used to fund any operations in, finance any investments or activities in, or make any payments to, any such country or Person.

#### ARTICLE 4 CONDITIONS

Section 4.01. *Effective Date*. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received a written opinion (addressed to the Administrative Agent, the Collateral Agent, the Issuing Banks and the Lenders and dated the Effective Date) of each of John P. Fletcher, Esq., General Counsel of the Borrower, William Ojile, Esq., General Counsel of Valor, Kirkland & Ellis LLP, special counsel for the Loan Parties, and Wilkinson Barker Knauer, LLP, special regulatory counsel for the Loan Parties, substantially in the forms of Exhibits B-1, B-2, B-3 and B-4, respectively, and covering such other corporate, Collateral, regulatory (including with respect to Governmental Authorizations) and other matters relating to the Wireline Companies, the Loan Documents or the Transactions as the Required Lenders or the Lead Arrangers shall reasonably request. The Borrower hereby requests each such counsel to deliver such opinions.

(c) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of each Loan Party, the

authorization of the Transactions and any other legal matters relating to the Wireline Companies, the Loan Documents or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(d) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(e) The Administrative Agent shall have received all fees and other amounts due and payable by any Loan Party to any of the Lender Parties on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all out of pocket expenses required to be reimbursed or paid by any Loan Party under the Loan Documents, and the Borrower, Alltel, Valor and their respective subsidiaries shall have complied with their obligations under the Commitment Letter and the Fee Letters.

(f) The Collateral and Guarantee Requirement shall have been satisfied and the Collateral Agent shall have received a completed Perfection Certificate dated the Effective Date and signed by a Financial Officer or other executive officer of the Borrower, together with all attachments contemplated thereby, including the results of a search of the Uniform Commercial Code (or equivalent) filings made with respect to the Collateral Support Parties in the jurisdictions contemplated by the Perfection Certificate and copies of the financing statements (or similar documents) disclosed by such search and evidence reasonably satisfactory to the Collateral Agent that the Liens indicated by such financing statements (or similar documents) are permitted by Section 6.02 or have been (or concurrently with the closing of the Transactions will be) released. The Lenders shall be reasonably satisfied with the terms of any intercreditor arrangements with other lienholders.

(g) The Administrative Agent shall have received reasonably satisfactory evidence that all insurance required by Section 5.06 is (or concurrently with the closing of the Transactions will be) in effect.

(h) The final terms and conditions of each aspect of the Transactions, including, without limitation, all tax aspects thereof, shall be (i) substantially as described in the Information Memorandum and otherwise consistent in all material respects with the description thereof received by the Lenders in writing prior to the date hereof and (ii) otherwise reasonably satisfactory to the Required Lenders. The Lenders shall have received copies of the Transaction Documents, certified by a Financial Officer as complete and correct, and shall be reasonably satisfied with the terms and conditions thereof; it being understood that the execution copies of the Merger Agreement and the Distribution Agreement, as attached to the Registration Statement as Annexes A and B, respectively, are

acceptable to the Lenders. The Transaction Documents shall not have been altered, amended or otherwise changed or supplemented or any condition therein waived, in each case in a manner that is materially adverse to the interests of the Lenders, without the prior written consent of the Required Lenders. The Preliminary Restructuring and the Contribution shall have been consummated, and the Lenders shall be satisfied that the Distribution, the Merger and the Refinancings (other than of the Refinancing of the Tendered Valor Bonds and including the release of the Guarantees of and Liens securing, and the termination of all commitments under, the Valor 2005 Credit Facility on terms and pursuant to documentation satisfactory to the Administrative Agent and except that the Existing Letters of Credit shall remain outstanding) will be consummated substantially contemporaneously with the initial funding hereunder, in each case substantially in accordance with the terms of the applicable Transaction Documents and applicable material law and regulatory approvals (including all material Regulatory Authorizations).

(i) The Administrative Agent shall have received a certificate, dated the Effective Date, signed by the President, a Vice President or the General Counsel of the Borrower, either attaching copies of, or describing, all material Governmental Authorizations (including Regulatory Authorizations and the expiration, without imposition of material conditions, of all applicable waiting periods in connection with the Transactions) required in connection with the execution, delivery and performance by each Loan Party, and the validity against each Loan Party of, the Loan Documents and the other Transaction Documents to which it is a party (including with respect to the pledges of Equity Interests in the Subsidiaries pursuant to the Security Agreement), and such consents, licenses and approvals shall be in full force and effect.

