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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	
WINDSTREAM HOLDINGS, INC., *et al*,[1]	Case No. 19-22312 (RDD)
Debtors.	(Jointly Administered)

DECLARATION OF JULIA M. WINTERS IN SUPPORT OF THE MOTION OF UMB BANK, NATIONAL ASSOCIATION AND U.S. BANK NATIONAL ASSOCIATION, AS INDENTURE TRUSTEES, (I) TO STRIKE THE UNITI MASTER LEASE FROM THE DEBTORS' SCHEDULE G AND (II) TO MODIFY THE CASH MANAGEMENT ORDER

[1] The last four digits of Debtor Windstream Holdings, Inc.'s tax identification number are 7717. A complete list of the debtor entities and the last four digits of their federal tax identification numbers may be obtained on the website of the Debtors' claims and noticing agent at http://www.kccllc.net/windstream. The location of the Debtors' service address for purposes of these chapter 11 cases is: 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.

1922312190628000000000041

I, Julia M. Winters, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am an attorney with the law firm of White & Case LLP, special counsel to UMB Bank, National Association, and U.S. Bank National Association, solely in their capacities as indenture trustees, in this matter.[2] I submit this declaration in support of the *Motion of UMB Bank, National Association and U.S. Bank National Association, as Indenture Trustees, (I) To Strike the Uniti Master Lease from the Debtors' Schedule G and (II) to Modify the Cash Management Order* (the "Motion") which, along with the *Memorandum of Law in Support of the Motion*, the Trustees submit herewith.

2. The attached exhibits were all obtained from the public domain including, documents filed in public court proceedings and proceedings before various Federal and State regulatory authorities, as well as publicly issued press releases and transcripts of public earnings calls and investor presentations.

3. Attached hereto as Exhibit 1 is a true and correct copy of the Indenture for the 6.375% Senior Notes due 2023 dated Jan. 23, 2013 ("Indenture").[3]

4. Attached hereto as Exhibit 2 is a true and correct copy of select pages from Windstream Corporation, Amendment No. 1 to Form S-4 Registration Statement dated Nov. 18, 2013 ("2013 Windstream Amendment to Registration Statement").

5. Attached hereto as Exhibit 3 is a true and correct copy of Windstream Holdings, Inc., Current Report (Form 8-K) dated Jul. 29, 2014 with page numbers added, for ease of reference (the "July 2014 Windstream 8-K").

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[2] Capitalized terms used but not defined herein have the meaning ascribed to them in the Memorandum of Law in Support of the Motion filed contemporaneously herewith.

[3] The Trustees only attach the 6.375% Senior Notes due 2023 as an exhibit to the Winters Declaration, as the relevant provisions of the Indentures are identical. The Trustees will make the remaining Indentures available upon request.

6. Attached hereto as Exhibit 4 is a true and correct copy of select pages from Docket No. 131-2 filed in U.S. Bank Nat'l Ass'n v. Windstream Servs., LLC, No. 1:17-cv-07857-JMF (S.D.N.Y. 2017) (the "District Court Litigation"), which appears to be the transcript of the November 3, 2017 Deposition of Robert E. Gunderman ("Gunderman Dep. Tr.").

7. Attached hereto as Exhibit 5 is a true and correct copy of Docket No. 131-33 filed in the District Court Litigation, which appears to be an Intercompany Memo regarding Spin-off/Leaseback Accounting Considerations, dated April 24, 2015 (the "Intercompany Memo").

8. Attached hereto as Exhibit 6 is a true and correct copy of select pages from Windstream Holdings, Inc., Annual Report (Form 10-K) dated Mar. 15, 2019 (the "2018 Windstream 10-K").

9. Attached hereto as Exhibit 7 is a true and correct copy of Windstream Holdings, Inc., Current Report (Form 8-K) dated Dec. 18, 2014 (the "December 2014 Windstream 8-K").

10. Attached hereto as Exhibit 8 is a true and correct copy of the Separation and Distribution Agreement by and among Windstream Holdings, Inc., Windstream Services, LLC and Communications Sales & Leasing, Inc., dated March 26, 2015 (the "Separation and Distribution Agreement").

11. Attached hereto as Exhibit 9 is a true and correct copy of Docket No. 131-5 filed in the District Court Litigation, which appears to be an April 15, 2013 Email from Windstream Chief Financial Officer Tony Thomas to Robert Gunderman (the "April 2013 Email From Thomas to Gunderman").

12. Attached hereto as Exhibit 10 is a true and correct copy of a diagram depicting the Uniti Spin-Off.

13. Attached hereto as Exhibit 11 is a true and correct copy of the Edited Transcript of UNIT presentation 13-Sep-17 as published by Reorg Research, Inc. (the "September 2017 Uniti Group Earnings Call").

14. Attached hereto as Exhibit 12 is a true and correct copy of the Edited Transcript of UNIT presentation 6-Jun-18 as published by Reorg Research, Inc. (the "June 6, 2018 Uniti Group Earnings Call Tr.").

15. Attached hereto as Exhibit 13 is a true and correct copy of Master Lease among CSL National, LP and the Entities Set Forth on Schedule 1, collectively, as Landlord and Windstream Holdings, Inc., as Tenant, dated as of April 24, 2015 (the "Master Lease").

16. Attached hereto as Exhibit 14 is a true and correct copy of Docket No. 131-5 filed in the District Court Litigation, which appears to be Rebuttal Testimony of Robert E. Gunderman on Behalf of Windstream Kentucky East, LLC and Windstream Kentucky West, LLC in the Matter Of: The Application Of Windstream Kentucky East, LLC And Windstream Kentucky West, LLC For (1) A Declaratory Ruling That Approval Is Not Required For The Transfer Of A Portion Of Their Assets; (2) Alternatively For Approval Of The Transfer Of Assets; (3) For A Declaratory Ruling That Communications Sales and Leasing, Inc. Is Not Subject To KRS 278.020(1); and (4) For All Other Required Approvals And Relief (the "Gunderman Rebuttal Testimony to the Kentucky Public Service Commission").

17. Attached hereto as Exhibit 15 is a true and correct copy of select pages from Uniti Group, Inc. Annual Report (Form 10-K), filed Mar. 18, 2019 (the "2018 Uniti 10-K").

18. Attached hereto as Exhibit 16 is a true and correct copy of select pages from Docket No. 131-3 filed in the District Court Litigation, which appears to be the transcript of the November 2, 2017 Deposition of John Eichler ("Eichler Dep. Tr.").

19. Attached hereto as Exhibit 17 is a true and correct copy of Windstream's 1Q19 May 15, 2019 Earnings Presentation Script ("May 2019 Earnings Presentation").

20. Attached hereto as Exhibit 18 is a true and correct copy of Docket No. 131-30 filed in the District Court Litigation, which appears to be an email from Robert Gunderman to Tony Thomas with an attachment that appears to be a question and answer memorandum, dated April 12, 2015 ("Q&A Attachment April 2015 Email From Gunderman").

21. Attached hereto as Exhibit 19 is a true and correct copy of select pages from Docket No. 131-23 filed in the District Court Litigation, which appears to be the Testimony of John Fletcher, then Windstream General Counsel in the original transcript of the Nov. 13, 2014 hearing in the Matter of: The Application of Windstream Kentucky East, LLC and Windstream Kentucky West, LLC For (1) A Declaratory Ruling That Approval Is Not Required For The Transfer Of A Portion Of Their Assets; (2) Alternatively For Approval Of The Transfer Of Assets; (3) For A Declaratory Ruling That Communications Sales and Leasing, Inc. Is Not Subject To KRS 278.020(1); and (4) For All Other Required Approvals And Relief ("November 2014 Fletcher Testimony To The Kentucky Public Service Commission").

22. Attached hereto as Exhibit 20 is a true and correct copy of the Tax Matters Agreement entered into by and among Windstream Holdings, Inc., Windstream Services, LLC, and Communications Sales & Leasing, Inc., dated April 24, 2015 (the "Tax Matters Agreement").

23. Attached hereto as Exhibit 21 is a true and correct copy of selected pages from Communication Sales & Leasing, Inc. Information Statement, dated Mar. 26, 2015 (the "Uniti Information Statement").

24. Attached hereto as Exhibit 22 is a true and correct copy of the UCC-1 Financing Statement with Windstream Holdings, Inc. as the Debtor and CSL National, LP as the Secured

Party dated Nov. 11, 2017, filed with the Delaware Department of State U.C.C. Filing Section ("UCC-1 Financing Statement").

25. Attached hereto as Exhibit 23 is a true and correct copy of Docket No. 131-7 filed in the District Court Litigation, which appears to be a Request For Declaratory Ruling That Approval Is Not Required With Respect To The Transfer Of Certain Assets Or, Alternatively, For Approval Of The Transfer filed with the State of North Carolina Utilities Commission, Raleigh (the "North Carolina Request for Declaratory Ruling").

26. Attached hereto as Exhibit 24 is a true and correct copy of select pages from Docket No. 131-8 filed in the District Court Litigation, which appears to be an Application of Windstream Subsidiaries For Approval, To The Extent Required By Law, Of Certain Corporate Transactions And Grant Of Certificate Of Public Convenience And Necessity To Talk America Services, dated July 31, 2014 with the Alabama Public Service Commission (the "Application to Alabama Public Services Commission").

27. Attached hereto as Exhibit 25 is a true and correct copy of public excerpts from the private letter ruling from the Internal Revenue Service, number 201528006, issued on July 16, 2014 (the "PLR"). This document can also be accessed at *www.irs.gov*.

28. Attached hereto as Exhibit 26 is a true and correct copy of the Windstream Holdings, Inc., Notification of Late Filing (Form 12b-25), filed May 10, 2019 (the "Notification of Late Filing").

29. Attached hereto as Exhibit 27 is a true and correct copy of select pages from Windstream Holdings, Inc., Quarterly Report (Form 10-Q), dated May 15, 2019 (the "2019 Q1 Windstream 10-Q").

30. Attached hereto as Exhibit 28 is a true and correct copy of select pages from Uniti Group, Inc. Quarterly Report (Form 10-Q), dated May 9, 2019 (the "2019 Q1 Uniti 10-Q").

31. Attached hereto as Exhibit 29 is a true and correct copy of Windstream's Press Release, dated May 15, 2019 (the "May 2015 Press Release").

32. Attached hereto as Exhibit 30 is a true and correct copy selected pages from Docket No. 165 Windstream Services, LLC's Corrected Proposed Findings of Fact and Conclusions of Law filed in the District Court Litigation ("Services' Proposed Findings of Fact and Conclusions of Law").

33. Attached hereto as Exhibit 31 is a true and correct copy of the Edited Transcript of UNIT presentation, dated May 14, 2019, as published by Reorg Research, Inc., (the "May 2019 Uniti Earnings Presentation").

34. Attached hereto as Exhibit 32 is a true and correct copy of select pages from Docket No. 131-4 filed in the District Court Litigation, which appears to be the transcript of the November 2, 2017 Deposition of John P. Fletcher (the "Fletcher Dep. Tr.").

