

(v) Indebtedness of the Borrower to any Subsidiary and of any Subsidiary to the Borrower or any other Subsidiary; *provided* that (A) any such Indebtedness of any Subsidiary that is not a Collateral Support Party to any Collateral Support Party shall be subject to Section 6.04, (B) except to the extent any Regulatory Authorization would be required therefor and has not been obtained, any such Indebtedness of any Loan Party to any Subsidiary that is not a Guarantor shall be subordinated to the Facility Obligations on terms reasonably satisfactory to the Administrative Agent, and (C) any such Indebtedness owed to any Loan Party and evidenced by a promissory note shall be pledged pursuant to clause (b) of the definition of "Collateral and Guarantee Requirement";

(vi) Guarantees by the Borrower of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of the Borrower or any other Subsidiary (other than Indebtedness permitted solely pursuant to clauses (a)(iii) (except for Guarantees of the AC Holdings Bonds by any of its subsidiaries that is a Loan Party to the extent required under the AC Holdings Indenture as in effect on the date hereof), (a)(iv), (a)(viii) or (a)(xviii) or any combination thereof); *provided* that (A) Guarantees by any Collateral Support Party of Indebtedness of any Subsidiary that is not a Collateral Support Party shall be subject to Section 6.04, (B) Guarantees permitted under this clause (vi) shall be subordinated to the Secured Obligations of the applicable Subsidiary if and to the same extent and on the same terms as the Indebtedness so Guaranteed is subordinated to the Secured Obligations and (C) no Indebtedness shall be Guaranteed by any Subsidiary unless such Subsidiary is a Loan Party that has Guaranteed the Secured Obligations pursuant to the Guarantee Agreement;

(vii) Indebtedness of any Wireline Company incurred to finance the acquisition, construction, restoration or improvement of any fixed or capital assets, including Capital Lease Obligations (whether through the direct acquisition of such assets or the acquisition of Equity Interests in a Person holding only such fixed or capital assets) and any Indebtedness assumed by any Wireline Company in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof; *provided* that (A) such Indebtedness is incurred (or if assumed, was incurred) prior to or within 150 days after such acquisition or the completion of such construction, restoration or improvement and (B) the aggregate principal amount of Indebtedness permitted by this clause (vii) shall not exceed \$250,000,000 at any time outstanding;

(viii) Indebtedness of any Person that becomes a Subsidiary after the Effective Date; *provided* that (A) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and (B) the

Borrower is in compliance on a Pro Forma Basis after giving effect to such Indebtedness with the covenants contained in Sections 6.14 and 6.15 recomputed as of the last day of the most-recently ended Fiscal Quarter prior to the time at which such Person becomes a Subsidiary;

(ix) Indebtedness of any Wireline Company constituting reimbursement obligations with respect to letters of credit in respect of workers' compensation claims or self-insurance obligations;

(x) Indebtedness of any Wireline Company constituting reimbursement obligations with respect to letters of credit issued in the ordinary course of business; *provided* that, upon the drawing of such letters of credit or the incurrence of such Indebtedness, such obligations are reimbursed within 30 days following such drawing or incurrence;

(xi) Indebtedness of the Borrower or any Subsidiary in respect of performance bonds, bid bonds, appeal bonds, surety bonds, performance and completion guarantees and similar obligations (other than in respect of Indebtedness for borrowed money);

(xii) Indebtedness in respect of Swap Agreements permitted by Section 6.07;

(xiii) Indebtedness of any Wireline Company arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, *provided, however*, that such Indebtedness is extinguished within five Business Days of its incurrence;

(xiv) Indebtedness of any Wireline Company arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or Guarantees or letters of credit, surety bonds or performance bonds securing any obligations of any Wireline Company pursuant to any such agreements, in any case incurred in connection with the disposition of any business, assets or any Subsidiary (other than Guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition), so long as the principal amount of such Indebtedness does not exceed the gross proceeds actually received by the Wireline Companies in connection with such disposition;

(xv) any Earn-out Obligation or obligation in respect of any purchase price adjustment, except to the extent that the contingent consideration relating thereto is not paid within 15 Business Days after the contingency relating thereto is resolved;

(xvi) Permitted Refinancing Indebtedness of any Wireline Company incurred in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than Indebtedness of the Borrower to any Subsidiary or of any Subsidiary to the Borrower or any other Subsidiary) that was permitted to be incurred under clause (i), (ii), (iii), (iv), (vii) or (viii) or this clause (xvi) of this paragraph;

(xvii) Indebtedness incurred in connection with the financing of insurance premiums in the ordinary course of business;

(xviii) other Indebtedness of any Wireline Company in an aggregate principal amount not exceeding \$150,000,000 at any time outstanding; *provided* that (A) no Event of Default has occurred and is continuing or would result therefrom and (B) the Borrower is in compliance on a Pro Forma Basis after giving effect to the incurrence of such Indebtedness with the covenants contained in Sections 6.14 and 6.15 recomputed as of the last day of the most-recently ended Fiscal Quarter prior to the issuance of such Indebtedness; and

(xix) Permitted Additional Debt; *provided* that (A) no Event of Default has occurred and is continuing or would result therefrom and (B) the Borrower is in compliance on a Pro Forma Basis after giving effect to the incurrence of such Indebtedness with the covenants contained in Sections 6.14 and 6.15 recomputed as of the last day of the most-recently ended Fiscal Quarter prior to the issuance of such Indebtedness.

(b) If any Indebtedness is incurred pursuant to clause (viii), (xviii), or (xix) of paragraph (a) of this Section in an aggregate principal amount exceeding \$250,000,000, the Borrower shall deliver to the Administrative Agent a certificate of a Financial Officer to such effect, together with all relevant financial information reasonably requested by the Administrative Agent, including reasonably detailed calculations demonstrating compliance with such covenants (which calculations shall, if made as of the last day of any Fiscal Quarter for which the Borrower has not delivered to the Administrative Agent the financial statements and certificate of a Financial Officer required to be delivered by Section 5.01(a) or (b) and Section 5.01(c), respectively, be accompanied by a reasonably detailed calculation of Consolidated Adjusted EBITDA and Consolidated Cash Interest Expense for the relevant period).

(c) No Subsidiary will issue any Preferred Stock.

Section 6.02. *Liens.* The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or

revenues (including accounts receivable) or rights in respect of any thereof, except:

- (a) Transaction Liens;
- (b) Permitted Encumbrances;
- (c) any Lien on any property or asset of any Wireline Company existing on the date hereof and set forth in Schedule 6.02; *provided* that (i) such Lien shall not apply to any other property or asset of any Wireline Company and (ii) such Lien shall secure only those obligations which it secures on the date hereof, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (plus the amount of any capitalized interest thereon and any premiums and fees and expenses);
- (d) any Lien existing on any property or asset prior to the acquisition thereof by any Wireline Company or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; *provided* that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of any Wireline Company and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (plus the amount of any capitalized interest thereon and any premiums and fees and expenses);
- (e) Liens on fixed or capital assets acquired, constructed, restored or improved by any Wireline Company (including any such assets made the subject of a Capital Lease Obligation); *provided* that (i) such Liens secure Indebtedness permitted by clause (vii) of Section 6.01(a), (ii) such Liens and the Indebtedness secured thereby are incurred prior to or within 150 days after such acquisition or the completion of such construction, restoration or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such Liens shall not apply to any other property or assets of any Wireline Company;
- (f) Liens in favor of collecting or payor banks having a right of setoff, revocation, refund or chargeback with respect to money or instruments of any Wireline Company on deposit with or in possession of such bank arising in the ordinary course of business;
- (g) Liens in favor of the Borrower or any Guarantor;

(h) Liens on cash or Cash Equivalents securing (a) obligations of any Wireline Company under Swap Agreements permitted under Section 6.07, or (b) letters of credit that support such obligations under such Swap Agreements; *provided* that the aggregate principal amount secured by all such Liens shall not at any time exceed \$35,000,000;

(i) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods, in each case entered into in the ordinary course of business;

(j) Liens securing Permitted Refinancing Indebtedness (except as provided in clause (e) of the definition thereof); *provided* that such Liens do not extend to any property or assets other than the property or assets that secure the Indebtedness being refinanced;

(k) Liens (i) attaching to advances to a seller of any property to be acquired, (ii) consisting of an agreement to dispose of property and (iii) on cash earnest money deposits in connection with Investments permitted under Section 6.04;

(l) Liens on insurance policies and the proceeds thereof granted in the ordinary course to secure the financing of insurance premiums with respect thereto;

(m) Liens by virtue of statute in favor of any Lender in respect of the Investment of the Loan Parties in non-voting participation certificates of such Lender permitted pursuant to clause (s) of Section 6.04; and

(n) Liens not otherwise permitted by this Section to the extent that the aggregate outstanding principal amount of the obligations secured thereby (determined as of the date such Lien is incurred) does not exceed \$100,000,000 at any time outstanding.

Section 6.03. *Fundamental Changes.* (a) The Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that (i) the Borrower may merge with and into Valor in connection with the Merger and (ii) if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing, (A) any Person may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (B) any Person may merge into any Subsidiary in a transaction in which the surviving entity is a Subsidiary and (if any party to such merger is a Guarantor) is (or upon consummation of such merger becomes in accordance with the terms of this Agreement) a Guarantor and (C) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such

liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders; *provided* that any such merger involving a Person that is not a wholly-owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than Permitted Businesses.