(j) The Lead Arrangers shall have received a certificate of a Financial Officer certifying that the Leverage Ratio as of the Effective Date, determined on a Pro Forma Basis, is not greater than 3.50 to 1.0 (and containing reasonably detailed calculations thereof).

(k) The Lenders shall have received (i) audited (for the 2003, 2004 and 2005 fiscal years) and unaudited quarterly (for each Fiscal Quarter ended thereafter) consolidated financial statements of each of the Borrower and Valor and the Pro Forma Financial Statements, in each case meeting the requirements of Regulations S-X and S-K for a Form S-1 registration statement under the Securities Act, and (ii) a business plan of the Wireline Companies including projections on an annual basis for the period from the Effective Date through December 31, 2012, in each case under this paragraph (j) which are not inconsistent in a manner adverse to the Lenders with the Information and projections provided to the Lead Arrangers and the Lead Lenders prior to the date of the Commitment Letter.

(l) The Administrative Agent shall have received a solvency certificate, in form and substance reasonably satisfactory to the Administrative Agent, from the chief financial officer of the Borrower, with respect to the solvency of each of the Borrower, individually, and the Loan Parties, taken as a whole, after giving effect to the Transactions.

(m) Since September 30, 2005, there shall not have been any state of facts, change, development, event, effect, condition or occurrence that, individually or in the aggregate, has had a Material Adverse Effect.

Section 4.02. *Each Credit Event.* The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Banks to issue, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of each Loan Party set forth in the Loan Documents that are qualified by materiality shall be true and correct, and the representations that are not so qualified shall be true and correct in all material respects, in each case, on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable (other than with respect to any representation and warranty that expressly relates to an earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date).

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing and each issuance, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

## ARTICLE 5 AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

Section 5.01. *Financial Statements; Ratings Change and Other Information.* The Borrower will furnish to the Administrative Agent on behalf of each Lender (and the Administrative Agent will make available to each Lender):

(a) as soon as available and in no event later than 90 days after the end of each Fiscal Year, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by PricewaterhouseCoopers LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) as soon as available and in no event later than 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by a Financial Officer as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 6.13 (including specifying the amount, if any, of Capital Expenditures financed with Available Equity Proceeds or Reinvestment Funds), 6.14 and 6.15, (iii) to the extent that any such change in GAAP has an impact on such financial statements, stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04, and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate and (iv) certifying as to the amounts of Available Cash, Available Distributable Cash, Available Equity Proceeds of the date of such certificate and setting forth reasonably detailed calculations thereof;

(d) within 60 days after the beginning of each Fiscal Year, a detailed consolidated budget for such Fiscal Year (including a projected consolidated balance sheet and related statements of projected operations and cash flows as of the end of and for such Fiscal Year and setting forth the assumptions used in preparing such budget) and, promptly when available, any significant revisions of such budget approved by the board of directors of the Borrower;

(e) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by any Wireline Company with the SEC or with any national securities exchange, or distributed by the Borrower to its shareholders generally, as the case may be; and

(f) promptly following any reasonable written request by Administrative Agent therefor, (i) copies of all material reports and written information to and from (A) the FCC or any PUC with jurisdiction over the property or business of any Wireline Company or (B) the United States Environmental Protection Agency, or any state or local agency responsible for environmental matters, the United States Occupational Health and Safety Administration, or any state or local agency responsible for health and safety matters, or any successor or other agencies or authorities concerning environmental, health or safety matters or (ii) such other information regarding the operations, business affairs and financial condition of any Wireline Company, or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request.