35. Attached hereto as Exhibit 33 is a true and correct copy of Docket No. 131-18 filed in the District Court Litigation, which appears to be Windstream Kentucky East, LLC and Windstream Kentucky West, LLC's Responses To Commission Staff's Second Request For Information in the in the Matter of: The Application of Windstream Kentucky East, LLC and Windstream Kentucky West, LLC For (1) A Declaratory Ruling That Approval Is Not Required For The Transfer Of A Portion Of Their Assets; (2) Alternatively For Approval Of The Transfer Of Assets; (3) For A Declaratory Ruling That Communications Sales and Leasing, Inc. Is Not Subject To KRS 278.020(1); and (4) For All Other Required Approvals And Relief (the "Response to Kentucky Public Service Commission Second Request for Information").

36. Attached hereto as Exhibit 34 is a true and correct copy of Docket No. 131-29 filed in the District Court Litigation, which appears to be an email from Mary Michaels to John Culver, dated March 9, 2015 (the "2015 Email From Michaels to Culver").

I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 28th day of June, 2019 in New York, NY.

/s/ Julia M. Winters
Julia M. Winters

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EXHIBIT 1

Indenture

Exhibit 4.1

EXECUTION VERSION

Windstream Corporation

6 3/8% SENIOR NOTES DUE 2023

Indenture

Dated as of January 23, 2013

U.S. Bank National Association

Trustee

CROSS-REFERENCE TABLE*

Trust Indenture Act Section	Indenture Section
310(a)(1)	7.10
(a)(2)	7.10
(a)(3)	N.A.
(a)(4)	N.A.
(a)(5)	7.10
(b)	7.10
(c)	N.A.
311(a)	7.11
(b)	7.11
(c)	N.A.
312(a)	2.06
(b)	12.03
(c)	12.03
313(a)	7.06
(b)(1)	N.A.
(b)(2)	7.06, 7.07
(c)	7.06, 12.02
(d)	7.06
314(a)(4)	12.05
(b)	N.A.
(c)(1)	N.A.
(c)(2)	N.A.
(c)(3)	N.A.
(d)	N.A.
(e)	12.05
(f)	N.A.
315(a)	N.A.
(b)	N.A.
(c)	N.A.
(d)	N.A.
(e)	N.A.
316(a) (last sentence)	N.A.
(a)(1)(A)	N.A.
(a)(1)(B)	6.04
(a)(2)	N.A.
(b)	N.A.

* N.A. means not applicable.

This Cross-Reference Table is not part of this Indenture

Trust Indenture Act Section	Indenture Section
(c)	12.14
317(a)(1)	N.A.
(a)(2)	N.A.
(b)	N.A.
318(a)	N.A.
(b)	N.A.
(c)	12.01

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EXHIBITS

INDENTURE dated as of January 23, 2013 among Windstream Corporation, a Delaware corporation, the Guarantors (as defined below) listed on the signature pages hereto and U.S. Bank National Association, a national banking association organized under the laws of the United States, as Trustee.

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its 6 3/8% Senior Notes due 2023 as provided in this Indenture. The Guarantors have duly authorized the execution and delivery of this Indenture to provide for a guarantee of the Notes and of certain of the Company's obligations hereunder. All things necessary to make this Indenture a valid agreement of the Company and the Guarantors, in accordance with its terms, have been done.

The Company (as defined below), the Guarantors and the Trustee (as defined below) agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined below) of the Company's 6 3/8% Senior Notes due 2023:

ARTICLE ONE
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. Definitions

"**144A Global Note**" means a global note substantially in the form of Exhibit A bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee, that shall be issued in a denomination equal to the outstanding principal amount at maturity of the Notes sold in reliance on Rule 144A.

"**Acquired Debt**" means Indebtedness of a Person existing at the time such Person merges with or into or becomes a Restricted Subsidiary and not Incurred in connection with, or in contemplation of, such Person merging with or into or becoming a Restricted Subsidiary.

"**Additional Interest**" means all additional interest owing on the Notes pursuant to the Registration Rights Agreement.

"**Additional Notes**" means an unlimited maximum aggregate principal amount of Notes (other than the Notes issued on the date hereof) issued under this Indenture in accordance with Sections 2.02 and 4.09 and having the same terms in all respects as the Notes, or similar in all respects to the Notes, except that interest will accrue on the Additional Notes from their date of issuance.

"**Affiliate**" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" shall have correlative meanings.

"**Agent**" means any Registrar or Paying Agent.

"**Alltel**" means Alltel Corporation, a corporation organized under the laws of Delaware.

"**Applicable Premium**" means, at any date of redemption, the greater of (i) 1.0% of the principal amount of such Note and (ii) the excess of (A) the present value at such date of redemption of (1) the principal amount of such Note *plus* the premium thereon as set out in the table in Section 3.07 on February 1, 2018, *plus* (2) all remaining required interest payments due on such Note through February 1, 2018 (excluding accrued but unpaid interest to the date of redemption), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the principal amount of such Note.

"**Applicable Procedures**" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and Clearstream that apply to such transfer or exchange.

"**Asset Sale**" means:

(1) the sale, lease, conveyance or other disposition of any assets, other than a transaction governed by Section 4.14 and/or Section 5.01; and

(2) the issuance of Equity Interests by any of the Company's Restricted Subsidiaries or the sale by the Company or any Restricted Subsidiary thereof of Equity Interests in any of its Subsidiaries (other than directors' qualifying shares and shares issued to foreign nationals to the extent required by applicable law).

Notwithstanding the preceding, the following items shall be deemed not to be Asset Sales:

(1) any single transaction or series of related transactions that involves assets or Equity Interests having a Fair Market Value of less than $25.0 million;

(2) a transfer of assets or Equity Interests between or among the Company and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary thereof;

(4) the sale or lease of equipment, inventory, accounts receivable or other assets in the ordinary course of business;

(5) the sale or other disposition of Cash Equivalents;

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

(7) a Restricted Payment that is permitted by Section 4.07 and any Permitted Investment;

(8) any sale or disposition of any property or equipment that has become damaged, worn out or obsolete;

(9) the creation of a Lien not prohibited by this Indenture;

(10) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(11) licenses of intellectual property;

(12) any disposition of Designated Noncash Consideration; *provided* that such disposition increases the amount of Net Proceeds of the Asset Sale that resulted in such Designated Noncash Consideration; and

(13) any foreclosure upon any assets of the Company or any of its Restricted Subsidiaries pursuant to the terms of a Lien not prohibited by the terms of this Indenture; *provided* that such foreclosure does not otherwise constitute a Default under this Indenture.

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

"**Bankruptcy Law**" means title 11 of the United States Code or any similar federal or state law for the relief of debtors.

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

"**Board of Directors**" means:

(1) with respect to a corporation, the board of directors of the corporation or, except in the context of the definitions of "Change of Control" and "Continuing Directors," a duly authorized committee thereof;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership; and

(3) with respect to any other Person, the board or committee of such Person serving a similar function.

"**Board Resolution**" means a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company and to be in full force and effect on the date of such certification.

"**Business Day**" means any day other than a Legal Holiday.

"**Capital Lease Obligation**" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP.

"**Capital Stock**" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"**Cash Equivalents**" means:

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

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

(3) certificates of deposit and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding one year and overnight bank deposits, in each case, with any lender party under the Credit Agreement or any domestic commercial bank having capital and surplus in excess of $500.0 million and a rating at the time of acquisition thereof of P-1 or better from Moody's or A-1 or better from S&P;

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

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

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

(7) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition.

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

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act);

(2) the adoption of a plan relating to the liquidation or dissolution of the Company;

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

(4) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors; or

(5) the Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into the Company or a Subsidiary of the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where (A) the Voting Stock of the Company outstanding immediately prior to such transaction continues as, or is converted into or exchanged for Voting Stock (other than Disqualified Stock) of the surviving or transferee Person

constituting a majority of the outstanding shares of such Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and (B) immediately after such transaction, no "person" or "group" (as such terms are used in Section 13(d) and 14(d) of the Exchange Act) becomes, directly or indirectly, the Beneficial Owner of 50% or more of the voting power of the Voting Stock of the surviving or transferee Person.

"**Change of Control Triggering Event**" means the occurrence of a Change of Control (x) that is accompanied or followed by a downgrade of the Notes within the Ratings Decline Period by each of Moody's and S&P or, if either S&P and Moody's is not providing a rating on the Notes at any time for reasons outside the control of the Company, the equivalent of such ratings by another nationally recognized statistical ratings organization selected by the Company (as certified by a resolution of the Board of Directors of the Company), and (y) the rating of the Notes on any day during such Ratings Decline Period is below the lower of the rating by such nationally recognized statistical ratings organization in effect (i) immediately preceding the first public announcement of the Change of Control (or occurrence thereof if such Change of Control occurs prior to public announcement) and (ii) on the Issue Date.

"**Clearstream**" means Clearstream Banking S.A. and any successor thereto.

"**Commission**" means the United States Securities and Exchange Commission.

"**Common Stock**" means, with respect to any Person, any Capital Stock (other than Preferred Stock) of such Person, whether outstanding on the Issue Date or issued thereafter.

"**Company**" means Windstream Corporation, a Delaware corporation, until a successor replaces it pursuant to Article Five and thereafter means the successor.

"**Consolidated Cash Flow**" means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period *plus*, without duplication:

(1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(2) Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that any such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*

(3) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period), goodwill impairment charges and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash charges or expenses were deducted in computing such Consolidated Net Income; *plus*

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

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

(6) any non-cash SFAS 133 income (or loss) related to hedging activities, to the extent deducted in computing such Consolidated Net Income; *minus*

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

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

Notwithstanding the preceding, the provision for taxes based on the income or profits of, the Fixed Charges of and the depreciation and amortization and other non-cash expenses of, a Restricted Subsidiary of the Company shall be added to Consolidated Net Income to compute Consolidated Cash Flow of the Company (A) in the same proportion that the Net Income of such Restricted Subsidiary was added to compute such Consolidated Net Income of the Company and (B) only to the extent that a corresponding amount would be permitted at the date of determination to be dividended or distributed to the Company by such Restricted Subsidiary without direct or indirect restriction pursuant to the terms of its charter and all agreements and instruments applicable to that Subsidiary or its stockholders.

"**Consolidated Leverage Ratio**" means, as of any date of determination, the ratio of:

(1) the aggregate outstanding amount of Indebtedness of the Company and its Restricted Subsidiaries as of such date of determination on a consolidated basis (subject to the terms described in paragraph (2) below) after giving pro forma effect to the incurrence of the Indebtedness giving rise to the need to make such calculation (including a pro forma application of the use of proceeds therefrom) on such date, to

(2) the Consolidated Cash Flow of the Company for the most recent four full fiscal quarters for which internal financial statements are available immediately prior to such date of determination.