Section 6.04. *Investments, Loans, Advances, Guarantees and Acquisitions.* The Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly-owned Subsidiary prior to such merger) any Equity Interest in or evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the assets of, or assets constituting a division, unit or line of business of, any other Person (each of the foregoing, an "**Investment**"), except:

- (a) Investments in connection with the Transactions;
- (b) Cash Equivalents;
- (c) Investments existing on the date hereof and listed on Schedule 6.04;

(d) Investments by the Borrower, Valor and their subsidiaries in Equity Interests in their respective subsidiaries; *provided* that (i) any such Equity Interest held by a Loan Party shall be pledged pursuant to the Security Agreement as required to satisfy clause (b) of the definition of "Collateral and Guarantee Requirement", and (ii) the aggregate amount of such Investments by Collateral Support Parties in Equity Interests in Subsidiaries that are not Collateral Support Parties made after the Effective Date in reliance on this clause (d) shall not exceed (together with (x) any loans and advances by Collateral Support Parties to Subsidiaries that are not Collateral Support Parties made in reliance on clause (e) below and (y) any Guarantees by Collateral Support Parties of Indebtedness or other obligations of Subsidiaries that are not Collateral Support Parties made in reliance on clause (f) below) \$75,000,000 (in each case determined at the time made and without regard to any subsequent write-downs or write-offs);

(e) loans or advances made by the Borrower to any Subsidiary and made by any Subsidiary to the Borrower or any other Subsidiary; *provided* that the amount of such loans and advances made in reliance on this clause (e) after the Effective Date by Collateral Support Parties to Subsidiaries that are not

Collateral Support Parties shall be subject to the limitation set forth in clause (ii) of the proviso in clause (d) above;

(f) (x) Guarantees constituting Indebtedness permitted by Section 6.01 and (y) guarantees provided in the ordinary course of business of obligations of any Wireline Company (other than Indebtedness) under operating leases and similar contracts; *provided* that (i) any Person providing any such Guarantee of Indebtedness shall have complied with Section 5.10 with respect thereto, and (ii) the aggregate principal amount of Indebtedness and other obligations of Subsidiaries that are not Collateral Support Parties that is Guaranteed by Collateral Support Parties shall be subject to the limitation set forth in clause (ii) of the proviso in clause (d) above;

(g) any Investment acquired by any Wireline Company (i) in exchange for any other Investment or accounts receivable held by such Wireline Company in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable or (ii) as a result of a foreclosure by any Wireline Company with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(h) Investments consisting of purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of intellectual property, in each case in the ordinary course of business;

(i) Investments that constitute Permitted Asset Exchanges and Permitted Acquisitions (including any cash earned money deposits required in connection with any Permitted Acquisition);

(j) loans or advances to employees of any Wireline Company not exceeding \$5,000,000 in the aggregate outstanding at any time;

(k) commission, payroll, travel and similar advances to officers and employees to cover matters that are expected at the time of such advances ultimately to be treated as expenses of the Wireline Companies in accordance with GAAP;

(l) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(m) Investments in the form of Swap Agreements permitted by Section 6.07;

(n) Investments of any Person existing at the time such Person becomes a Subsidiary or consolidates or merges with the Borrower or any Subsidiary

(including in connection with a Permitted Acquisition) so long as such Investments were not made in contemplation of such Person becoming a Subsidiary or of such consolidation or merger;

(o) Investments resulting from pledges or deposits described in clause (b) or (c) of the definition of "Permitted Encumbrance";

(p) Investments received in connection with the disposition of any asset permitted by Section 6.05;

(q) advances to customers or suppliers in the ordinary course of business that are, in conformity with GAAP, recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of the Borrower or any of its Subsidiaries and endorsements for collection or deposit arising in the ordinary course of business;

(r) Investments arising from any transaction permitted by Section 6.08;

(s) Investments existing on the date hereof in non-voting participation certificates of any Lender and additional Investments made after the Closing Date in any such non-voting participation certificates (including accruals on such certificates made by such Lender in accordance with its bylaws and capital plan); and

(t) so long as no Event of Default of the type described in paragraph (a), (b), (h) or (i) of Article 7 has occurred and is continuing or would result therefrom, additional Investments in any Person (*provided* that any such Person is either (i) not an Affiliate of the Borrower or (ii) is an Affiliate of the Borrower (A) solely because the Borrower, directly or indirectly, owns Equity Interests in, or controls, such Person or (B) engaged in bona fide business operations and is an Affiliate solely because it is under common control with the Borrower) having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (t) since the Effective Date and then outstanding not to exceed the sum (calculated as of the date of such Investment was made after giving effect to all other applications of Available Distributable Cash or Available Equity Proceeds on such date) of (i) Available Distributable Cash *plus* (ii) Available Equity Proceeds *plus* (iii) the greater of (x) \$150,000,000 and (y) 2% of Total Assets *plus* (iv) the aggregate amount of cash equal to the net reduction in Investments made pursuant to this clause (t) in any Person since the Effective Date resulting from repayments of loans or advances, or other transfers of assets, in each case to the Borrower or any Subsidiary or from the net proceeds received in cash, from the sale of any such Investment (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Adjusted Net Income); *provided* that



any Investment made pursuant to this clause (t) in any Person that is not a Wireline Company at the time such Investment is made may, if such Person thereafter becomes a Wireline Company, from and after such date be deemed to have been made pursuant to clause (d), (e) or (f)(ii), as applicable, and not pursuant to this clause (t).

Section 6.05. *Asset Sales.* The Borrower will not, and will not permit any of its Subsidiaries to, sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) any property, including any Equity Interest owned by it (in each case, whether now owned or hereafter acquired), nor will any Subsidiary issue any additional Equity Interest in such Subsidiary (other than issuing directors' qualifying shares and other than issuing Equity Interests to the Borrower or another Subsidiary in compliance with Section 6.04(d)), except:

(a) the transfer to Alltel or any of its subsidiaries of any "AT Co. Assets" (as defined in the Distribution Agreement) in connection with the Preliminary Restructuring;

(b) sales, transfers, leases or other dispositions of (i) inventory, (ii) obsolete, worn-out, used, no longer useful or surplus property or equipment and (iii) Cash Equivalents, in the case of each of clauses (i), (ii) and (iii), in the ordinary course of business;

(c) sales, transfers, leases and other dispositions (including issuance of Equity Interests) to a Wireline Company; *provided* that any such sales, transfers or dispositions involving a Subsidiary that is not a Collateral Support Party shall comply with Section 6.09;

(d) leases or subleases of property, and licenses or sublicenses of intellectual property, in each case entered into in the ordinary course of business and to the extent that any of the foregoing does not materially interfere with the business of any Wireline Company;

(e) dispositions or write-downs of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business or bankruptcy or similar proceedings;

(f) any Restricted Payment permitted under Section 6.08;

(g) Permitted Asset Exchanges;

(h) sales of assets in connection with any Sale and Leaseback Transaction permitted under Section 6.06;

(i) dispositions of property constituting Investments permitted under Section 6.04(g);

(j) dispositions of assets consisting of transactions permitted under Section 6.03;

(k) sales, transfers, leases and other dispositions of property to the extent that such property consists of an Investment permitted by Section 6.04(p);

(l) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any Subsidiary; and

(m) sales, transfers, leases and other dispositions of assets (except Equity Interests in a Subsidiary unless all Equity Interests in such Subsidiary are sold) that are not permitted by any other clause of this Section; *provided* that the aggregate Fair Market Value of all assets sold, transferred or otherwise disposed of in reliance on this clause (m) shall not at any time exceed the greater of \$750,000,000 and 10% of Total Assets (with the Fair Market Value of each item of non-cash consideration being measured at the time received and without giving effect to any subsequent changes in value);

*provided* that any sales, transfers, leases and other dispositions permitted by clauses (g), (h), (k) or (m) of this Section shall be (x) made for Fair Market Value and (y) in the case of sales, transfers, leases and other dispositions permitted by clauses (h) or (m) of this Section shall be made for at least 75% Cash Consideration.

Section 6.06. *Sale and Leaseback Transactions.* Except for the transactions identified on Schedule 6.06, the Borrower will not, and will not permit any of its Subsidiaries to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred (any such transaction, a "**Sale and Leaseback Transaction**"), unless:

(a) the applicable Wireline Company could have (a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such Sale and Leaseback Transaction pursuant to Section 6.01 and (b) incurred a Lien to secure such Indebtedness pursuant to Section 6.02 in which case such Indebtedness and Liens shall be deemed to have been so incurred;

(b) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of that Sale and Leaseback Transaction; and

(c) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Borrower applies the proceeds of such transaction in compliance with, Section 2.10.

Section 6.07. *Swap Agreements.* The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which any Wireline Company has actual exposure in the conduct of its business or the management of its liabilities (other than those in respect of Equity Interests or Restricted Indebtedness of a Wireline Company), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or Investment of any Wireline Company.