(g) Any financial statement or other materials required to be delivered pursuant to this Section 5.01 shall be deemed to have been delivered on the date on which such information is posted on the Borrower's website on the Internet or by the Administrative Agent on an IntraLinks or similar site to which Lenders have been granted access or shall be available on the SEC's website on the Internet at [www.sec.gov](http://www.sec.gov); *provided* that (i) the Borrower shall give notice of any such posting to the Administrative Agent (who shall then give notice of any such posting to the Lenders), and (ii) the Borrower shall deliver paper copies of any such documents to the Administrative Agent if the Administrative Agent requests the Borrower to deliver such paper copies. Notwithstanding anything contained herein, in every instance the Borrower shall be required to provide paper copies of any certificate required by Section 5.01(c) to the Administrative Agent. Except for such certificates, the Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents. Furthermore, if any financial statement or other materials required to be delivered under this Agreement shall be required to be delivered on any date that is not a

Business Day, such information may be delivered to the Administrative Agent on the next succeeding Business Day after such date.

Section 5.02. *Notices of Material Events.* The Borrower will furnish to the Administrative Agent (and the Administrative Agent will make available to each Lender) prompt written notice of a Responsible Officer obtaining Knowledge of any of the following:

- (a) the occurrence of any Default;
- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting any Wireline Company or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;
- (c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;
- (d) (i) the occurrence of, or receipt of a written notice of any claim with respect to, any Environmental Liability that could reasonably be expected to result in a Material Adverse Effect, or (ii) receipt of a written notice of non-compliance with any Environmental Law or permit, license or other approval required under any Environmental Law to the extent such non-compliance could reasonably be expected to result in a Material Adverse Effect; and
- (e) (i) non-compliance with any Regulatory Authorization, to the extent such non-compliance could reasonably be expected to have a Material Adverse Effect, or (ii) receipt of any written notice from any Governmental Authority in relation to the continuation, validity, renewal or conditions attaching to any Regulatory Authorization which could reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.03. *Information Regarding Collateral.* (a) The Borrower will furnish to the Collateral Agent prompt written notice of any change in (i) any Loan Party's legal name, jurisdiction of organization, chief executive office or principal place of business, (ii) any Loan Party's identity or form of organization or (iii) any Loan Party's federal Taxpayer Identification Number. No later than 10 Business Days after any change referred to in the preceding sentence, the Borrower shall confirm to the Collateral Agent (and, as and when available,

provide any information reasonably requested by the Collateral Agent) that all filings have been made under the Uniform Commercial Code (or that the Borrower has provided to the Collateral Agent all information required or reasonably requested by the Collateral Agent in order for it to make such filings), and all other actions have been taken, that are required so that such change will not at any time adversely affect the validity, perfection or priority of any Transaction Lien on any of the Collateral.

(b) Each year, at the time annual financial statements with respect to the preceding Fiscal Year are delivered pursuant to Section 5.01(a), the Borrower will deliver to the Administrative Agent a certificate of a Financial Officer and its chief legal officer (i) setting forth, with respect to each Loan Party, the information required pursuant to Parts A-1 and A-2 of the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the Effective Date (or the effective date of such Loan Party's Security Agreement Supplement) or the date of the most recent certificate delivered pursuant to this subsection and (ii) certifying that all Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations, including all refilings, rerecordings and reregistrations, containing a description of the Collateral have been filed of record in each appropriate office in each jurisdiction identified pursuant to clause (i) above to the extent necessary to protect and perfect the Transaction Liens for a period of at least 18 months after the date of such certificate (except as noted therein with respect to any continuation statements to be filed within such period).

Section 5.04. *Existence; Conduct of Business.* The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things reasonably necessary to preserve, renew and keep in full force and effect (i) its legal existence and (ii) the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of its business, except, in the case of clause (ii), where the failure to do so could not reasonably be expected to have a Material Adverse Effect; *provided* that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03 or any disposition of assets permitted under Section 6.05.

Section 5.05. *Payment of Obligations.* The Borrower will, and will cause each of its Subsidiaries to, pay its obligations other than Indebtedness, including Tax liabilities, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the applicable Wireline Company has set aside on its books adequate reserves with respect thereto in accordance with GAAP, and (c) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation.

Section 5.06. *Maintenance of Properties; Insurance; Casualty and Condemnation.* (a) Except as otherwise permitted in Section 6.05, the Borrower will, and will cause each of its Subsidiaries to, keep and maintain all property used in the conduct of its business in good working order and condition, ordinary wear and tear (and damage caused by casualty) excepted, except where the failure to take such actions could not reasonably be expected to result in a Material Adverse Effect.