For purposes of this definition:

(a) Consolidated Cash Flow shall be calculated on a pro forma basis after giving effect to (A) the incurrence of the Indebtedness of the Company and its Restricted Subsidiaries (and the application of the proceeds therefrom) giving rise to the need to make such calculation and any

incurrence (and the application of the proceeds therefrom) or repayment of other Indebtedness on the date of determination, and (B) any acquisition or disposition of a Person, division or line of business (including, without limitation, any acquisition giving rise to the need to make such calculation as a result of the Company or one of its Restricted Subsidiaries (including any Person that becomes a Restricted Subsidiary as a result of such acquisition) incurring, assuming or otherwise becoming liable for Indebtedness) at any time on or subsequent to the first day of the applicable four-quarter period specified in clause (2) of the preceding paragraph and on or prior to the date of determination, as if such acquisition or disposition (including the incurrence or assumption of any such Indebtedness and also including any Consolidated Cash Flow associated with such acquisition or disposition) occurred on the first day of such four-quarter period; and

(b) pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Company.

"**Consolidated Net Income**" means, with respect to any specified Person for any period, the aggregate of the Net Income of such Person and its Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided* that:

(1) the Net Income of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the specified Person or a Restricted Subsidiary thereof (and the net loss of any such Person shall be included only to the extent that such loss is funded in cash by the specified Person or a Restricted Subsidiary thereof);

(2) the Net Income of any Restricted Subsidiary shall be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted directly or indirectly, by operation of the terms of its charter or any agreement or instrument applicable to that Restricted Subsidiary or its equityholders;

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

(4) the cumulative effect of a change in accounting principles shall be excluded; and

(5) notwithstanding clause (1) above, the Net Income or loss of any Unrestricted Subsidiary shall be excluded, whether or not distributed to the specified Person or one of its Subsidiaries.

"**Continuing Directors**" means, as of any date of determination, any member of the Board of Directors of the Company who:

(1) was a member of such Board of Directors on the Issue Date; or

(2) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

"**Corporate Trust Office of the Trustee**" shall be at the address of the Trustee specified in Section 12.02 or such other address as to which the Trustee may give notice to the Company.

"**Credit Agreement**" means that certain Fourth Amended and Restated Credit Agreement, as amended and restated on August 8, 2012, among the Company, certain lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, including any related notes, Guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, restated, modified, renewed, refunded, replaced or refinanced from time to time after the Issue Date (including increases in the amounts available for borrowing thereunder), regardless of whether such amendment, restatement, modification, renewal, refunding, replacement or refinancing is with the same financial institutions or otherwise.

"**Credit Facilities**" means one or more debt facilities (including, without limitation, the Credit Agreement and indentures or debt securities) or commercial paper facilities, in each case with banks or other institutional lenders providing for revolving credit loans, term debt, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time, including any refunding, replacement or refinancing thereof through the issuance of debt securities.

"**Custodian**" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"**Default**" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"**Definitive Note**" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Sections 2.02 and 2.07, substantially in the form of Exhibit A, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"**Depositary**" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.04 as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"**Designated Noncash Consideration**" means the Fair Market Value of noncash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Noncash Consideration pursuant to an Officers' Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of such Designated Noncash Consideration.

"**Disqualified Stock**" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 123 days after the date on which the Notes mature; *provided, however,* that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such dates shall be deemed to be Disqualified Stock. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07. The term "Disqualified Stock" shall also include any options, warrants or other rights that are convertible into Disqualified Stock or that are redeemable at the option of the holder, or required to be redeemed, prior to the date that is 123 days after the date on which the Notes mature.

"**Domestic Restricted Subsidiary**" means any Restricted Subsidiary of the Company other than a Restricted Subsidiary that is (1) a "controlled foreign corporation" under Section 957 of the Internal Revenue Code (a) whose primary operating assets are located outside the United States and (b) that is not subject to tax under Section 882(a) of the Internal Revenue Code because of a trade or business within the United States or (2) a Subsidiary of an entity described in the preceding clause (1).

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

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"**Equity Offering**" means any public or private placement of Capital Stock (other than Disqualified Stock) of the Company to any Person (other than (i) to any Subsidiary thereof and (ii) issuances of equity securities pursuant to a registration statement on Form S-8 or otherwise relating to equity securities issuable under any employee benefit plan of the Company).

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear system, and any successor thereto.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

"**Exchange Notes**" means the Notes issued in the Exchange Offer in accordance with Section 2.07(f).

"**Exchange Offer**" has the meaning set forth in the Registration Rights Agreement.

"**Exchange Offer Registration Statement**" has the meaning set forth in the Registration Rights Agreement.

"**Existing Indebtedness**" means the aggregate principal amount of Indebtedness of the Company and its Restricted Subsidiaries (other than Indebtedness under the Credit Agreement or under the Notes and the related Note Guarantees) in existence on the Issue Date after giving effect to the application of the proceeds of the Notes until such amounts are repaid.

"**Fair Market Value**" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by a responsible officer of the Company, whose determination, unless otherwise specified below, shall be conclusive if evidenced by an Officers' Certificate. Notwithstanding the foregoing, the responsible officer's determination of Fair Market Value must be evidenced by an Officers' Certificate delivered to the Trustee if the Fair Market Value exceeds $25.0 million.

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

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

(2) the consolidated interest of such Person and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest expense on Indebtedness of another Person that is Guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries (other than a pledge of Equity Interests of an Unrestricted Subsidiary to secure Non-Recourse Debt of such Unrestricted Subsidiary), whether or not such Guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued (but, in the case of accrued, only in the case of (x) Preferred Stock of any Restricted Subsidiary of such Person that is not a Guarantor or (y) Disqualified Stock of such Person or of any of its Restricted Subsidiaries) and whether or not in cash, on any series of Disqualified Stock of such Person or on any series of Preferred Stock of such Person's Restricted Subsidiaries, other than dividends on Equity Interests payable

solely in Equity Interests (other than Disqualified Stock) of such Person or to such Person or to a Restricted Subsidiary of such Person, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of such Person, expressed as a decimal,

in each case, on a consolidated basis and in accordance with GAAP.

"**GAAP**" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants, the opinions and pronouncements of the Public Company Accounting Oversight Board and in the statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which were in effect on July 17, 2006.

"**Global Note Legend**" means the legend set forth in Section 2.07(g)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"**Global Notes**" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, substantially in the form of Exhibit A, issued in accordance with Section 2.01 or Section 2.07.

"**Government Securities**" means securities that are direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged.

"**Guarantee**" means, as to any Person, a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness of another Person.

"**Guarantors**" means:

(1) each direct and indirect Restricted Subsidiary of the Company that Guarantees any Indebtedness under the Credit Agreement on the Issue Date; and

(2) any other Subsidiary of the Company that executes a Note Guarantee in accordance with the provisions of this Indenture;

and their respective successors and assigns until released from their obligations under their Note Guarantees and this Indenture in accordance with the terms of this Indenture.

"**Hedging Obligations**" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements, interest rate collar agreements and other agreements or arrangements with respect to interest rates;

(2) commodity swap agreements, commodity option agreements, forward contracts and other agreements or arrangements with respect to commodity prices; and

(3) foreign exchange contracts, currency swap agreements and other agreements or arrangements with respect to foreign currency exchange rates.

"**Holder**" means a Person in whose name a Note is registered.

"**Incur**" means, with respect to any Indebtedness, to incur, create, issue, assume, Guarantee or otherwise become directly or indirectly liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness (and "Incurrence" and "Incurred" shall have meanings correlative to the foregoing); *provided* that (1) any Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary of the Company shall be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary of the Company and (2) neither the accrual of interest nor the accretion of original issue discount nor the payment of interest in the form of additional Indebtedness with the same terms and the payment of dividends on Disqualified Stock or Preferred Stock in the form of additional shares of the same class of Disqualified Stock or Preferred Stock (to the extent provided for when the Indebtedness or Disqualified Stock or Preferred Stock on which such interest or dividend is paid was originally issued) shall be considered an Incurrence of Indebtedness; *provided* that in each case the amount thereof is for all other purposes included in the Fixed Charges and Indebtedness of the Company or its Restricted Subsidiary as accrued.

"**Indebtedness**" means, with respect to any specified Person, any indebtedness of such Person, whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);

(3) in respect of banker's acceptances;

(4) in respect of Capital Lease Obligations and Attributable Debt;

(5) in respect of the balance deferred and unpaid of the purchase price of any property or services, except any such balance that constitutes an accrued expense or trade payable; *provided* that Indebtedness shall not include any Earn-out Obligation or obligation in respect of 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;

(6) representing Hedging Obligations;

(7) representing Disqualified Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends; or

(8) in the case of a Subsidiary of such Person, representing Preferred Stock valued at the greater of its voluntary or involuntary maximum fixed repurchase price plus accrued dividends,

if and to the extent any of the preceding items (other than letters of credit and other than pursuant to clauses (4), (5), (6), (7) or (8)) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes (x) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) other than a pledge of Equity Interests of an Unrestricted Subsidiary to secure Non-Recourse Debt of such Unrestricted Subsidiary, *provided* that the amount of such Indebtedness shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness, and (y) to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person, *provided further* that any obligation of the Company or any Restricted Subsidiary in respect of minimum guaranteed commissions, or other similar payments, to clients, minimum returns to clients or stop loss limits in favor of clients or indemnification obligations to clients, in each case pursuant to contracts to provide services to clients entered into in the ordinary course of business, shall be deemed not to constitute Indebtedness. For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Stock or Preferred Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock or Preferred Stock, as applicable, as if such Disqualified Stock or Preferred Stock were repurchased on any date on which Indebtedness shall be required to be determined pursuant to this Indenture.

The amount of any Indebtedness outstanding as of any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, and shall be:

(1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and

(2) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness.

"**Indenture**" means this Indenture, as amended or supplemented from time to time.

"**Indirect Participant**" means a Person who holds a beneficial interest in a Global Note through a Participant.

"**Initial Purchasers**" means the initial purchasers of the Notes under the Purchase Agreement.

"**Insignificant Subsidiary**" means any Subsidiary of the Company that has total assets of not more than $1.0 million and that is designated by the Company as an "Insignificant Subsidiary;" *provided* that the total assets of all Subsidiaries that are so designated, as reflected on the Company's most recent consolidating balance sheet prepared in accordance with GAAP, may not in the aggregate at any time exceed $10.0 million.

"**Institutional Accredited Investor**" means an institution that is an "accredited investor" as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act, which is not also a QIB.

"**Investment Grade** " means both BBB- or higher by S&P and Baa3 or higher by Moody's, or the equivalent of such ratings by S&P or Moody's, or, if either S&P and Moody's is not providing a rating on the Notes at any time, the equivalent of such rating by another nationally recognized statistical ratings organization.

"**Investments**" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the form of loans or other extensions of credit (including Guarantees), advances, capital contributions (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

If the Company or any of its Restricted Subsidiaries sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company shall be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Investment in such Subsidiary not sold or disposed of. The acquisition by the Company or any of its Restricted Subsidiaries of a Person that holds an Investment in a third Person shall be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investment held by the acquired Person in such third Person.

"**Issue Date**" means the date of original issuance of the Notes under this Indenture.

"**Legal Holiday**" means a Saturday, a Sunday or a day on which banking institutions in The City of New York or at a place of payment are authorized or required by law, regulation or executive order to remain closed.