Section 6.08. *Restricted Payments; Certain Payments of Debt.* (a) The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except:

- (i) the Borrower may declare and pay the Special Dividend;
- (ii) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock;
- (iii) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests;
- (iv) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of any Wireline Company held by any current or former employee, consultant or director of any Wireline Company pursuant to the terms of any employee equity subscription agreement, stock option agreement or similar agreement; *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests in any fiscal year will not exceed the sum of:
  - (A) \$20,000,000, with unused amounts pursuant to this subclause (A) being carried over to succeeding fiscal years;  
*plus*
  - (B) the aggregate net cash proceeds received by the Borrower since the Effective Date as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of the Borrower to any current or former employee, consultant or director of any Wireline Company;

*provided* that the amount of any such net cash proceeds that are used to permit a repurchase, redemption or other acquisition under this subclause (B) will be excluded from clause (a) of the definition of "Available Equity Proceeds";

(v) the making of any payment in exchange for, or out of the net cash proceeds of a contribution to the common equity of the Borrower or a substantially concurrent sale (other than to a Subsidiary of the Borrower) of, Equity Interests (other than Disqualified Stock) of the Borrower; *provided* that the amount of any such net cash proceeds that are utilized for any such payment will be excluded for the purposes of calculating Available Equity Proceeds;

(vi) so long as no Dividend Suspension Period or Event of Default has occurred and is continuing or would result therefrom, the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Borrower issued or incurred in accordance with this Agreement;

(vii) the repurchase of Equity Interests deemed to occur upon the exercise of options or warrants the issuance of which is not prohibited by this Agreement to the extent that such Equity Interests represent all or a portion of the exercise price thereof;

(viii) so long as no Dividend Suspension Period, or Event of Default has occurred and is continuing or would result therefrom, the repurchase of Equity Interests of the Borrower constituting fractional shares in an aggregate amount since the Effective Date not to exceed \$100,000;

(ix) the payment of dividends by the Borrower on its common stock in an amount not to exceed \$237,500,000 in the aggregate for the first two quarterly dividend payments made after the Effective Date;

(x) the payment of the Special Stub Dividend;

(xi) so long as no Dividend Suspension Period or Event of Default has occurred and is continuing or would result therefrom, the Borrower may repurchase, acquire or redeem, and may declare and pay regular quarterly dividends on, its common stock in accordance with its dividend policy in effect from time to time (which may be changed at any time by the Borrower's Board of Directors) in an aggregate amount which does not exceed the sum (calculated as of the date of such dividend payment after giving effect to all other applications of Available

Distributable Cash or Available Equity Proceeds on such date) of (A) Available Distributable Cash *plus* (B) Available Equity Proceeds;

(xii) other Restricted Payments in an aggregate amount not exceeding \$50,000,000; and

(xiii) the Borrower may pay any dividend within 90 days after the date of declaration thereof, if the Borrower would have been permitted to make such payment under this Section 6.08(a) on the date of such declaration.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Restricted Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, defeasance or termination of any such Indebtedness, or any payment (including, without limitation, any payment under a Swap Agreement) that has a substantially similar effect to any of the foregoing, except:

(i) the payment of regularly scheduled payments of interest and fees and the payment of expenses and, in the case of the Alltel Georgia Bonds only, mandatory payments of principal in an aggregate amount not to exceed \$10,000,000 annually, in each case as and when due in respect of any Restricted Indebtedness;

(ii) payments in respect of Restricted Indebtedness, *provided* that (A) no Dividend Suspension Period or Event of Default has occurred and is continuing at the time of such payment or would result therefrom and (B) the aggregate amount of such payments does not exceed the sum (calculated as of the date of such payment after giving effect to all other applications of Available Distributable Cash or Available Equity Proceeds on such date) of (A) Available Distributable Cash *plus* (B) Available Equity Proceeds; and

(iii) refinancings of Restricted Indebtedness to the extent permitted by Section 6.01.

Section 6.09. *Transactions with Affiliates.* Except as set forth on Schedule 6.09, the Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to such Wireline

Company than could reasonably be expected to be obtained in an arm's-length transaction with a Person that is not an Affiliate of the Wireline Companies, (b) transactions between or among the Collateral Support Parties or any Person that will become a Collateral Support Party in connection therewith, except to the extent that any payments thereunder made by any Wireline Company to such Person are substantially concurrently paid by such Person to any other Affiliate of any Wireline Company and are not otherwise permitted under this Section 6.09, (c) any Restricted Payment permitted by Section 6.08, (d) mergers or consolidations between Subsidiaries or between the Borrower and any Subsidiary permitted under Section 6.03, and (e) intercompany Investments, loans, advances and Guarantees permitted under Section 6.04.

Section 6.10. *Restrictive Agreements.* The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any consensual agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of any Wireline Company to create, incur or permit to exist any Lien upon any of its property or assets in favor of the Secured Parties (or an agent or trustee on their behalf) or to transfer any of its properties or assets to any other Wireline Company, or (b) the ability of any Subsidiary to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to any other Wireline Company or to Guarantee Indebtedness of any other Wireline Company; *provided* that:

(i) the foregoing shall not apply to restrictions and conditions imposed by law or regulation or by any Loan Document or other Transaction Document,

(ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6.10 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition),

(iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or any assets pending such sale, *provided* that such restrictions and conditions apply only to the Subsidiary or assets that is or are to be sold and such sale is permitted hereunder,

(iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness,

(v) clause (a) of the foregoing shall not apply to restrictions imposed by customary provisions in leases and other contracts restricting the assignment thereof,

(vi) the foregoing shall not apply to restrictions or conditions applicable to any Person or the property or assets of a Person acquired by the Borrower or any of its Subsidiaries existing at the time of such acquisition and not incurred in connection with or in contemplation of such acquisition, which restriction or condition is not applicable to any Person or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof, *provided* that the restrictions and conditions in any such amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacement or refinancings are no more restrictive, taken as a whole, than those in effect on the date of the acquisition; and

(vii) the foregoing restrictions shall not apply to restrictions or conditions (A) on cash or other deposits or net worth imposed by customers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business, (B) existing under, by reason of or with respect to provisions with respect to the disposition or distribution of assets or property, in each case contained in joint venture agreements, limited liability company agreements and other similar agreements and which the Borrower's board of directors determines will not adversely affect the Borrower's ability to make payments of principal or interest payments on the Loans, or (C) existing under, by reason of or with respect to Indebtedness incurred to refinance any Indebtedness, in each case as permitted under Section 6.01; *provided* that the restrictions contained in the agreements governing the Indebtedness incurred to refinance Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced.

Section 6.11. *Amendment of Material Documents.* The Borrower will not, and will not permit any of its Subsidiaries to, amend, modify or waive any of its rights under (a) any Transaction Document (other than the Loan Documents), (b) its certificate of incorporation, by-laws or other organizational documents or (c) any instruments, agreements or other documents in respect of Permitted Additional Debt, in each case in a manner materially adverse to the Lenders.

Section 6.12. *Change in Fiscal Year.* The Borrower will not, and will not permit any of its Subsidiaries to, change its fiscal year or change its method of determining fiscal quarters.

Section 6.13. *Capital Expenditures.* (a) The Borrower will not permit the aggregate amount of Capital Expenditures (excluding any Capital Expenditures to the extent funded with Available Equity Proceeds or Reinvestment Funds) made in any Fiscal Year referred to below to exceed the sum of:

(i) \$480,000,000 (in the case of the Fiscal Year ending December 31, 2006) or \$450,000,000 (in the case of each Fiscal Year ending thereafter); *plus*

(ii) for each Fiscal Year ending after December 31, 2006, the amount (if any) by which (x) the amount of Capital Expenditures for the immediately preceding Fiscal Year specified pursuant to clause (i) above (without including any carryover amount from any prior Fiscal Year) exceeded (y) the amount of Capital Expenditures actually made during such immediately preceding Fiscal Year.

(b) If any personal property acquired or constructed by any Loan Party after the date hereof is not subject to a Transaction Lien, the Borrower will, to the extent otherwise required hereunder or under the Security Agreement, cause such Security Documents to be executed and delivered as may be necessary, or as the Administrative Agent may request, to subject such property to a Transaction Lien.

Section 6.14. *Interest Coverage Ratio.* The Borrower will not permit the Interest Coverage Ratio to be less than 2.75 to 1.0 on the last day of any Fiscal Quarter.

Section 6.15. *Leverage Ratio.* The Borrower will not permit the Leverage Ratio to exceed 4.50 to 1.0 on the last day of any Fiscal Quarter.