(b) The Borrower will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurance companies insurance in such amounts and against such risks as may be required by law or as the Borrower reasonably and in its good faith business judgment believes are customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations. Fire and extended coverage policies maintained with respect to any Collateral shall be endorsed or otherwise amended to include a lenders' loss payable clause in favor of the Collateral Agent and providing for losses thereunder to be payable to the Collateral Agent or its designee as additional loss payee as its interests may appear. Commercial general liability policies shall be endorsed to name the Collateral Agent as an additional insured. Each such policy referred to in this paragraph (b) also shall provide that it shall not be canceled, modified with respect to endorsements or loss payable provisions or not renewed (x) by reason of nonpayment of premium except upon at least 10 days' prior written notice thereof by the insurer to the Collateral Agent (giving the Collateral Agent the right to cure defaults in the payment of premiums) or (y) for any other reason except upon at least 30 days' prior written notice thereof by the insurer to the Collateral Agent. The Borrower shall deliver to the Collateral Agent, prior to the cancellation or nonrenewal, or modification of any endorsement or loss payable provisions of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Collateral Agent) together with evidence reasonably satisfactory to the Collateral Agent of payment of the premium therefor to the extent then due.

(c) The Borrower will furnish to the Administrative Agent, the Collateral Agent and the Lenders prompt written notice of any Casualty Event.

Section 5.07. *Books and Records; Inspection Rights.* The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all material dealings and transactions in relation to its business and activities in accordance with GAAP. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and, with the opportunity for the Borrower to be

present, its independent accountants, all at such reasonable times and as often as reasonably requested; *provided* that (x), unless an Event of Default has occurred and is continuing, the Borrower shall not be required by this Agreement to pay for more than one visit per year by the Administrative Agent and (y) the Lenders shall coordinate any visits through the Administrative Agent.

Section 5.08. *Compliance with Laws.* The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to so comply could not reasonably be expected to result in a Material Adverse Effect.

Section 5.09. *Use of Proceeds and Letters of Credit.* The proceeds of the Tranche A Term Loans and Tranche B Term Loans will be used only to finance the Special Dividend, to refinance the Indebtedness described in clauses (a) through (g) of the definition of "Refinancings" and to pay fees and expenses in connection with the Transactions. The proceeds of the Tranche C Term Loans will be used only to repurchase Tendered Valor Bonds, to pay accrued and unpaid interest, premiums and other amounts constituting the "Change of Control Payment" in accordance with Section 4.14 of the Valor Indenture and to pay any fees and expenses in connection therewith. The proceeds of the Revolving Loans will be used only to pay fees and expenses in connection with the Transactions, for Permitted Acquisitions and for working capital and other general corporate purposes of the Wireline Companies. The proceeds of any Incremental Loan Facility will be used only as provided in Section 2.01(b) and in the Incremental Facility Amendment. No part of the proceeds of any Loan or Letters of Credit will be used, whether directly or indirectly, to purchase or carry margin stock or to extend credit to others for the purpose of purchasing or carrying margin stock or for any other purpose, in each case that entails a violation of any of the Regulations of the Board, including Regulations T, U and X. Letters of Credit will be issued only to support general corporate obligations of the Wireline Companies.

Section 5.10. *Additional Subsidiaries.* If any additional Subsidiary, other than an Insignificant Subsidiary, is formed or acquired after the Effective Date, the Borrower will, within ten Business Days after such Subsidiary is formed or acquired, notify the Administrative Agent and the Collateral Agent thereof and cause the Collateral and Guarantee Requirement to be satisfied with respect to any Equity Interest in such Subsidiary held by a Loan Party and any Indebtedness of such Subsidiary owed to a Loan Party. If at any time any Subsidiary that is not then a Loan Party, other than an Insignificant Subsidiary or any Subsidiary listed on Schedule 5.10, (x) is a wholly-owned Domestic Subsidiary and is permitted by applicable law or regulation (without the need to obtain any Governmental Authorization) to Guarantee the Facility Obligations or (y) Guarantees any Loan Party's obligations in respect of any New Notes, any Assumed Bonds or any other