"**Legended Regulation S Global Note**" means a global Note in the form of Exhibit A, bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount at maturity of the Notes initially sold in reliance on Rule 903 of Regulation S.

"**Letter of Transmittal**" means the letter of transmittal to be prepared by the Company and sent to all Holders of the Notes for use by such Holders in connection with the Exchange Offer.

"**Lien**" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title

retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"**Moody's**" means Moody's Investors Service, Inc. and its successors.

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

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

(2) any extraordinary or non-recurring gain, loss, expense or charge (including any one-time expenses related to the Transactions), together with any related provision for taxes.

"**Net Proceeds**" means the aggregate cash proceeds, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not the interest component, thereof) received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of (1) the direct costs relating to such Asset Sale and the sale or other disposition of any such non-cash consideration, including, without limitation, legal, accounting, investment banking and brokerage fees, and sales commissions, and any relocation expenses incurred as a result thereof, (2) taxes paid or payable as a result thereof, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, (3) amounts required to be applied to the repayment of Indebtedness or other liabilities secured by a Lien on the asset or assets that were the subject of such Asset Sale or required to be paid as a result of such sale, (4) any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP, (5) in the case of any Asset Sale by a Restricted Subsidiary of the Company, payments to holders of Equity Interests in such Restricted Subsidiary in such capacity (other than such Equity Interests held by the Company or any Restricted Subsidiary thereof) to the extent that such payment is required to permit the distribution of such proceeds in respect of the Equity Interests in such Restricted Subsidiary held by the Company or any Restricted Subsidiary thereof and (6) appropriate amounts to be provided by the Company or its Restricted Subsidiaries as a reserve against liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in accordance with GAAP; *provided* that (a) excess amounts set aside for payment of taxes pursuant to clause (2) above remaining after such taxes have been paid in full or the statute of limitations therefor has expired and (b) amounts initially held in reserve pursuant to clause (6) no longer so held, shall, in the case of each of subclause (a) and (b), at that time become Net Proceeds.

"**Non-Recourse Debt**" means Indebtedness:

(1) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness) other than a pledge of the Equity Interests of the Unrestricted Subsidiary that is the obligor thereunder, (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender;

(2) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Notes) of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and

(3) as to which either (a) the explicit terms provide that there is no recourse against any of the assets of the Company or any Restricted Subsidiary thereof or (b) the lenders have been notified in writing that they shall not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries, in each case other than recourse against the Equity Interests of the Unrestricted Subsidiary that is the obligor thereunder.

"**Non-U.S. Person**" means a Person who is not a U.S. Person.

"**Note Guarantee**" means a Guarantee of the Notes pursuant to this Indenture.

"**Notes**" means the 6 3/8% Senior Notes due 2023 of the Company issued on the date hereof and any Additional Notes, including any Exchange Notes issued in exchange therefor. The Notes and the Additional Notes (including any Exchange Notes issued in exchange therefor), if any, shall be treated as a single class for all purposes under this Indenture.

"**Obligations**" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"**Offering Memorandum**" means the final offering memorandum, dated January 8, 2013, relating to the Notes.

"**Officer**" means, with respect to any Person, the Chairman of the Board, the President, the Chief Financial Officer, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of such Person.

"**Officers' Certificate**" means a certificate signed on behalf of the Company by at least two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer or the principal accounting officer of the Company, that meets the requirements of this Indenture.

"**Opinion of Counsel**" means an opinion from legal counsel who is reasonably acceptable to the Trustee (who may be counsel to or an employee of the Company) that meets the requirements of this Indenture.

"**Participant**" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and with respect to DTC, shall include Euroclear and Clearstream).

"**Participating Broker-Dealer**" has the meaning set forth in the Registration Rights Agreement.

"**Permitted Business**" means any business conducted or proposed to be conducted (as described in the Offering Memorandum) by the Company and its Restricted Subsidiaries on the Issue Date and other businesses reasonably related thereto or a reasonable extension or expansion thereof.

"**Permitted Investments**" means:

(1) any Investment in the Company or in a Restricted Subsidiary of the Company;

(2) any Investment in Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment:

  (a) such Person becomes a Restricted Subsidiary of the Company; or

  (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10;

(5) Hedging Obligations that are Incurred for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes;

(6) any Investment acquired by the Company or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Company or any such Restricted Subsidiary 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 (b) as a result of a foreclosure by the Company or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(7) 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 Company or its Restricted Subsidiaries and endorsements for collection or deposit arising in the ordinary course of business;

(8) 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;

(9) advances to employees not in excess of $5.0 million outstanding at any one time in the aggregate;

(10) commission, payroll, travel and similar advances to officers and employees of the Company or any of its Restricted Subsidiaries that are expected at the time of such advance ultimately to be recorded as an expense in conformity with GAAP;

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

(12) other Investments in any Person other than any Unrestricted Subsidiary of the Company (provided that any such Person is either (i) not an Affiliate of the Company or (ii) is an Affiliate of the Company (A) solely because the Company, 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 Company) 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 (12) since July 17, 2006 and then outstanding, not to exceed the greater of (x) 5.0% of Total Assets and (y) $375.0 million at the time of such Investment; *provided, however,* that if an Investment pursuant to this clause (12) is made in any Person that is not a Restricted Subsidiary of the Company at the date of the making of the Investment and such Person becomes a Restricted Subsidiary of the Company after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above, and shall cease to have been made pursuant to this clause (12); and

(13) Investments in Unrestricted Subsidiaries 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 (13) since July 17, 2006, not to exceed $25.0 million (but, to the extent that any Investment made pursuant to this clause (13) since July 17, 2006 is sold or otherwise liquidated for cash or designated as a Restricted Subsidiary, minus the lesser of (a) the cash return of capital with respect to such Investment (less the cost of disposition, if any) or the Fair Market Value of such Unrestricted Subsidiary at the time of redesignation, as applicable, and (b) the initial amount of such Investment).

"**Permitted Liens**" means:

(1) Liens securing obligations in an amount when created or Incurred, together with the amount of all other obligations secured by a Lien under this clause (1) at that time outstanding (and any Permitted Refinancing Indebtedness Incurred in respect thereof) and (in the case of clause (B) only) any Liens securing obligations in respect of the 6.75% Notes due 2028 of Windstream Holding of the Midwest, Inc., not to exceed the greater of (A) the sum of (i) the amount of Indebtedness Incurred and outstanding at such time under Section 4.09(b)(i), (iv) and (xv) *plus* (ii) the amount of Indebtedness available for Incurrence at such time under Section 4.09(b)(i), (iv) and (xv) and (B) the product of (x) 2.50 and (y) the Company's Consolidated Cash Flow for the most recent four fiscal quarters for which internal financial statements are available at such time, which Consolidated Cash Flow shall be calculated on a pro forma basis in the manner set out in clause (a) of the definition of "Consolidated Leverage Ratio";

(2) Liens in favor of the Company or any Guarantor;

(3) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or any Restricted Subsidiary thereof; *provided* that such Liens were in existence prior to the contemplation of such merger or consolidation and do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Restricted Subsidiary;

(4) Liens on property existing at the time of acquisition thereof by the Company or any Restricted Subsidiary thereof; *provided* that such Liens were in existence prior to the contemplation of such acquisition and do not extend to any property other than the property so acquired by the Company or the Restricted Subsidiary;

(5) Liens securing the Notes and the Note Guarantees in respect thereof;

(6) Liens existing on the Issue Date (excluding any such Liens securing Indebtedness under the Credit Agreement);

(7) Liens securing Permitted Refinancing Indebtedness; *provided* that such Liens do not extend to any property or assets other than the property or assets that secure the Indebtedness being refinanced;

(8) pledges of Equity Interests of an Unrestricted Subsidiary securing Non-Recourse Debt of such Unrestricted Subsidiary;

(9) Liens on cash or Cash Equivalents securing Hedging Obligations of the Company or any of its Restricted Subsidiaries (a) that are Incurred for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes, or (b) securing letters of credit that support such Hedging Obligations;

(10) Liens incurred or deposits made in the ordinary course of business in connection with worker's compensation, unemployment insurance or other social security obligations;

(11) Liens, deposits or pledges to secure the performance of bids, tenders, contracts (other than contracts for the payment of Indebtedness), leases, or other similar obligations arising in the ordinary course of business;

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

(13) judgment and attachment Liens not giving rise to an Event of Default and notices of *lis pendens* and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

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

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

(16) any interest or title of a lessor, licensor or sublicensor in the property subject to any lease, license or sublicense (other than any property that is the subject of a Sale Leaseback Transaction);

(17) Liens for taxes, assessments and governmental charges not yet delinquent or being contested in good faith and for which adequate reserves have been established to the extent required by GAAP;

(18) Liens arising from precautionary UCC financing statements regarding operating leases or consignments; and

(19) Liens securing obligations that do not exceed $15.0 million at any one time outstanding.

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

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

(2) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(3) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes or the Note Guarantees, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of the Notes and is subordinated in right of payment to the Notes or the Note Guarantees, as applicable, on terms at least as favorable, taken as a whole, to the Holders of Notes as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;

(4) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is *pari passu* in right of payment with the Notes or any Note Guarantees, such Permitted Refinancing Indebtedness is *pari passu* with, or subordinated in right of payment to, the Notes or such Note Guarantees;

(5) and such Indebtedness is Incurred either (a) by the Company or any Guarantor or (b) by the Restricted Subsidiary that is the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

"**Person**" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

"**Preferred Stock**" means, with respect to any Person, any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions upon liquidation.

"**Private Placement Legend**" means the legend set forth in Section 2.07(g)(i) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"**Purchase Agreement**" means the Purchase Agreement dated January 8, 2013, among the Company, the Guarantors and Wells Fargo Securities, LLC, as representative of the several Initial Purchasers.

"**QIB**" means a "qualified institutional buyer" as defined in Rule 144A.

"**Ratings Decline Period**" means the period that (i) begins on the earlier of (a) the date of the first public announcement of the occurrence of a Change of Control or of the intention by the Company or a shareholder of the Company, as applicable, to effect a Change of Control or (b) the occurrence thereof and (ii) ends 60 days following consummation of such Change of Control; *provided* that such period shall be extended for so long as the rating of the Notes, as noted by the applicable rating agency, is under publicly announced consideration for downgrade by the applicable rating agency.

"**Registration Rights Agreement**" means (1) with respect to the Notes issued on the Issue Date, the Registration Rights Agreement, to be dated the Issue Date, among the Company, the Guarantors and Wells Fargo Securities, LLC, as representative of the several Initial Purchasers, and (2) with respect to any Additional Notes, any registration rights agreement between the Company and the other parties thereto relating to the registration by the Company of such Additional Notes under the Securities Act.

"**Regulation S**" means Regulation S promulgated under the Securities Act.

"**Regulation S Global Note**" means a Legended Regulation S Global Note or an Unlegended Regulation S Global Note, as appropriate.

"**Replacement Assets**" means (1) non-current assets (including any such assets acquired by capital expenditures) that shall be used or useful in a Permitted Business or (2) substantially all the assets of a Permitted Business or the Voting Stock of any Person engaged in a Permitted Business that is or shall become on the date of acquisition thereof a Restricted Subsidiary of the Company.