## ARTICLE 7 EVENTS OF DEFAULT

If any of the following events ("**Events of Default**") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any LC Reimbursement Obligation when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under any Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;



(c) any representation or warranty made or deemed made by or on behalf of any Wireline Company in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02(a), 5.04 (with respect to the Borrower's existence) or 5.09 or in Article 6;

(e) any Loan Party shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after receipt of notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) any Wireline Company shall fail to make any payment of principal, interest or premium in respect of any Material Indebtedness, when and as the same shall become due and payable (with all applicable grace periods having expired);

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with all applicable grace periods having expired and all applicable notices having been given) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity (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); *provided* that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer or other disposition of the property or assets securing such Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Subsidiary (other than an Insignificant Subsidiary) or their respective debts, or of a substantial part of their respective assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary (other than an Insignificant Subsidiary) or for a substantial part of their respective

assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Subsidiary (other than an Insignificant Subsidiary) shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Subsidiary (other than an Insignificant Subsidiary) or for a substantial part of their respective assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(j) the Borrower or any Subsidiary (other than an Insignificant Subsidiary) shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of \$75,000,000 (except to the extent any applicable third party insurer has acknowledged liability therefor) shall be rendered against any Wireline Company or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of any Wireline Company to enforce any such judgment;

(l) an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur;

(n) any Regulatory Authorization shall expire or terminate or be revoked or otherwise lost, or the Borrower shall fail to be in compliance with Section 10.2 of the Merger Agreement, which in any case could reasonably be expected to have a Material Adverse Effect;

(o) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and, except to the extent otherwise permitted by the Security Agreement, perfected Lien on any

Collateral, with the priority required by the applicable Security Document, except (i) Collateral having a Fair Market Value not exceeding \$10,000,000 in the aggregate, (ii) as a result of a sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents, (iii) as a result of such Loan Party's being released from its obligations under and pursuant to the Security Agreement or (iv) as a result of the Collateral Agent's failure to maintain possession of any stock certificates, promissory notes or other documents delivered to it under the Security Agreement; or

(p) any Guarantor's Facility Guarantee shall at any time fail to constitute a valid and binding agreement of such Guarantor (other than in accordance with its terms) or any Wireline Company shall so assert in writing; or

(q) the Guarantees of the Facility Obligations by any Loan Party, other than an Insignificant Subsidiary, pursuant to the Guarantee Agreement shall cease to be in full force and effect (in each case, other than in accordance with the terms of the Loan Documents);

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

## ARTICLE 8 THE AGENTS

Each of the Lenders and the Issuing Banks hereby irrevocably appoints each of the Administrative Agent and the Collateral Agent as its agent and authorizes (i) the Collateral Agent to sign and deliver the Security Documents and

(ii) each such Agent to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto.

Any bank serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Wireline Company or Affiliate thereof as if it were not an Agent.

No Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) no Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) no Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that such Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02), and (c) except as expressly set forth in the Loan Documents, no Agent shall have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Wireline Company that is communicated to or obtained by the bank serving as an Agent or any of its Affiliates in any capacity. No Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct. No Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by the Borrower or a Lender, and no Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article 4 or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. Each Agent may consult with

legal counsel (who may be counsel for any Wireline Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Any Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Agent. Any Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of any Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities as well as activities as an Agent.

Subject to the appointment and acceptance of a successor Administrative Agent or Collateral Agent, as the case may be, as provided in this paragraph, each of the Administrative Agent and/or the Collateral Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Borrower (which may not be unreasonably withheld), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent or Collateral Agent, as the case may be, which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent or Collateral Agent, as the case may be, hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed in writing between the Borrower and such successor. After any Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as an Agent.

Each Lender and Issuing Bank acknowledges that it has, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and Issuing Bank also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall

from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or related agreement or any document furnished hereunder or thereunder.

## ARTICLE 9 MISCELLANEOUS

Section 9.01. *Notices.* (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to it at 4001 Rodney Parham Road, Mail Stop 1170-B1-F3-24A, Little Rock, Arkansas 72212-2442, Attention of Treasurer (Telecopy No. 501-748-6392);

(ii) if to the Administrative Agent or the Collateral Agent, to JPMorgan Chase Bank, N.A., 1111 Fannin, 10th Floor, Houston, Texas 77002, Attention of Clarice West (Telecopy No.: 713-750-2358) (email: [clarice.a.west@jpmchase.com](mailto:clarice.a.west@jpmchase.com)), with copies to JPMorgan Chase Bank, N.A., 270 Park Avenue, 4<sup>th</sup> Floor, New York, New York 10017, Attention of Christophe Vohmann (Telecopy No. 212-270-5127) (email: [christophe.vohmann@jpmorgan.com](mailto:christophe.vohmann@jpmorgan.com)), and JPMorgan Chase Bank, N.A., 270 Park Avenue, 15<sup>th</sup> Floor, New York, New York 10017, Attention of Padmini Persaud (Telecopy No. 212-270-4164) (email: [padmini.persaud@jpmorgan.com](mailto:padmini.persaud@jpmorgan.com));

(iii) if to an Issuing Bank, to it at the address provided to the Borrower for notices to such Issuing Bank in such capacity; and

(iv) if to any Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders and the Issuing Bank hereunder may also be delivered or furnished by electronic communications (including e-mail and Internet or intranet website) pursuant to procedures approved by the Administrative Agent; *provided* that the foregoing shall not apply to notices to any Lender or the Issuing Bank pursuant to Article 2 if such Lender or Issuing Bank, as applicable, has notified the Administrative Agent that is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Collateral Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by

electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

Section 9.02. *Waivers; Amendments.* (a) No failure or delay by any Lender Party in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Lender Parties under the Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Lender Party may have had notice or knowledge of such Default at the time. No notice or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

(b) Except as provided in Section 2.01(b) with respect to any Incremental Facility Amendment, no Loan Document or any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent (or, in the case of any Security Document, the Collateral Agent) with the consent of the Required Lenders; *provided* that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce or forgive the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon (other than any waiver of default interest payable pursuant to Section 2.12(c)), or reduce or forgive any fees payable hereunder, without the written consent of each Lender Party directly affected thereby, (iii) postpone the scheduled date of repayment of the principal amount of any Loan pursuant to Section 2.08 or 2.09 or the applicable Incremental Facility Amendment or the required date of reimbursement of any LC Disbursement, or any interest (other than any waiver of default interest) or any fees payable hereunder, or reduce (other than any waiver

of default interest) the amount of, waive or excuse any such repayment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly affected thereby, (iv) change the rights of the Tranche B Lenders to decline mandatory prepayments as provided in Section 2.10, without the written consent of Lenders holding a majority of the outstanding Tranche B Loans, (v) change Section 2.17(b) or (c), the penultimate sentence of Section 2.10(g), or the last sentence of Section 2.07(c), in each case in a manner that would alter the pro rata sharing of payments or reduction of Commitments required thereby, without the written consent of each Lender adversely affected thereby (it being understood that an amendment shall not be deemed to change such provisions in such manner to the extent it effects an increase in the commitment of any Lender(s) or in the aggregate amount of the commitments of any class), (vi) change any of the provisions of this Section or reduce the percentage set forth in the definition of "Required Lenders" (or the definition of "Required Revolving Lenders" or "Required Tranche C Lenders") or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights hereunder or make any determination or grant any consent thereunder, without the written consent of each Lender, or each Lender of such Class, as the case may be (it being understood that an amendment shall not be deemed to change such provisions to the extent it effects an increase in the commitment of any Lender(s) or in the aggregate amount of the commitments of any class), (vii) release any material Guarantor from its Facility Guarantee (except as expressly provided in the Guarantee Agreement), or limit its liability in respect of its Facility Guarantee, without the written consent of each Lender, (viii) release all or substantially all of the Collateral from the Transaction Liens, without the written consent of each Lender, (ix) waive any condition set forth in Section 4.02 (including by amending or waiving any provision of Article 3, 5, 6 or 7 if the effect of such amendment or waiver would be to waive any such condition) for purposes of any Revolving Borrowing or Tranche C Borrowing without the written consent of the Required Revolving Lenders or the Required Tranche C Lenders, as the case may be, (x) change any provision of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of any Class differently than those holding Loans of any other Class, without the written consent of Lenders holding a majority in interest of the outstanding Loans and unused Commitments of each adversely affected Class, (xi) modify the protections afforded to an SPV pursuant to the provisions of Section 9.04(e) without the prior written consent of such SPV or (xii) amend the definition of "Interest Period" so as to permit any Interest Period of greater than 6 months without the consent of all Lenders participating in the applicable Borrowing, without the written consent of each such Lender; *provided further* that (A) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Collateral Agent or any Issuing Bank under the Loan Documents without the prior written consent of such Agent or such Issuing Bank,



as the case may be, (B) any waiver, amendment or modification of this Agreement that by its terms affects the rights or duties under this Agreement of one Class of Lenders (but not of any other Class of Lenders) may be effected by an agreement or agreements in writing entered into by the Borrower and the requisite percentage in interest of the affected Class of Lenders that would be required to consent thereto under this Section if such Class of Lenders were the only Class of Lenders hereunder at the time and (C) any waiver, amendment or modification of the Commitment Letter or either Fee Letter may be effected by an agreement or agreements in writing entered into only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (as provided in the definitions of "Required Lenders", "Required Revolving Lenders" and "Required Tranche C Lenders"), except that the Commitment of such Lender may not be increased or extended without its consent.

(c) In connection with any proposed amendment, modification, waiver or termination (a "**Proposed Change**") requiring the consent of all Lenders or all affected Lenders, if the consent of the Required Lenders (and/or, to the extent so required, the consent of the Required Revolving Lenders and/or the Required Tranche C Lenders) to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in paragraph (b) of this Section being referred to as a "**Non-Consenting Lender**"), then, so long as the Lender that is acting as Administrative Agent is not a Non-Consenting Lender, the Borrower may, at its sole expense and effort, upon notice to such Non-Consenting Lender and the Administrative Agent, require each of the Non-Consenting Lenders 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 (a) the Borrower shall have received the prior written consent of the Administrative Agent (and, if a Revolving Commitment is being assigned, the Issuing Bank), which consent(s) shall not unreasonably be withheld or delayed, (b) each Non-Consenting Lender shall have received payment of an amount equal to the outstanding principal of its Loans and 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) and (c) the Borrower or such assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b).

(d) Further, notwithstanding anything to the contrary contained in this Section, if within thirty (30) days following the Effective Date, the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error

or omission of a technical or immaterial nature, in each case, in any provision of the Loan Documents, then the Administrative Agent (acting in its sole discretion) and the Borrower shall be permitted to amend such provision and such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof.