Indebtedness (other than Indebtedness created under the Loan Documents), the Borrower shall promptly cause (A) such Subsidiary to Guarantee the Facility Obligations pursuant to the Guarantee Agreement (in the case of any Subsidiary described in clause (y), on terms no less favorable to the Lenders than those applicable under such Guarantee of other Indebtedness) and (B) the other provisions of the Collateral and Guarantee Requirement to be satisfied with respect to such Subsidiary, whereupon such Subsidiary will become a "Guarantor" and "Lien Grantor" for purposes of the Loan Documents. The Borrower will not, and will not permit any of its Subsidiaries to, form or acquire any Subsidiary (other than Insignificant Subsidiaries) after the Effective Date unless all of the Equity Interests in such Subsidiary shall be directly held by a Loan Party.

Section 5.11. *Further Assurances.* (a) Each Loan Party will execute and deliver any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings and other documents), that may be required under any applicable law, or that the Collateral Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied, all at the Borrower's expense. The Borrower will provide to the Collateral Agent, from time to time upon any reasonable request from the Collateral Agent, evidence reasonably satisfactory to the Collateral Agent as to the perfection and priority of the Liens intended to be created by the Security Documents.

(b) If any material assets (other than any real property or improvements thereto or any interest therein) are acquired by any Loan Party after the Effective Date (other than assets constituting Collateral that become subject to Transaction Liens upon acquisition thereof), the Borrower will notify the Collateral Agent and the Lenders thereof, and, if requested by the Collateral Agent or the Required Lenders, will cause such assets to be subjected to a Transaction Lien securing the Secured Obligations and will take, or cause the relevant Guarantor to take, such actions as shall be necessary or reasonably requested by the Collateral Agent to grant and perfect or record such Transaction Lien, in each case to the extent contemplated by the Security Documents, including actions described in Section 5.11(a), all at the Borrower's expense.

Section 5.12. *Valor Bond Offer to Repurchase.* As promptly as practicable, and in any event within 30 days after the Effective Date, the Borrower will, or will cause one or more of its Subsidiaries to, offer to repurchase the Valor Bonds in accordance with Section 4.14 of the Valor Indenture.

Section 5.13. *Rated Credit Facilities.* The Borrower will use commercially reasonable efforts to cause the Facilities to be continuously rated by S&P and Moody's.

Section 5.14. *Windstream Communications*. The Borrower will cause, and will cause its Subsidiaries to cause, Windstream Communications, Inc. (formerly Alltel Holding Corporate Services, Inc.) not to (a) engage to any material extent in any business or activity, other than (i) the ownership of Wireline Licenses and other assets owned (or similar to those owned), and the business or other activities engaged in, by it on the Effective Date, (ii) the maintenance of its corporate existence, (iii) the making of Restricted Payments to the extent permitted by Section 6.08, and (iv) activities incidental to (including with respect to legal, tax and accounting matters), or otherwise required to comply with applicable law in connection with, any of the foregoing activities; and (b) create, incur, assume or permit to exist (i) any Indebtedness of the type described in clause (a) of the definition thereof, unless owed to a Loan Party, (ii) other Indebtedness unless consistent with past practice, in each case regardless of whether such Indebtedness would otherwise be permitted under Section 6.01, or (iii) any other liabilities, other than liabilities (but not any Indebtedness) (A) existing (or similar to those existing) on the Effective Date or (B) associated with the activities permitted under subclauses (i) through (iv) of clause (a) above.

## ARTICLE 6 NEGATIVE COVENANTS

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

Section 6.01. *Indebtedness; Certain Equity Securities*. (a) The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

- (i) Indebtedness created under the Loan Documents;
- (ii) Indebtedness of the Loan Parties in respect of the New Notes and the Assumed Valor Bonds;
- (iii) Indebtedness of AC Holdings and any of its subsidiaries that are Loan Parties in respect of the AC Holdings Bonds; and Indebtedness of Alltel Georgia in respect of the Alltel Georgia Bonds;
- (iv) Indebtedness (other than Indebtedness permitted under clause (ii) or (iii) of this paragraph (a)) existing on the date hereof and set forth in Schedule 6.01;