"**Responsible Officer**," when used with respect to the Trustee, means any officer within the corporate trust department of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such person's knowledge of and familiarity with the particular subject, and who shall have direct responsibility for the administration of this Indenture.

"**Restricted Definitive Note**" means a Definitive Note bearing the Private Placement Legend.

"**Restricted Global Note**" means a Global Note bearing the Private Placement Legend.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Period**" means the 40-day distribution compliance period as defined in Regulation S.

"**Restricted Subsidiary**" of a Person means any Subsidiary of such Person that is not an Unrestricted Subsidiary.

"**Rule 144**" means Rule 144 promulgated under the Securities Act.

"**Rule 144A**" means Rule 144A promulgated under the Securities Act.

"**Rule 903**" means Rule 903 promulgated under the Securities Act.

"**Rule 904**" means Rule 904 promulgated under the Securities Act.

"**S&P**" means Standard & Poor's Ratings Services and its successors.

"**Sale and Leaseback Transaction**" means, with respect to any Person, any transaction involving any of the assets or properties of such Person whether now owned or hereafter acquired, whereby such Person sells or otherwise transfers such assets or properties and then or thereafter leases such assets or properties or any part thereof or any other assets or properties which such Person intends to use for substantially the same purpose or purposes as the assets or properties sold or transferred.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Shelf Registration Statement**" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"**Significant Subsidiary**" means any Restricted Subsidiary that would constitute a "significant subsidiary" within the meaning of Article 1 of Regulation S-X of the Securities Act.

"**Stated Maturity**" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"**Subordinated Debt**" means any Indebtedness of the Company or any Guarantor which is subordinated in right of payment to the Notes or the related Note Guarantees, as applicable, pursuant to a written agreement to that effect.

"**Subsidiary**" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are such Person or one or more Subsidiaries of such Person (or any combination thereof).

"**Total Assets**" means the total assets of the Company and its Restricted Subsidiaries on a consolidated basis, as shown on the most recent balance sheet of the Company prepared in conformity with GAAP but excluding the value of any outstanding Restricted Investments or Investments made under clause (12) of the definition of Permitted Investments.

"**TIA**" means the Trust Indenture Act of 1939, as amended, as in effect on the date on which this Indenture is qualified under the TIA.

"**Transactions**" means the contribution of all of Alltel's wireline assets to the Company in exchange for, among other things, senior notes and all of the stock of the Company, the distribution of such stock to Alltel's shareholders and exchange of notes for other debt securities of Alltel, the merger of the Company with and into Valor, and the entry into the Credit Agreement and the borrowings thereunder on June 17, 2006 and the offering of notes each as described under the heading "Description of the Transactions" in the offering memorandum dated June 28, 2006 relating to the issuance of such notes.

"**Treasury Rate**" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) which has become publicly available at least two Business Days prior to the date fixed for prepayment (or, if such Statistical Release is no longer published, any publicly available source for similar market data)) most nearly equal to the then remaining term of the Notes to February 1, 2018; *provided, however*, that if the then remaining term of the Notes to February 1, 2018 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the then remaining term of the Notes to February 1, 2018 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"**Trustee**" means U.S. Bank National Association, until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"**Unlegended Regulation S Global Note**" means a permanent global Note in the form of Exhibit A, bearing the Global Note Legend, deposited with or on behalf of and registered in the name of the Depositary or its nominee and issued upon expiration of the Restricted Period.

"**Unrestricted Definitive Note**" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"**Unrestricted Global Note**" means a permanent Global Note substantially in the form of Exhibit A, that bears the Global Note Legend, that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, that is deposited with or on behalf of and registered in the name of the Depositary and that does not bear the Private Placement Legend.

"**Unrestricted Subsidiary**" means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a Board Resolution in compliance with Section 4.16 and any Subsidiary of such Subsidiary.

"**U.S. Person**" means a U.S. person as defined in Rule 902(k) under the Securities Act.

"**Valor**" means Valor Communications Group, Inc., a Delaware corporation.

"**Voting Stock**" of any Person as of any date means the Capital Stock of such Person that is ordinarily entitled to vote in the election of the Board of Directors of such Person.

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

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

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

Section 1.02. Other Definitions.

Term	Defined in Section
"Act"	12.14
"Affiliate Transaction"	4.11
"Asset Sale Offer"	4.10
"Authentication Order"	2.02
"Basket Period"	4.07
"Change of Control Offer"	4.14
"Change of Control Payment"	4.14
"Change of Control Payment Date"	4.14
"Covenant Defeasance"	8.03
"Credit Facility Refinancing"	4.09
"DTC"	2.01
"Event of Default"	6.01
"Excess Proceeds"	4.10
"Excess Proceeds Trigger Date"	4.10
"Legal Defeasance"	8.02
"Offer Amount"	3.08

Term	Defined in Section
"Offer Period"	3.08
"offshore transaction"	2.07
"Paying Agent"	2.04
"Payment Default"	6.01
"Permitted Debt"	4.09
"Purchase Date"	3.08
"Registrar"	2.04
"Related Proceedings"	12.09
"Repurchase Offer"	3.08
"Restricted Payments"	4.07
"Specified Courts"	12.09

Section 1.03. Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

"**indenture securities**" means the Notes and the Note Guarantees;

"**indenture security Holder**" means a Holder of a Note;

"**indenture to be qualified**" means this Indenture;

"**indenture trustee**" or "**institutional trustee**" means the Trustee; and

"**obligor**" on the Notes means the Company, the Guarantors and any successor obligor upon the Notes or the Note Guarantees.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by Commission rule under the TIA have the meanings so assigned to them.

Section 1.04. Rules of Construction.

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) words in the singular include the plural, and in the plural include the singular;

(e) "herein", "hereof" and other word of similar import refer to this Indenture as a whole and not to any particular Section, Article or other subdivision;

(f) all references to Sections or Articles or Exhibits refer to Sections or Articles or Exhibits of or to this Indenture unless otherwise indicated; and

(g) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the Commission from time to time.

ARTICLE TWO
THE NOTES

Section 2.01. Form and Dating.

(a) *General*. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes shall be issued in registered form without interest coupons in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture, and the Company, the Guarantors and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(b) *Global Notes*. The Notes issued in global form shall be substantially in the form of Exhibit A, (and shall include the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). The Notes issued in definitive form shall be substantially in the form of Exhibit A (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or, if the Custodian and the Trustee are not the same Person, by the Custodian at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.07 hereof.

(c) *Regulation S Global Notes*. The Notes offered and sold in reliance on Regulation S shall be issued initially in the form of one or more Legended Regulation S Global Note, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Trustee, as custodian for The Depository Trust Company ("**DTC**") in New York, New York, and registered in the name of the Depositary or the nominee of the Depositary for the accounts of designated agents holding on behalf of Euroclear or Clearstream, duly executed by the Company and authenticated by the Trustee as hereinafter provided. Following the termination of the Restricted Period, beneficial interests in the Legended Regulation S Global Note may be exchanged for beneficial interests in Unlegended Regulation S Global Notes pursuant to Section 2.07 and the Applicable Procedures. Simultaneously with the authentication of Unlegended Regulation S Global Notes, the Trustee shall cancel the Legended Regulation S Global Note. The aggregate principal amount of the Regulation S Global Notes may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

(d) *Euroclear and Clearstream Procedures Applicable*. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream shall be applicable to transfers of beneficial interests in the Regulation S Global Notes that are held by Participants through Euroclear or Clearstream.

(e) *Form of Initial Notes*. The Notes issued on the date of this Indenture shall initially be issued in the form of one or more Restricted Global Notes.

Section 2.02. Execution and Authentication.

One Officer of the Company shall sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of the Trustee. Such signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The aggregate principal amount of Notes which may be authenticated and delivered under this Indenture is unlimited.

The Company may, subject to Article Four of this Indenture and applicable law, issue Additional Notes under this Indenture, including Exchange Notes. The Notes issued on the Issue Date and any Additional Notes subsequently issued shall be treated as a single class for all purposes under this Indenture. Furthermore, in the case of Additional Notes having the same "CUSIP" number as the Notes issued on the date hereof, such Additional Notes shall be fungible with all other Notes for U.S. federal income tax purposes.

At any time and from time to time after the execution of this Indenture, the Trustee shall, upon receipt of a written order of the Company signed by an Officer of the Company (an "**Authentication Order**"), authenticate Notes for (i) original issue in an aggregate principal amount specified in such Authentication Order and (ii) Additional Notes in such amounts as may be specified from time to time without limit, so long as such issuance is permitted under Article Four of this Indenture and applicable law. The Authentication Order shall specify the amount of Notes to be authenticated and the date on which the Notes are to be authenticated. In addition, the Trustee shall issue upon receipt of an Authentication Order other Notes issued in exchange therefor from time to time.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.03. Methods of Receiving Payments on the Notes.

If a Holder has given wire transfer instructions to the Company, the Company shall pay all principal, interest and premium and Additional Interest, if any, on that Holder's Notes in accordance with those instructions. All other payments on Notes shall be made at the office or agency of the Paying Agent and Registrar within the United States of America unless the Company elects to make interest payments by check mailed to the Holders at their addresses set forth in the register of Holders.

Section 2.04. Registrar and Paying Agent.

(a) The Company shall maintain a registrar with an office or agency where Notes may be presented for registration of transfer or for exchange ("**Registrar**") and a paying agent with an office or agency where Notes may be presented for payment ("**Paying Agent**"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without prior notice to any Holder. The Company shall promptly notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

(b) The Company initially appoints DTC to act as Depositary with respect to the Global Notes.

(c) The Company initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes.

Section 2.05. Paying Agent to Hold Money in Trust.

The Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Additional Interest, if any, or interest on the Notes, and shall promptly notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or one of its Subsidiaries) shall have no further liability for the money. If the Company or one of its Subsidiaries acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee shall serve as Paying Agent for the Notes.

Section 2.06. Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA Section 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Company shall otherwise comply with TIA Section 312(a).

Section 2.07. Transfer and Exchange.

(a) *Transfer and Exchange of Global Notes*. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes shall be exchanged by the Company for Definitive Notes if (i) the Depositary (A) notifies the Company that it is unwilling or unable to continue as Depositary for the Global Notes or (B) has ceased to be a clearing agency registered under the Exchange Act, and in each case the Company fails to appoint a successor Depositary within 90 days after the date of such notice from the Depositary; (ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of Definitive Notes, subject to the procedures of the Depositary; *provided* that in no event shall the Legended Regulation S Global Note be exchanged by the Company for Definitive Notes other than in accordance with Section 2.07(c)(ii); or (iii) there shall have occurred and be continuing a Default or Event of Default with respect to the Notes. Upon the occurrence of any of the preceding events in (i), (ii) or (iii) above, Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee. In addition, beneficial interests in a Global Note may be exchanged for Definitive Notes upon request of a Participant

(for itself or on behalf of a beneficial owner) by written notice given to the Trustee by or on behalf of the Depositary in accordance with the customary procedures of the Depositary and in compliance with this Section 2.07. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.08 and 2.11 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.07 or Section 2.08 or 2.11 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note, except as provided in this Section 2.07. A Global Note may not be exchanged for another Note other than as provided in this Section 2.07(a); however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.07(b), (c) or (f) hereof.