Section 9.03. *Expenses; Indemnity; Damage Waiver.* (a) The Borrower shall pay (i) all reasonable out of pocket expenses incurred by the Administrative Agent, the Collateral Agent, the Lead Arrangers and their Affiliates, including the reasonable fees, charges and disbursements of Davis Polk & Wardwell and Willkie Farr & Gallagher LLP, special New York and regulatory counsel, respectively, for the Administrative Agent, the Collateral Agent and the Lead Arrangers, in connection with the syndication of the Facilities and the preparation of the Loan Documents (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out of pocket expenses incurred by the Administrative Agent, the Collateral Agent, the Lead Arrangers and their Affiliates, including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent, the Collateral Agent and the Lead Arrangers in connection with the administration of the Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (iii) all reasonable out-of-pocket expenses incurred by the Issuing Banks in connection with the issuance, amendment, renewal or extension of any Letter of Credit by it or any demand for payment thereunder and (iv) all out-of-pocket expenses incurred by any Lender Party, including the fees, charges and disbursements of any counsel for any Lender Party, in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Borrower shall indemnify each of the Lender Parties, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnatee"), against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnatee, but excluding Taxes, which are governed by Section 2.16, incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any other agreement or instrument contemplated hereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to

honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property currently or formerly owned or operated by any Wireline Company, or any Environmental Liability related in any way to any of the Wireline Companies, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (A) the bad faith, gross negligence or willful misconduct of such Indemnitee, (B) any claims of such Indemnitee against any other Indemnitee and/or (C) the breach by such Indemnitee of its obligations hereunder or under any other Loan Document.

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to any Agent or any Issuing Bank under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to such Agent or Issuing Bank, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on the aggregate amount of (x) in the case of a payment owed to an Agent, the Revolving Commitments and outstanding Term Loans and (y) in the case of a payment owed to an Issuing Bank, the Revolving Commitments) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the applicable Agent or Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than ten Business Days after written demand therefor.

Section 9.04. *Successors and Assigns.* (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii)

no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the other Agents and the Related Parties of each of the Agents, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent of:

(A) the Borrower, *provided* that (x) no consent of the Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default has occurred and is continuing, any other assignee and (y) such consent may not be unreasonably withheld or delayed;

(B) the Administrative Agent, *provided* that, in the case of an assignment of any Term Loan or Term Commitment, (x) no consent of the Administrative Agent shall be required for such assignment to a Lender, an Affiliate of a Lender or an Approved Fund and (y) such consent may not be unreasonably withheld or delayed; and

(C) the Issuing Bank, *provided* that no consent of the Issuing Bank shall be required for an assignment of all or any portion of a Term Loan or Term Commitment.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 or, in the case of a Term Loan, \$1,000,000 unless each of the Borrower and the Administrative Agent otherwise consent *provided* that no such consent of the

Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, *provided* that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; *provided* that assignments made pursuant to Section 2.18(b) shall not require the signature of the assigning Lender to become effective; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the other Loan Parties and their Related Parties or their respective subsidiaries) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 9.04(b), the term "**Approved Fund**" and "**CLO**" has the following meaning:

"**Approved Fund**" means (a) a CLO and (b) with respect to any Lender that is a fund that invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"**CLO**" means an entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course and is administered or managed by a Lender or an Affiliate of such Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder

shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 9.03 and to any fees payable hereunder that have accrued for such Lender's account but have not yet been paid). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). Absent manifest error, the entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Banks and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; *provided* that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.04(d) or (e), 2.05(b), 2.17(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be

effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(vi) The words “execution”, “signed”, “signature” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act or any other similar state laws based on the Uniform Electronic Transactions Act.

(c) (i) Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Bank, sell participations to one or more banks or other entities (a “**Participant**”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); *provided* that (A) such Lender’s obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower and the other Lenders Parties shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.17(c) as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. A Participant that is a Foreign Recipient shall not be entitled to the benefits of Section 2.16 unless the Participant complies with Section 2.16(e).

(d) Any Lender may, without the consent of the Borrower or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; *provided* that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) Notwithstanding anything to the contrary contained herein, any Lender (a "**Granting Lender**") may grant to a special purpose funding vehicle organized and administered by such Granting Lender (an "**SPV**"), identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement, *provided* that (i) nothing herein shall constitute a commitment by any SPV to make any Loan, (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof and (iii) the SPV shall provide the documentation described in Section 2.16(e) and shall not be entitled to receive any greater payment under Section 2.14 or 2.16 than the Granting Lender would be entitled to receive thereunder. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, such party will not institute against, or join any other person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof; *provided* that each Lender designating any SPV hereby agrees to indemnify and hold harmless each other party hereto for any loss, cost, damage or expense arising out of its inability to institute such a proceeding against such SPV during such period of forbearance. In addition, notwithstanding anything to the contrary contained in this Section 9.04, any SPV may (i) with notice to, but without the prior written consent of, the Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender or to any financial institutions (consented to by the Borrower and Administrative Agent) providing liquidity or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any



non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV.

Section 9.05. *Survival.* All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to the Loan Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Lender Party may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.15, 2.16 and 9.03 and Article 8 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

Section 9.06. *Counterparts; Integration; Effectiveness.* This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

Section 9.07. *Severability.* Any provision of any Loan Document held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the

remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 9.08. *Right of Setoff.* If an Event of Default shall have occurred and be continuing, each Lender, any Issuing Bank and each of their respective Affiliates is hereby authorized (but only with the consent of the Required Lenders, unless an Event of Default of the type described in paragraph (a), (b), (h) or (i) of Article 7 shall have occurred and be continuing or the maturity of the Loans shall have been accelerated pursuant to Article 7) at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, but excluding (i) trust accounts for the benefit of third parties that have been certified as such by a Financial Officer to the Administrative Agent and the Lender or Issuing Bank that is the depository bank and (ii) unless the maturity of the Loans shall have been accelerated pursuant to Article 7, up to an aggregate amount of \$60,000,000 held in payroll accounts of the Loan Parties that have been certified as such by a Financial Officer to the Administrative Agent and the Lender or Issuing Bank that is the depository bank) at any time held and other obligations at any time owing by such Lender, such Issuing Bank or such Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender or Issuing Bank, irrespective of whether or not such Lender or Issuing Bank shall have made any demand under this Agreement and although such obligations may be unmaturing or are owed to a branch or office of such Lender or Issuing Bank different from the branch or office holding such deposit or obligated on such obligation. The rights of each Lender and Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender or Issuing Bank and their respective Affiliates may have.

Section 9.09. *Governing Law; Jurisdiction; Consent to Service of Process.* (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the

judgment or in any other manner provided by law. Nothing in any Loan Document shall affect any right that any Lender Party may otherwise have to bring any action or proceeding relating to any Loan Document against any Loan Party or its properties in the courts of any jurisdiction.

(c) The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in any Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.10. *WAIVER OF JURY TRIAL.* EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11. *Headings.* Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.12. *Confidentiality.* (a) Each of the Administrative Agent, the Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (ii) to the

extent requested by any regulatory authority, (iii) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (iv) to any other party to this Agreement, (v) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (vi) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee or pledgee under Section 9.04(d) of or Participant in, or any prospective assignee or pledgee under Section 9.04(d) of or Participant in, any of its rights or obligations under this Agreement or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (vii) with the consent of the Borrower or (viii) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section or (B) becomes available to the Administrative Agent, the Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrower (other than a source actually known by such disclosing Person to be bound by confidentiality provisions comparable to those set forth in this Section 9.12). For the purposes of this Section, "**Information**" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to any Agent, Issuing Bank or Lender on a non-confidential basis prior to disclosure by the Borrower (other than from a source actually known by such party to be bound by confidentiality obligations). Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

(b) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(c) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE OTHER LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES.

ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

Section 9.13. *USA PATRIOT ACT.* Each Lender that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "**Act**") hereby notifies the Borrower that pursuant to the requirements of the Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

Section 9.14. *Interest Rate Limitation.* Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan or participation in any LC Disbursement, together with all fees, charges and other amounts that are treated as interest on such Loan or LC Disbursement or participation therein under applicable law (collectively the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan or LC Disbursement or participation therein in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or LC Disbursement or participation therein but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or LC Disbursement or participation therein or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

ALLTEL HOLDING CORP.

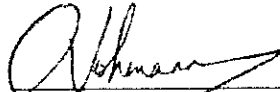
By: 

Name: Robert G. Clancy, Jr.

Title: Senior Vice President -  
Treasurer

JPMORGAN CHASE BANK, N.A.,  
as Administrative Agent, Collateral  
Agent, an Issuing Bank and a Lender

By:



Name:

Christophe Vohmann

Title:

Vice President

REVOLVING LENDERS

Merrill Lynch Capital Corp.

By: Chantal Simon

Name:

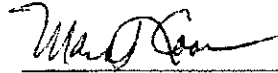
Title:

**Chantal Simon**  
**Vice President**



REVOLVING LENDERS

WACHOVIA BANK, N.A.

A handwritten signature in black ink, appearing to read "Mark L. Cook", written over a horizontal line.

Mark L. Cook  
Director

REVOLVING LENDERS

CITICORP NORTH AMERICA, INC.

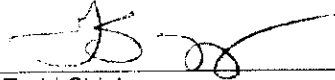
By: 

Name: Jeffrey Rothman

Title: Managing Director

REVOLVING LENDERS

BANK OF AMERICA, N.A.

By: 

Name: Todd Shipley

Title: Senior Vice President

REVOLVING LENDERS

GENERAL ELECTRIC  
CAPITAL CORPORATION,

By: 

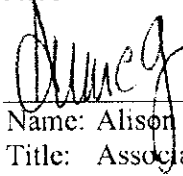
Name: Karl Kieffer

Title: As Duly Authorized Signatory

REVOLVING LENDERS

BARCLAYS BANK PLC


By:

A handwritten signature in black ink, appearing to read 'Alison McGuigan', written over a horizontal line.

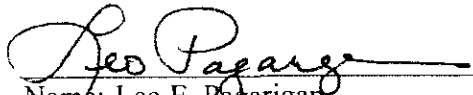
Name: Alison McGuigan

Title: Associate Director

CoBANK, ACB

By:   
Name: Terence L. Fountain  
Title: Assistant Corporate Secretary

REVOLVING LENDERS,  
Sumitomo Mitsui Banking Corporation

By:   
Name: Leo E. Pagarigan  
Title: Joint General Manager

REVOLVING LENDERS

SunTrust Bank

By:

A handwritten signature in black ink, appearing to read 'J. Hauser', written over a horizontal line.


Jeffrey Hauser

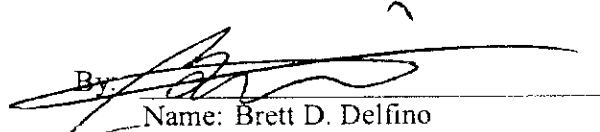
Managing Director



REVOLVING LENDERS

**COÖPERATIEVE CENTRALE  
RAIFFEISEN-BOERENLEEN BANK  
B.A., "RABOBANK INTERNATIONAL",  
NEW YORK BRANCH, as Lender**

By:   
Name: Michael R. Phelan  
Title: Executive Director

By:   
Name: Brett D. Delfino  
Title: Executive Director

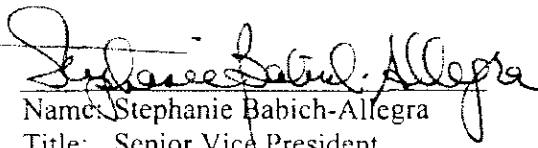
REVOLVING LENDERS

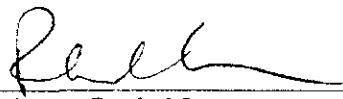
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PARTNERS L.P.

By: W. W. Archer  
Name: William W. Archer  
Title: Managing Director

REVOLVING LENDERS

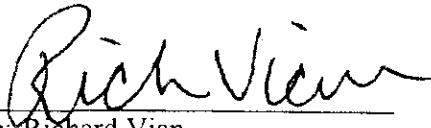
FORTIS CAPITAL CORP

By:   
Name: Stephanie Babich-Allegre  
Title: Senior Vice President

By:   
Name: Rachel Lanava  
Title: Vice President

REVOLVING LENDERS

Union Bank of California, N.A.

By:   
Name: Richard Vian  
Title: Vice President

REVOLVING LENDERS

COMMERZBANK AG, NEW YORK  
AND GRAND CAYMAN BRANCHES

By: 

Name: Isabel S. Zeissig  
Title: Vice President

By: 

Name: Charles W. Polet  
Title: Assistant Treasurer

TRANCHE A LENDERS

Merrill Lynch Capital Corp.

By: Chantal Simon

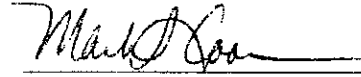
Name:

Title:

**Chantal Simon**  
**Vice President**

TRANCHE A LENDERS

WACHOVIA BANK, N.A.

A handwritten signature in black ink, appearing to read "Mark L. Cook", written over a horizontal line.

Mark L. Cook  
Director

TRANCHE A LENDERS

CITICORP NORTH AMERICA, INC.

By: 


Name: Jeffrey Rothman

Title: Managing Director



TRANCHE A LENDERS

BANK OF AMERICA, N.A.

By:   
Name: Todd Shipley  
Title: Senior Vice President

TRANCHE A LENDERS  
GENERAL ELECTRIC  
CAPITAL CORPORATION,

By: 

Name: Karl Kieffer

Title: As Duly Authorized Signatory

TRANCHE A LENDERS

BARCLAYS BANK PLC

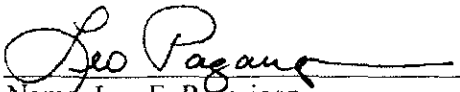
By: 

Name: Alison McGuigan  
Title: Associate Director

CoBANK, ACB

By: *Teresa L. Fountain*  
Name: Teresa L. Fountain  
Title: Assistant Corporate Secretary

TRANCHE A LENDERS,  
Sumitomo Mitsui Banking Corporation

By:   
Name: Leo E. Pagarigan  
Title: Joint General Manager

TRANCHE A LENDERS

SunTrust Bank

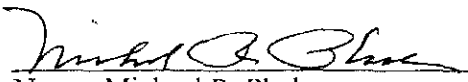
By:


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Jeffrey Hauser  
Managing Director

TRANCHE A LENDERS

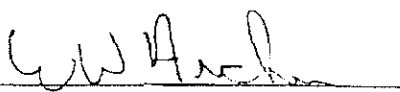
COÖPERATIEVE CENTRALE  
RAIFFEISEN-BOERENLEEN BANK  
B.A., "RABOBANK INTERNATIONAL",  
NEW YORK BRANCH, as Lender

By:   
Name: Michael R. Phelan  
Title: Executive Director^

By:   
Name: Brett D. Delfino  
Title: Executive Director

TRANCHE A LENDERS

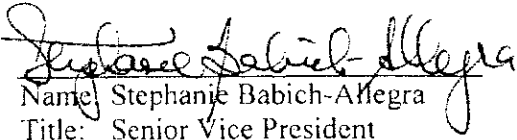
GOLDMAN SACHS CREDIT  
PARTNERS L.P.

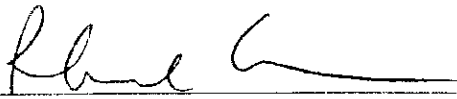
By:   
Name: \_\_\_\_\_  
Title: William W. Archer  
Managing Director




TRANCHE A LENDERS

FORTIS CAPITAL CORP

By:   
Name: Stephanie Babich-Allegre  
Title: Senior Vice President

By:   
Name: Rachel Lanava  
Title: Vice President

TRANCHE A LENDERS  
Union Bank of California, N.A.

By:   
Name: Richard Vian  
Title: Vice President

TRANCHE A LENDERS

COMMERZBANK AG, NEW YORK  
AND GRAND CAYMAN BRANCHES

By: 

Name: Isabel S. Zeissig

Title: Vice President

By: 

Name: Charles W. Polet

Title: Assistant Treasurer

TRANCHE B LENDERS

Merrill Lynch Capital Corp.

By: Chantal Simon  
Name: Chantal Simon  
Title: Authorized Signatory

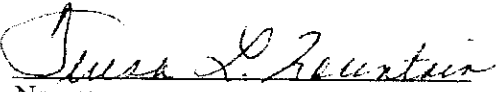
TRANCHE B LENDERS  
GENERAL ELECTRIC  
CAPITAL CORPORATION,

By: \_\_\_\_\_


Name: Karl Kieffer

Title: As Duly Authorized Signatory

CoBANK, ACB

By:   
Name: Teresa L. Fountain  
Title: Assistant Vice President

TRANCHE B LENDERS,  
Sumitomo Mitsui Banking Corporation

By:   
Name: Leo E. Pagangan  
Title: Joint General Manager

TRANCHE B LENDERS

SunTrust Bank

By:

A handwritten signature in black ink, appearing to read "J. Hauser", written over a horizontal line.

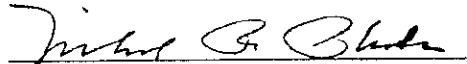
Jeffrey Hauser

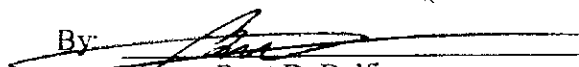
Managing Director



TRANCHE B LENDERS

**COÖPERATIEVE CENTRALE  
RAIFFEISEN-BOERENLEEN BANK  
B.A., "RABOBANK INTERNATIONAL",  
NEW YORK BRANCH, as Lender**

By:   
Name: Michael R. Phelan  
Title: Executive Director

By:   
Name: Brett D. Delfino  
Title: Executive Director

### TRANCHE B LENDERS

GOLDMAN SACHS CREDIT  
PARTNERS L.P.