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes*. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) *Transfer of Beneficial Interests in the Same Global Note*. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided*, *however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Legended Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.07(b)(i).

(ii) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes*. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.07(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above; *provided* that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in the Legended Regulation S

Global Note other than in accordance with Section 2.07(c)(ii). Upon consummation of an Exchange Offer by the Company in accordance with Section 2.07(f), the requirements of this Section 2.07(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount at maturity of the relevant Global Notes pursuant to Section 2.07(i).

(iii) *Transfer of Beneficial Interests to Another Restricted Global Note*. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.07(b)(ii) above and the Registrar receives the following:

(A) if the transferee shall take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B, including the certifications in item (1) thereof; and

(B) if the transferee shall take delivery in the form of a beneficial interest in a Legended Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B, including the certifications in item (2) thereof.

(iv) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note*. A beneficial interest in any Restricted Global Note may be exchanged by any Holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.07(b)(ii) above and:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal (1) it is not an affiliate (as defined in Rule 144) of the Company, (2) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any Person to participate in, a distribution of the Exchange Notes to be issued in the Exchange Offer and (3) it is acquiring the Exchange Notes in its ordinary course of business;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit C, including the certifications in item (1)(a) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Company so requests or if the Applicable Procedures so require, an opinion of counsel in form reasonably acceptable to the Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes*.

(i) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes*. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B, including the certifications in item (1) thereof;

(C) [INTENTIONALLY OMITTED];

(D) [INTENTIONALLY OMITTED];

(E) if such beneficial interest is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than that listed in subparagraph (B) above, a certificate to the effect set forth in Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable; or

(F) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B, including the certifications in item (3)(a) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.07(i) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.07(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.07(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) *Beneficial Interests in Legended Regulation S Global Note to Definitive Notes*. A beneficial interest in the Legended Regulation S Global Note may not be exchanged for a Definitive Note or transferred to a Person who takes delivery thereof in the form of a Definitive Note prior to the expiration of the Restricted Period, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes*. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that (1) it is not an affiliate (as defined in Rule 144) of the Company, (2) it is not engaged in, and

does not intend to engage in, and has no arrangement or understanding with any Person to participate in, a distribution of the Exchange Notes to be issued in the Exchange Offer and (3) it is acquiring the Exchange Notes in its ordinary course of business;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such Holder in the form of Exhibit C, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such Holder in the form of Exhibit B, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Company so requests or if the Applicable Procedures so require, an opinion of counsel in form reasonably acceptable to the Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iv) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes*. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.07(b)(ii), the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.07(i), and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.07(c)(iv) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall deliver such Definitive

Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.07(c)(iv) shall not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests*.

(i) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes*. If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate to the effect set forth in Exhibit B, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an "**offshore transaction**" in accordance with Rule 903 or Rule 904, a certificate to the effect set forth in Exhibit B, including the certifications in item (2) thereof; or

(D) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B, including the certifications in item (3)(a) thereof,

the Trustee shall cancel the Restricted Definitive Note, and increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the appropriate 144A Global Note, and in the case of clause (C) above, the appropriate Regulation S Global Note.

(ii) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes*. A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal (1) it is not an affiliate (as defined in Rule 144) of the Company, (2) it is not engaged in, and does not intend to engage in, and has no

arrangement or understanding with any Person to participate in, a distribution of the Exchange Notes to be issued in the Exchange Offer and (3) it is acquiring the Exchange Notes in its ordinary course of business;

(B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Restricted Definitive Note proposes to transfer such Note to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Company so requests or if the Applicable Procedures so require, an opinion of counsel in form reasonably acceptable to the Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.07(d)(ii), the Trustee shall cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the applicable Unrestricted Global Note.

(iii) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes*. A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Unrestricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (i), (ii)(B), (ii)(D) or (iii) above at a time when a Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02 hereof, the Trustee shall authenticate one or more Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes*. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.07(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.07(e).

(i) *Restricted Definitive Notes to Restricted Definitive Notes*. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer shall be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B, including the certifications in item (1) thereof;

(B) [INTENTIONALLY OMITTED]; and

(C) if the transfer shall be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) *Restricted Definitive Notes to Unrestricted Definitive Notes*. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

(A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that (1) it is not an affiliate (as defined in Rule 144) of the Company, (2) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any Person to participate in, a distribution of the Exchange Notes to be issued in the Exchange Offer and (3) it is acquiring the Exchange Notes in its ordinary course of business;

(B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;

(C) any such transfer is effected by a Participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Note proposes to exchange such Note for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C, including the certifications in item (1)(d) thereof; or

(2) if the Holder of such Restricted Definitive Note proposes to transfer such Note to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Registrar or the Company so requests, an opinion of counsel in form reasonably acceptable to the Registrar and the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) *Unrestricted Definitive Notes to Unrestricted Definitive Notes*. A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *Exchange Offer*. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not affiliates (as defined in Rule 144) of the Company, (y) they are not engaged in, and do not intend to engage in, and have no arrangement or understanding with any Person to participate in, a distribution of the Exchange Notes to be issued in the Exchange Offer and (z) they are acquiring the Exchange Notes in their ordinary course of business and (ii) Unrestricted Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Notes, the Trustee shall cause the aggregate principal amount of the applicable Restricted Global Notes to be reduced accordingly, and the Company shall execute and the Trustee shall authenticate and deliver to the Persons designated by the Holders of Restricted Global Notes so accepted Unrestricted Global Notes in the appropriate principal amount.

(g) *Legends*. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) *Private Placement Legend*. Except as permitted below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE HEREON (OR ANY PREDECESSOR OF THIS NOTE) (THE "RESALE RESTRICTION TERMINATION DATE") ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (i) PURSUANT TO CLAUSE (D) PRIOR TO THE END OF THE 40 DAY DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR PURSUANT TO CLAUSE (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (ii) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THIS NOTE IS COMPLETED AND DELIVERED BY THE

TRANSFEROR TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF A HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraph (b)(iv), (c)(iii), (c)(iv), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) to this Section 2.07 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) *Global Note Legend.* Each Global Note shall bear a legend in substantially the following form:

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.07(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.12 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

(h) *Regulation S Global Note Legend.* The Regulation S Global Note shall bear a legend in substantially the following form:

THE RIGHTS ATTACHING TO THIS REGULATION S GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN).

(i) *Cancellation and/or Adjustment of Global Notes*. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.12 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who shall take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who shall take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(j) *General Provisions Relating to Transfers and Exchanges*.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon the Company's order or at the Registrar's request.

(ii) No service charge shall be made to a Holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.11, 3.06, 3.08, 4.10, 4.14 and 9.05).

(iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid and legally binding obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Company shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Notes under Section 3.02 and ending at the close of business on the day of mailing, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part, (C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date or (D) to register the transfer of or to exchange a Note tendered and not withdrawn in connection with a Change of Control Offer or an Asset Sale Offer.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02.

(viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.07 to effect a registration of transfer or exchange may be submitted by facsimile.

(ix) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among depositary participants or beneficial owners of interests in any Global Note) other than to require delivery by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(x) Neither the Trustee nor any Agent shall have the responsibility for any actions taken or not taken by the Depositary.

Section 2.08. Replacement Notes.

(a) If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are met. An indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company may charge for their expenses in replacing a Note.

(b) Every replacement Note is an additional obligation of the Company and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.09. Outstanding Notes.

(a) The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section as not outstanding. Except as set forth in Section 2.10, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; however, Notes held by the Company or a Subsidiary thereof shall not be deemed to be outstanding for purposes of Section 3.07(c).

(b) If a Note is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser or protected purchaser.

(c) If the principal amount of any Note is considered paid under Section 4.01, it ceases to be outstanding and interest on it ceases to accrue.

(d) If the Paying Agent (other than the Company, a Subsidiary of the Company or an Affiliate of any of the foregoing) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

Section 2.10. Treasury Notes.

In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in conclusively relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded.

Section 2.11. Temporary Notes.

(a) Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Company consider appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes.

(b) Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.12. Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall dispose of canceled Notes in accordance with its customary procedures for the disposition of canceled securities in effect as of the date of such disposition (subject to the record retention requirement of the Exchange Act). Certification of the disposition of all canceled Notes shall be delivered to the Company. The Company may not issue new Notes to replace Notes that the Company has paid or that have been delivered to the Trustee for cancellation.

Section 2.13. Defaulted Interest.

If the Company defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01. The Company shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company shall fix or cause to be fixed each such special record date and payment date, *provided* that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.14. CUSIP Numbers.

The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

ARTICLE THREE
REDEMPTION AND OFFERS TO PURCHASE

Section 3.01. Notices to Trustee.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07, the Company shall furnish to the Trustee, at least 30 days but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

Section 3.02. Selection of Notes to Be Redeemed.

(a) If less than all of the Notes are to be redeemed at any time, the Trustee shall select the Notes to be redeemed among the Holders of the Notes in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not so listed, on a *pro rata* basis, by lot or in accordance with any other method the Trustee deems fair and appropriate. In the case of Global Notes, the Notes to be

redeemed shall be selected in accordance with the Applicable Procedures. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Trustee from the outstanding Notes not previously called for redemption.

(b) The Trustee shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount at maturity thereof to be redeemed. No Notes in amounts of $2,000 or less shall be redeemed in part. Notes and portions of Notes selected shall be in amounts of $2,000 or whole multiples of $1,000 in excess of $2,000; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

Section 3.03. Notice of Redemption.

(a) At least 30 days but not more than 60 days before a redemption date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture.

The notice shall identify the Notes to be redeemed and shall state:

(i) the redemption date;

(ii) the redemption price;

(iii) if any Note is being redeemed in part, the portion of the principal amount at maturity of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion of the original Note shall be issued in the name of the Holder thereof upon cancellation of the original Note;

(iv) the name and address of the Paying Agent;

(v) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price and become due on the date fixed for redemption;

(vi) that, unless the Company defaults in making such redemption payment, interest, if any, on Notes called for redemption ceases to accrue on and after the redemption date;

(vii) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(viii) the CUSIP number, or any similar number, if any, printed on the Notes being redeemed; and

(ix) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

(b) At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at its expense; *provided*, *however*, that the Company shall have delivered to the Trustee, at least 45 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph. The notice, if mailed in the manner provided herein shall be presumed to have been given, whether or not the Holder receives such notice.

Section 3.04. Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. Interest, if any, on Notes called for redemption ceases to accrue on and after the redemption date, unless the Company defaults in making the applicable redemption payment. A notice of redemption may not be conditional.

Section 3.05. Deposit of Redemption Price.

(a) Not later than 12:00 p.m. (noon) Eastern Time on the redemption date, the Company shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued and unpaid interest and Additional Interest, if any, on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of, and accrued and unpaid interest on, all Notes to be redeemed.