By: W. A. Anderson  
Name:  
Title:

TRANCHE B LENDERS

COMMERZBANK AG, NEW YORK  
AND GRAND CAYMAN BRANCHES

By: 

Name: Isabel S. Zeissig

Title: Vice President

By: 

Name: Charles W. Polc

Title: Assistant Treasurer

TRANCHE B LENDERS

ING Capital LLC

By: 

Name: William James

Title: Managing Director

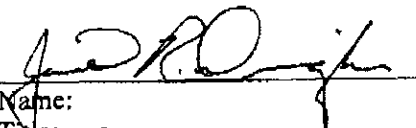
TRANCHE B LENDERS

NATIONAL CITY BANK

By: Elizabeth Brosky  
Name: Elizabeth Brosky  
Title: Vice President


TRANCHE B LENDERS

Metropolitan Life Insurance Company

By:   
Name:  
Title: **JAMES R. DINGLER**  
**DIRECTOR**

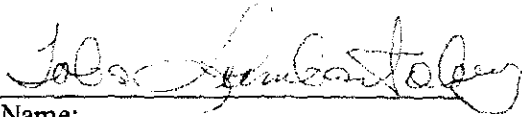
TRANCHE B LENDERS

MetLife Bank, National Association

By:   
Name: \_\_\_\_\_  
Title: **James R. Dingler**  
**Assistant Vice President**

TRANCHE B LENDERS

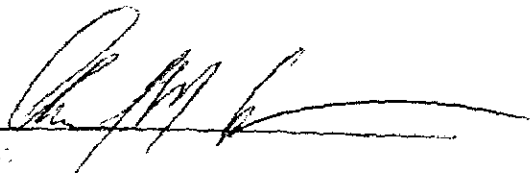
UBS AG, Stamford Branch

By: 

Name:

Title:

Toba Lumbantobing  
Associate Director  
Banking Products  
Services, US

By: 

Name:

Title:

Christopher M. Aitkin  
Associate Director  
Banking Products  
Services, US



TRANCHE C LENDERS

Merrill Lynch Capital Corp.

By: Chantal Simon


Name:

Title:

**Chantal Simon**  
**Vice President**

TRANCHE C LENDERS

WACHOVIA BANK, N.A.

A handwritten signature in black ink, appearing to read "Mark L. Cook", is written over a horizontal line.

Mark L. Cook

Director

TRANCHE C LENDERS

CITICORP NORTH AMERICA, INC.

By: 

Name: Jeffrey Rothman

Title: Managing Director

TRANCHE C LENDERS

BANK OF AMERICA, N.A.

By:

A handwritten signature in black ink, appearing to be 'TS', is written over a horizontal line.

Name: Todd Shipley

Title: Senior Vice President

TRANCHE C LENDERS

BARCLAYS BANK PLC

By: 

Name: Alison McGuigan

Title: Associate Director

### **Schedule 1.01A**

#### **Additional Facility Obligations**

- 1) ISDA 2002 Master Agreement dated as of July 17, 2006, between Citibank, N.A. and Alltel Holding Corp.
- 2) Alltel Holding Corp. Cash Management Agreements:
  - a) Master Banking Agreement dated as of July 17, 2006, between Bank of America, N.A. and Alltel Holding Corp.
  - b) Banking Services Agreement dated as of July 17, 2006, between Wachovia Bank, N.A. ("Wachovia") and Alltel Holding Corp. in connection with certain lockbox services that Wachovia provides to the Borrower.
  - c) Agreement between Evergreen Investments, an affiliate of Wachovia, and Alltel Holding Corp. in connection with investment account(s).
  - d) Bank Services Agreement between Alltel Holding Corp. and JPMorgan Chase Bank, N.A.
  - e) Services Agreement between Paymentech, an affiliate of JPMorgan Chase Bank, N.A., and Alltel Holding Corp. in connection with facilities credit card settlement services.
  - f) Bank Services Agreement between KeyBank, N.A. and Alltel Holding Corp.
  - g) Letter Agreement dated July 17, 2006, between Windstream Communications, Inc. and JPMorgan Chase Bank, N.A. whereby Windstream Communications agrees to be bound by the terms of the Chase Commercial Card Agreement dated October 16, 2003 between Alltel Corporation and Chase Bank, USA, N.A.

**Schedule 1.01B**

**Existing Letters of Credit**

Valor Telecommunications Enterprises LLC Letter of Credit issued by Bank of America, N.A.

<b>LC Number</b>	<b>Beneficiary</b>	<b>Face Amount (US\$)</b>	<b>Issue Date</b>	<b>Expiration Date</b>	<b>Obligation</b>
3077023	Northern Rio Arriba Electric Cooperative, Inc.	160,000.00	8/31/2005	5/25/2006 extended annually thereafter unless terminated until 5/25/2010	Issued pursuant to the NORA Attachment Agreement dated May 25, 2005

**DISCLOSURE SCHEDULES TO CREDIT AGREEMENT**

## SCHEDULE 2.01

### COMMITMENTS

<b>Lender</b>	<b>Revolving Commitment</b>	<b>Tranche A Commitment</b>	<b>Tranche B Commitment</b>	<b>Tranche C Commitment</b>	<b>Total Commitments</b>
JPMorgan Chase Bank, N.A.	\$73,750,000	\$73,750,000	\$822,500,000	\$160,000,000	\$1,130,000,000
Merril Lynch Capital Corp.	\$73,750,000	\$73,750,000	\$822,500,000	\$160,000,000	\$1,130,000,000
Wachovia Bank, N.A.	\$40,000,000	\$40,000,000	--	\$20,000,000	\$100,000,000
Citibank North America, Inc.	\$40,000,000	\$40,000,000	--	\$20,000,000	\$100,000,000
Bank of America, N.A.	\$40,000,000	\$40,000,000	--	\$20,000,000	\$100,000,000
General Electric Capital Corporation	\$25,000,000	\$25,000,000	\$50,000,000	--	\$100,000,000
Barclays Bank PLC	\$30,000,000	\$30,000,000	--	\$20,000,000	\$80,000,000
CoBANK, ACB	\$25,000,000	\$25,000,000	\$25,000,000	--	\$75,000,000
Sumitomo Mitsui Banking Corporation	\$25,000,000	\$25,000,000	\$25,000,000	--	\$75,000,000
SunTrust Bank	\$25,000,000	\$25,000,000	\$15,000,000	--	\$65,000,000
Rabobank International, New York Branch	\$25,000,000	\$25,000,000	\$10,000,000	--	\$60,000,000
Goldman Sachs Credit Partners L.P.	\$25,000,000	\$25,000,000	\$5,000,000	--	\$55,000,000
Fortis Capital Corp.	\$25,000,000	\$25,000,000	--	--	\$50,000,000
Union Bank of California, N.A.	\$20,000,000	\$20,000,000	--	--	\$40,000,000
Commerzbank AG, New York and Grand Cayman Branches	\$7,500,000	\$7,500,000	\$10,000,000	--	\$25,000,000
ING Capital LLC	--	--	\$25,000,000	--	\$25,000,000
National City Bank	--	--	\$25,000,000	--	\$25,000,000
Metropolitan Life Insurance Company	--	--	\$25,000,000	--	\$25,000,000
MetLife Bank, National Association	--	--	\$20,000,000	--	\$20,000,000
UBS AG, Stamford Branch	--	--	\$20,000,000	--	\$20,000,000
<b>Total</b>	<b>\$500,000,000</b>	<b>\$500,000,000</b>	<b>\$1,900,000,000</b>	<b>\$400,000,000</b>	<b>\$3,300,000,000</b>



**Schedule 3.05**

**Real Properties**

**Owned Real Property with Estimated Value Exceeding \$10,000,000**

<b>Owner</b>	<b>Street Address, State, County</b>
Windstream Nebraska, Inc. (f/k/a Alltel Nebraska, Inc.)	1440 M Street Lincoln, NE 68508
Windstream New York, Inc. (f/k/a Alltel New York, Inc.)	201 E. Fourth St. Jamestown, NY 14701
Kentucky Windstream, Inc. (f/k/a Kentucky Alltel, Inc.)	151 Martin Luther King Blvd. Lexington, KY 40508

**Schedule 3.06**

**Disclosed Matters**

None.

### **Schedule 3.12**

#### **Subsidiaries<sup>1</sup>**

##### **A. Former Subsidiaries of Alltel Holding Corp**

###### **Direct Wholly-Owned Subsidiaries of Alltel Holding Corp. (100% ownership)**

<b>Subsidiary</b>	<b>Jurisdiction of Incorporation</b>
Windstream Holding of the Midwest, Inc. (f/k/a ALLTEL Communication Holdings of the Midwest, Inc.)*	Nebraska
Windstream Accucomm Telecommunications, Inc. (f/k/a Accucomm Telecommunications, Inc.)	Georgia
Windstream Accucomm Networks, Inc. (f/k/a Accucomm Networks, Inc.)	Georgia
Windstream Kentucky East, Inc. (f/k/a Kentucky ALLTEL, Inc.)	Delaware
Windstream Communications, Inc. (f/k/a Alltel Holding Corporate Services, Inc.)	Delaware
Windstream Supply, Inc. (f/k/a ALLTEL Communications Products, Inc.)*	Ohio
Teleview, Inc.*	Georgia
TriNet, Inc.	Georgia
Windstream Alabama, Inc. (f/k/a ALLTEL Alabama, Inc.) *	Alabama
Windstream Arkansas, Inc. (f/k/a ALLTEL Arkansas, Inc.)*	Arkansas
Windstream North Carolina, Inc. (f/k/a ALLTEL Carolina, Inc.)	North Carolina
Windstream Florida, Inc. (f/k/a ALLTEL Florida, Inc.)	Florida
Windstream Kentucky West, Inc. (f/k/a ALLTEL Kentucky, Inc.)	Kentucky
Windstream Mississippi, Inc. (f/k/a ALLTEL Mississippi, Inc.)	Mississippi
Windstream Missouri, Inc. (f/k/a ALLTEL Missouri, Inc.)	Missouri
Oklahoma Windstream, Inc. (f/k/a Oklahoma ALLTEL, Inc.)*	Oklahoma
Windstream New York, Inc. (f/k/a ALLTEL New York, Inc.)	New York
Windstream Ohio, Inc. (f/k/a ALLTEL Ohio, Inc.)	Ohio
Windstream Oklahoma, Inc. (f/k/a ALLTEL Oklahoma, Inc.)*	Arkansas
Windstream Pennsylvania, Inc. (f/k/a ALLTEL Pennsylvania, Inc.)	Pennsylvania
Windstream South Carolina, Inc. (f/k/a ALLTEL South Carolina, Inc.)*	South Carolina

<sup>1</sup> \* Denotes Guarantor.

<b>Subsidiary</b>	<b>Jurisdiction of Incorporation</b>
Windstream Western Reserve, Inc. (f/k/a The Western Reserve Telephone Company)	Ohio
Windstream Standard, Inc. (f/k/a Standard Telephone Company)	Georgia
Windstream Georgia Telephone, Inc. (f/k/a Georgia Telephone Corporation)	Georgia
Windstream Georgia Communications Corp. (f/k/a ALLTEL Georgia Communications Corp.)	Georgia
Georgia Windstream, Inc. (f/k/a Georgia ALLTEL Telecom, Inc.)	Michigan
Windstream Georgia, Inc. (f/k/a ALLTEL Georgia, Inc.)	Georgia
Texas Windstream, Inc. (f/k/a Texas ALLTEL, Inc.)*	Texas
Windstream Sugar Land, Inc. (f/k/a Sugar Land Telephone Company)*	Texas

<b>Indirect Wholly-Owned Subsidiaries of Alltel Holding Corp.</b>		
<b>Subsidiary</b>	<b>Direct Parent Company (100% ownership)</b>	<b>Subsidiary Jurisdiction of Incorporation</b>
Windstream Systems of the Midwest, Inc. (f/k/a ALLTEL Systems of the Midwest, Inc.)	ALLTEL Communications Holdings of the Midwest, Inc.	Nebraska
Windstream of the Midwest, Inc. (f/k/a ALLTEL Communications of the Midwest, Inc.)	ALLTEL Communications Holdings of the Midwest, Inc.	Nebraska
Windstream Network Services of the Midwest, Inc. (f/k/a ALLTEL Network Services of the Midwest, Inc.)*	ALLTEL Communications Holdings of the Midwest, Inc.	Nebraska
Windstream Nebraska, Inc. (f/k/a Alltel Nebraska, Inc.)	ALLTEL Communications Holdings of the Midwest, Inc.	Delaware
Windstream Yellow Pages, Inc. (f/k/a Alltel Publishing Corporation)*	Windstream Nebraska, Inc. (f/k/a ALLTEL Nebraska, Inc.)	Ohio
Windstream Listing Management, Inc. (f/k/a ALLTEL Publishing Listing Management Corporation)*	ALLTEL Publishing Corporation	Pennsylvania

**B. Former Subsidiaries of Valor Communications Group, Inc. (the "Valor Entities")**

<b>Entity</b>	<b><u>Jurisdiction of Organization</u></b>	<b><u>Ownership</u></b>
DCS Holding Co.*	Delaware	Valor Communications Group, Inc. (100% of outstanding equity)
ECS Holding Co.*	Delaware	Valor Communications Group, Inc. (100% of outstanding equity)

**DISCLOSURE SCHEDULES TO CREDIT AGREEMENT**

Entity	Jurisdiction of Organization	Ownership
		equity)
KCS Holding Co.*	Delaware	Valor Communications Group, Inc. (100% of outstanding equity)
SCD Sharing Partnership, L.P.*	Delaware	Valor Communications Group, Inc. (6.5114% General Partner) DCS Holding Co. (93.2886% Limited Partner)
SCE Sharing Partnership, L.P.*	Delaware	Valor Communications Group, Inc. (5.9972% General Partner) ECS Holding Co. (94.0028% Limited Partner)
Valor Telecommunications, LLC*	Delaware	Valor Communications Group, Inc. (28,564,447 Class A Common Interests; 160,732,010 Class A Preferred Interests; 3,984,255 Class B Common Interests; 22,505,106 Class B Preferred Interests) KCS Holding Co. (2,567,461 Class A Common Interests; 14,504,543 Class A Preferred Interests; 156,091 Class B Common Interests; 881,682 Class B Preferred Interests) SCD Sharing Partnership, L.P. (18,436,770 Class A Common Interests; 104,475,040 Class A Preferred Interests) SCE Sharing Partnership, L.P. (18,533,700 Class A Common Interests; 105,024,300 Class A Preferred Interests)
Valor Telecommunications Southwest, LLC*	Delaware	Valor Communications Group, Inc. (1,971,566 Class B Common Interests; 9,772,604 Preferred Interests) Valor Telecommunications, LLC (67,034,637 Class B Common Interests; 380,063,457 Preferred Interests)
Valor Telecommunications Enterprises, LLC*	Delaware	Valor Telecommunications Southwest, LLC (100% member)
Valor Telecommunications Enterprises Finance Corp.*	Delaware	Valor Telecommunications Enterprises, LLC (100% of outstanding equity)
Valor Telecommunications Investments, LLC*	Delaware	Valor Telecommunications Enterprises, LLC (100% member)
Valor Telecommunications Equipment, LP*	Texas	Valor Telecommunications Enterprises, LLC (1% General Partner) Valor Telecommunications Investments, LLC (99% Limited Partner)
Valor Telecommunications Services, LP*	Texas	Valor Telecommunications Enterprises, LLC (1% General Partner) Valor Telecommunications Investments, LLC (99% Limited Partner)
Valor Telecommunications Corporate Group, LP*	Texas	Valor Telecommunications Enterprises, LLC (1% General Partner) Valor Telecommunications Investments, LLC (99% Limited Partner)
Valor Telecommunications of Texas, LP*	Delaware	Valor Telecommunications Enterprises, LLC (1% General Partner) Valor Telecommunications Investments, LLC (99% Limited Partner)
Valor Telecommunications LD, LP*	Delaware	Valor Telecommunications Enterprises, LLC (1% General

**DISCLOSURE SCHEDULES TO CREDIT AGREEMENT**

Entity	Jurisdiction of Organization	Ownership
		Partner) Valor Telecommunications Investments, LLC (99% Limited Partner)
Southwest Enhanced Network Services, LP*	Delaware	Valor Telecommunications Enterprises, LLC (1% General Partner) Valor Telecommunications Investments, LLC (99% Limited Partner)
Western Access Services, LLC*	Delaware	Valor Telecommunications Enterprises, LLC (100% member)
Western Access Services of Texas, L.P.*	Delaware	Valor Telecommunications Investments, LLC (99% Limited Partner) Western Access Services, LLC (1% General Partner)
Western Access Services of Arizona, LLC*	Delaware	Western Access Services, LLC (100% member)
Western Access Services of Arkansas, LLC*	Delaware	Western Access Services, LLC (100% member)
Western Access Services of Colorado, LLC*	Delaware	Western Access Services, LLC (100% member)
Western Access Services of New Mexico, LLC*	Delaware	Western Access Services, LLC (100% member)
Western Access Services of Oklahoma, LLC*	Delaware	Western Access Services, LLC (100% member)
Valor Telecommunications Southwest II, LLC*	Delaware	Valor Communications Group, Inc. (100% member)
Valor Telecommunications Enterprises II, LLC*	Delaware	Valor Telecommunications Southwest II, LLC (100% member)
Kerrville Communications Corporation*	Texas	Valor Telecommunications Enterprises II, LLC (100% of outstanding equity -- 10 shares of Voting Common Stock)
Kerrville Communications Management, LLC*	Delaware	Kerrville Communications Corporation (100% member)
Kerrville Communications Enterprises, LLC.*	Delaware	Kerrville Communications Corporation (100% member)
KCC TelCom, L.P.*	Texas	Kerrville Communications Management, LLC (1% General Partner) Kerrville Communications Enterprises, LLC (99% Limited Partner)
Advanced Tel-Com Systems, L.P.*	Texas	Kerrville Communications Management, LLC (1% General Partner)

**DISCLOSURE SCHEDULES TO CREDIT AGREEMENT**

Entity	Jurisdiction of Organization	Ownership
		Kerrville Communications Enterprises, LLC (99% Limited Partner)
Kerrville Telephone, L.P.*	Texas	Kerrville Communications Management, LLC (1% General Partner) Kerrville Communications Enterprises, LLC (99% Limited Partner)
Kerrville Cellular, L.P.*	Texas	Kerrville Communications Management, LLC (1% General Partner) Kerrville Communications Enterprises, LLC (99% Limited Partner)
Kerrville Cellular Management, LLC*	Delaware	Kerrville Cellular, L.P. (100% member)
Kerrville Cellular Holdings, LLC*	Delaware	Kerrville Cellular, L.P. (100% member)
Kerrville Mobile Holdings, Inc.*	Texas	Kerrville Cellular, L.P. (100% of outstanding equity – 10,00 shares of Common Stock)
Kerrville Wireless Holdings Limited Partnership*	Texas limited partnership	Kerrville Cellular Holdings, LLC (99% Limited Partner) Kerrville Cellular Management, LLC (1% General Partner)

**DISCLOSURE SCHEDULES TO CREDIT AGREEMENT**