(b) If the Company complies with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal from the redemption date until such principal is paid and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01.

Section 3.06. Notes Redeemed in Part.

Upon surrender and cancellation of a Note that is redeemed in part, the Company shall issue and the Trustee shall authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed portion of the Note surrendered. No Notes in denominations of $2,000 or less shall be redeemed in part.

Section 3.07. Optional Redemption.

(a) At any time prior to February 1, 2018, the Company may redeem all or part of the Notes upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, *plus* (ii) the Applicable Premium as of the date of redemption, *plus* (iii) accrued and unpaid interest and Additional Interest, if any, to the date of redemption.

(b) At any time on or after February 1, 2018, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' prior notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Interest, if any, thereon, to the applicable redemption date, if redeemed during the twelve-month period beginning on February 1 of the years indicated below:

Year	Percentage
2018	103.188%
2019	102.125%
2020	101.063%
2021 and thereafter	100.000%

(c) At any time prior to February 1, 2016, the Company may redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture (including any Additional Notes) at a redemption price of 106.375% of the principal amount thereof, plus accrued and unpaid interest and Additional Interest, if any, thereon to the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that: (1) at least 65% of the aggregate principal amount of Notes issued under the Indenture (including any Additional Notes) must remain outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company or its Subsidiaries); and (2) the redemption must occur within 90 days of the date of the closing of such Equity Offering.

(d) Any redemption pursuant to this Section 3.07 shall be made in accordance with the provisions of Sections 3.01 through 3.06.

Section 3.08. Repurchase Offers.

In the event that, pursuant to Section 4.10 or Section 4.14, the Company shall be required to commence an offer to all Holders to purchase all or a portion of their respective Notes (a "**Repurchase Offer**"), the Company shall follow the procedures specified in such Sections and, to the extent not inconsistent therewith, the procedures specified below.

The Repurchase Offer shall remain open for a period of no less than 30 days and no more than 60 days following its commencement, except to the extent that a longer period is required by applicable law (the "**Offer Period**"). No later than three Business Days after the termination of the Offer Period (the "**Purchase Date**"), the Company shall purchase the principal amount of Notes required to be purchased pursuant to Section 4.10 or 4.14 hereof (the "**Offer Amount**") or, if less than the Offer Amount has been tendered, all Notes tendered in response to the Repurchase Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest shall be payable to Holders who tender Notes pursuant to the Repurchase Offer.

Upon the commencement of a Repurchase Offer, the Company shall send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Repurchase Offer. The Repurchase Offer shall be made to all Holders. The notice, which shall govern the terms of the Repurchase Offer, shall state:

(i) that the Repurchase Offer is being made pursuant to this Section 3.08 and Section 4.10 or Section 4.14 hereof, and the length of time the Repurchase Offer shall remain open;

(ii) the Offer Amount, the purchase price and the Purchase Date;

(iii) that any Note not tendered or accepted for payment shall continue to accrue interest and Additional Interest, if any;

(iv) that, unless the Company defaults in making such payment, any Note (or portion thereof) accepted for payment pursuant to the Repurchase Offer shall cease to accrue interest and Additional Interest, if any, after the Purchase Date;

(v) that Holders electing to have a Note purchased pursuant to a Repurchase Offer may elect to have Notes purchased in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000;

(vi) that Holders electing to have a Note purchased pursuant to any Repurchase Offer shall be required to surrender the Note, with the form entitled "Option

of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Company, a depositary, if appointed by the Company, or a Paying Agent at the address specified in the notice at least three days before the Purchase Date;

(vii) that Holders shall be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

(viii) that, if the aggregate amount of Notes surrendered by Holders exceeds the Offer Amount, the Trustee shall, subject in the case of a Repurchase Offer made pursuant to Section 4.10 to the provisions of Section 4.10, select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Trustee so that only Notes in denominations of $2,000, or integral multiples of $1,000 in excess of $2,000, shall be purchased); and

(ix) that Holders whose Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On the Purchase Date, the Company shall, to the extent lawful, subject in the case of a Repurchase Offer made pursuant to Section 4.10 to the provisions of Section 4.10, accept for payment on a pro rata basis to the extent necessary, the Offer Amount of Notes (or portions thereof) tendered pursuant to the Repurchase Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and shall deliver to the Trustee an Officers' Certificate stating that such Notes (or portions thereof) were accepted for payment by the Company in accordance with the terms of this Section 3.08. The Company, the Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than three days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of Notes tendered by such Holder, as the case may be, and accepted by the Company for purchase, and the Company shall promptly issue a new Note. The Trustee, upon written request from the Company shall authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the respective Holder thereof. The Company shall publicly announce the results of the Repurchase Offer on the Purchase Date.

The Company shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to a Repurchase Offer. To the extent that the provisions of any securities laws or regulations conflict with Section 3.08, 4.10 or 4.14, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under Section 3.08, 4.10 or 4.14 by virtue of such compliance.

Section 3.09. No Sinking Fund.

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

ARTICLE FOUR
COVENANTS

Section 4.01. Payment of Notes.

(a) The Company shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Company or one of its Subsidiaries, holds as of 12:00 p.m. (noon) Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due. The Company shall pay all Additional Interest, if any, in the same manner on the dates and in the amounts set forth in the Registration Rights Agreement.

(b) The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest, and Additional Interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02. Maintenance of Office or Agency.

(a) The Company shall maintain in the United States of America an office or agency (which may be an office of the Trustee or Registrar or agent of the Trustee or Registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

(b) The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided*, *however*, that no such designation or rescission shall in any manner relieve the Company of their obligation to maintain an office or

agency in the United States of America for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

(c) The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company in accordance with Section 2.04 of this Indenture.

Section 4.03. Reports.

(a) The Company shall furnish to the Trustee and, upon request, to beneficial owners and prospective investors a copy of all of the information and reports referred to in clauses (i) and (ii) below within the time periods specified in the Commission's rules and regulations:

(i) all quarterly and annual financial information that is required to be contained in a filing with the Commission on Forms 10-Q and 10-K, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by the Company's certified independent accountants; and

(ii) all current reports that are required to be filed with the Commission on Form 8-K.

Whether or not required by the Commission, the Company shall comply with the periodic reporting requirements of the Exchange Act and shall file the reports specified in Section 4.03(a)(i) and Section 4.03(a)(ii) with the Commission within the time periods specified above unless the Commission shall not accept such a filing. The Company agrees that it shall not take any action for the purpose of causing the Commission not to accept any such filings. If, notwithstanding the foregoing, the Commission shall not accept the Company's filings for any reason, the Company shall post the reports referred to in the preceding paragraph on its website within the time periods that would apply if the Company were required to file those reports with the Commission.

(b) If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required by this Section 4.03 shall include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Company's Unrestricted Subsidiaries.

(c) The Company and the Guarantors, for so long as any Notes remain outstanding, shall furnish to the Holders and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(d) Delivery of such reports, information and documents to the Trustee pursuant to the provisions of this Section 4.03 is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

Section 4.04. Compliance Certificate.

(a) The Company and each Guarantor (to the extent that such Guarantor is so required under the TIA) shall deliver to the Trustee, within 120 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company's and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company and Guarantors have kept, observed, performed and fulfilled their obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to his or her knowledge, the Company and Guarantors have kept, observed, performed and fulfilled their obligations under this Indenture and are not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company and the Guarantors are taking or propose to take with respect thereto) and that to his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company and the Guarantors are taking or propose to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants or the Public Company Accounting Oversight Board, the year-end financial statements delivered pursuant to Section 4.03(a)(i) above shall be accompanied by a written statement of the Company's independent public accountants (which shall be a firm of established national reputation) that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that the Company or the Guarantors have failed to comply with the provisions of Article Four or Article Five hereof in so far as they relate to financial or accounting matters or, if an event of noncompliance has come to their attention, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

(c) The Company shall, so long as any of the Notes are outstanding, deliver to the Trustee, within 30 days after any Officer becomes aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company and the Guarantors are taking or propose to take with respect thereto.

Section 4.05. Taxes.

The Company shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency, any taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06. Stay, Extension and Usury Laws.

Each of the Company and Guarantors covenant (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and each of the Company and Guarantors (to the extent that it may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07. Restricted Payments.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay (without duplication) any dividend or make any other payment or distribution on account of the Company's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Company's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than dividends, payments or distributions (x) payable in Equity Interests (other than Disqualified Stock) of the Company or (y) to the Company or a Restricted Subsidiary of the Company);

(ii) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) any Equity Interests of the Company or any Restricted Subsidiary thereof held by Persons other than the Company or any of its Restricted Subsidiaries;

(iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value Subordinated Debt, except (a) a payment of interest or principal at the Stated Maturity thereof or (b) the purchase, repurchase or other

acquisition of any such Indebtedness in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such purchase, repurchase or other acquisition; or

(iv) make any Restricted Investment

(all such payments and other actions set forth in Section 4.07(a)(i) through (iv) above being collectively referred to as "**Restricted Payments**"),

unless, at the time of and after giving effect to such Restricted Payment:

(A) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(B) the Company would, after giving pro forma effect to such Restricted Payment as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Leverage Ratio test set forth in Section 4.09(a); and

(C) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries on or after July 17, 2006 (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (6), (8), (9) (only in connection with any calculation made for purposes of making a Restricted Payment on or prior to July 17, 2007; any payments made under such clause (9), even prior to such date, will be included as Restricted Payments for purposes of making any calculation after such date), (10) and (11) of Section 4.07(b)), is less than the sum, without duplication, of:

(1) an amount equal to the Company's Consolidated Cash Flow for the period (taken as one accounting period) from October 1, 2006 to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available (the "**Basket Period**") less 1.4 times the Company's Fixed Charges for the Basket Period, *plus*

(2) 100% of the aggregate net cash proceeds received by the Company after July 17, 2006 as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of the Company or from the Incurrence of Indebtedness (including the issuance of Disqualified Stock) of the Company or any of its Restricted Subsidiaries that has been converted into or exchanged for such Equity Interests (other than Equity Interests sold to, or Indebtedness held by, a Subsidiary of the Company and except to the extent converted into or exchanged for Disqualified Stock), *plus*

(3) with respect to Restricted Investments made by the Company and its Restricted Subsidiaries after July 17, 2006 pursuant to this Section 4.07(a), (i) the aggregate amount of cash equal to the return

from such Restricted Investments in any Person resulting from repayments of loans or advances, or other transfers of assets, in each case to the Company or any Restricted Subsidiary or from the net proceeds received in cash from the sale of any such Restricted Investment (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) or (ii) in the case of redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, the Fair Market Value of the Restricted Investments therein at the time of such redesignation.

(b) Section 4.07(a) shall not prohibit, so long as, in the case of Section 4.07(b)(5), (7) and (8), no Default has occurred and is continuing or would be caused thereby:

(1) the payment of any dividend within 60 days after the date of declaration thereof, if at said date of declaration such payment would have complied with the provisions of this Indenture;

(2) the payment of any dividend or other distribution by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a pro rata basis;

(3) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of a contribution to the common equity of the Company or a substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests (other than Disqualified Stock) of the Company; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment shall be excluded from Section 4.07(a)(C)(2);

(4) the defeasance, redemption, repurchase or other acquisition of Indebtedness subordinated to the Notes or the Note Guarantees with the net cash proceeds from an Incurrence of Permitted Refinancing Indebtedness;

(5) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Company or any Preferred Stock of its Restricted Subsidiaries issued or incurred in accordance with Section 4.09;

(6) the repurchase of Equity Interests deemed to occur upon the exercise of options or warrants to the extent that such Equity Interests represent all or a portion of the exercise price thereof;

(7) the repurchase of Equity Interests of the Company constituting fractional shares in an aggregate amount since July 17, 2006 not to exceed $300,000;

(8) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any of its Restricted Subsidiaries held by any current or former employee, consultant or director of the Company or any of its Restricted Subsidiaries 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 shall not

exceed the sum of: (i) $20.0 million, with unused amounts pursuant to this subclause (i) being carried over to succeeding fiscal years; *plus* (ii) the aggregate net cash proceeds received by the Company since July 17, 2006 as a contribution to its common equity capital or from the issue or sale of Equity Interests (other than Disqualified Stock) of the Company to any current or former employee, consultant or director of the Company or any of its Restricted Subsidiaries; *provided* that the amount of any such net cash proceeds that are used to permit a repurchase, redemption or other acquisition under this subclause (ii) shall be excluded from Section 4.07(a)(C)(2);

(9) dividends paid by the Company on its Common Stock in an amount not to exceed $237.5 million in the aggregate for the first two quarterly dividend payments immediately following July 17, 2006 and any dividend declared by Valor, prior to July 17, 2006 and paid thereafter;

(10) the repurchase of any Subordinated Debt at a purchase price not greater than 101% of the principal amount thereof in the event of (x) a change of control pursuant to a provision no more favorable to the holders thereof than Section 4.14 hereof or (y) an Asset Sale pursuant to a provision no more favorable to the holders thereof than Section 4.10 hereof, provided that, in each case, prior to the repurchase, the Company has made a Change of Control Offer or Asset Sale Offer, as the case may be, and repurchased all Notes issued under this Indenture that were validly tendered for payment in connection therewith;

(11) Restricted Payments made on July 17, 2006 as part of the Transactions as described in the offering memorandum dated June 28, 2006; and

(12) other Restricted Payments in an aggregate amount not to exceed $100.0 million.

(c) The amount of all Restricted Payments (other than cash) shall be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued to or by the Company or such Subsidiary, as the case may be, pursuant to the Restricted Payment. Not later than the date of making any Restricted Payment, the Company shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Section 4.07 were computed, together with a copy of any opinion or appraisal required by this Indenture.

(d) For the purposes of this covenant, any payment made on or after July 17, 2006, but prior to the Issue Date shall be deemed to be a "Restricted Payment" to the extent that such payment would have been a Restricted Payment had the Indenture been in effect at the time of such payment (and, to the extent that such Restricted Payment would have been permitted by clauses (b)(1) through (b)(12) above, such Restricted Payment may be deemed by the Company to have been made pursuant to such clause).

Section 4.08. Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(i) pay dividends or make any other distributions on its Capital Stock (or with respect to any other interest or participation in, or measured by, its profits) to the Company or any of its Restricted Subsidiaries or pay any liabilities owed to the Company or any of its Restricted Subsidiaries;

(ii) make loans or advances to the Company or any of its Restricted Subsidiaries; or

(iii) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries.

(b) However, the preceding restrictions shall not apply to encumbrances or restrictions:

(i) existing under, by reason of or with respect to the Credit Agreement, Existing Indebtedness or any other agreements in effect on the Issue Date and any amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacements or refinancings thereof, *provided* that the encumbrances and restrictions in any such amendments, modifications, restatements, renewals, extensions, supplements, refundings, replacement or refinancings are, in the good faith judgment of the Company's Board of Directors, no more restrictive, taken as a whole, than those contained in the Credit Agreement, Existing Indebtedness or such other agreements, as the case may be, as in effect on the Issue Date;

(ii) set forth in this Indenture, the Notes and the Note Guarantees;

(iii) existing under, by reason of or with respect to applicable law, rule regulation or order;

(iv) with respect to any Person or the property or assets of a Person acquired by the Company or any of its Restricted Subsidiaries existing at the time of such acquisition and not incurred in connection with or in contemplation of such acquisition, which encumbrance or restriction 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 encumbrances and restrictions 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;

(v) in the case of Section 4.08(a)(iii):

(1) that restrict in a customary manner the subletting, assignment or transfer of any property or asset that is a lease, license, conveyance or contract or similar property or asset,

(2) existing by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Company or any Restricted Subsidiary thereof not otherwise prohibited by this Indenture,

(3) purchase money obligations for property acquired in the ordinary course of business that impose restrictions on the property so acquired, or

(4) arising or agreed to in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary thereof in any manner material to the Company or any Restricted Subsidiary thereof;

(vi) existing under, by reason of or with respect to any agreement for the sale or other disposition of all or substantially all of the Capital Stock of, or property and assets of, a Restricted Subsidiary that restrict distributions by that Restricted Subsidiary pending such sale or other disposition;

(vii) 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;

(viii) existing under, by reason of or with respect to Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(ix) 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 Company's Board of Directors determines shall not adversely affect the Company's ability to make payments of principal or interest payments on the Notes; and

(x) existing under, by reason of or with respect to Indebtedness of any Guarantor; *provided* that the Company's Board of Directors determines in good faith at the time such encumbrances or restrictions are created that they do not adversely affect the Company's ability to make payments of principal or interest payments on the Notes.

Section 4.09. Incurrence of Indebtedness.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness; *provided, however*, that the Company or any of its Restricted Subsidiaries that are Guarantors may Incur Indebtedness, if the Company's Consolidated Leverage Ratio at the time of the Incurrence of such additional Indebtedness, and after giving effect thereto, is less than 4.50 to 1.

(b) Section 4.09(a) shall not prohibit the Incurrence of any of the following items of Indebtedness (collectively, "**Permitted Debt**"):

(i) the Incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness under Credit Facilities in an aggregate principal amount at any one time outstanding pursuant to this clause (i) not to exceed $4.0 billion, less the aggregate amount of all Net Proceeds of Asset Sales applied by the Company or any Restricted Subsidiary thereof to permanently repay any such Indebtedness pursuant to Section 4.10;

(ii) the Incurrence of Existing Indebtedness;

(iii) the Incurrence by the Company of Indebtedness represented by the Notes to be issued on the Issue Date and the Guarantees of Notes (including Additional Notes) by the Guarantors;

(iv) the Incurrence by the Company or any Restricted Subsidiary thereof of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property (real or personal), plant or equipment used in the business of the Company or such Restricted Subsidiary (whether through the direct acquisition of such assets or the acquisition of Equity Interests of any Person owning such assets), in an aggregate principal amount at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to refund, refinance or replace any Indebtedness Incurred pursuant to this clause (iv), not to exceed the greater of (x) 3.0% of Total Assets and (y) $250.0 million;

(v) the Incurrence by the Company or any Restricted Subsidiary thereof of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness) that was permitted by this Indenture to be Incurred under Section 4.09(a) or clauses (ii), (iii), (iv), (v), (xiv) or (xv) of this Section 4.09(b);

(vi) the Incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness owing to and held by the Company or any of its Restricted Subsidiaries; *provided, however,* that (A) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary thereof and (B) any sale or other transfer of any such Indebtedness to a Person that is not either the Company or a Restricted Subsidiary thereof, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this Section 4.09(b)(vi);

(vii) the Guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or a Restricted Subsidiary thereof that was permitted to be Incurred by another provision of this Section 4.09;

(viii) the Incurrence by the Company or any of its Restricted Subsidiaries of Hedging Obligations that are Incurred for the purpose of fixing, hedging or swapping interest rate, commodity price or foreign currency exchange rate risk (or to reverse or amend any such agreements previously made for such purposes), and not for speculative purposes;

(ix) the Incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness 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 the Company or any of its Restricted Subsidiaries pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition), so long as the principal amount does not exceed the gross proceeds actually received by the Company or any Restricted Subsidiary thereof in connection with such disposition;

(x) the Incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness 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;

(xi) the Incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness constituting reimbursement obligations with respect to letters of credit in respect of workers' compensation claims or self-insurance obligations or bid, performance, appeal or surety bonds (in each case other than for an obligation for borrowed money);

(xii) the Incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness 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;

(xiii) the Incurrence by the Company or any Guarantor of Indebtedness to the extent that the net proceeds thereof are promptly deposited to defease or to satisfy and discharge the Notes;

(xiv) the Incurrence of Acquired Debt, *provided* that after giving effect to the Incurrence thereof, the Company could Incur at least $1.00 of Indebtedness under the Consolidated Leverage Ratio set forth in Section 4.09(a) hereof; and

(xv) the Incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount at any time outstanding, including all Permitted Refinancing Indebtedness Incurred to refund, refinance or replace any Indebtedness Incurred pursuant to this Section 4.09(b)(xv), not to exceed $250.0 million.

For purposes of determining compliance with this Section 4.09, in the event that any proposed Indebtedness meets the criteria of more than one of the categories of Permitted Debt described in Section 4.09(b)(i) through (xv) above, or is entitled to be Incurred pursuant to Section 4.09(a), the Company shall be permitted to classify such item of Indebtedness at the time of its Incurrence in any manner that complies with this Section 4.09; *provided* that any refinancing (a "**Credit Facility Refinancing**") of amounts Incurred in reliance on the exception provided by Section 4.09(b)(i) shall be deemed to have been Incurred in reliance on such Section 4.09(b)(i). Indebtedness under the Credit Agreement outstanding on the Issue Date shall be deemed to have been Incurred on such date in reliance on the exception provided by Section 4.09(b)(i). Additionally, all or any portion of any item of Indebtedness (other than Indebtedness under the Credit Agreement Incurred on the Issue Date and Credit Facility Refinancings, which at all times shall be deemed to have been Incurred under Section 4.09(b)(i) above) may later be reclassified as having been Incurred pursuant to Section 4.09(a) or under any one of the categories of Permitted Debt described in Section 4.09(b)(i) through (xv) so long as such Indebtedness is permitted to be Incurred pursuant to such provision at the time of reclassification.

(c) Notwithstanding any other provision of Section 4.09, the maximum amount of Indebtedness that may be Incurred pursuant to Section 4.09 shall not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies.

(d) The Company shall not Incur any Indebtedness that is contractually subordinate in right of payment to any other Indebtedness of the Company unless it is contractually subordinate in right of payment to the Notes to the same extent. No Guarantor shall Incur any Indebtedness that is contractually subordinate in right of payment to any other Indebtedness of such Guarantor unless it is contractually subordinate in right of payment to such Guarantor's Note Guarantee to the same extent. For purposes of the foregoing, no Indebtedness shall be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company or any Guarantor, as applicable, solely by reason of any Liens or Guarantees arising or created in respect thereof or by virtue of the fact that the holders of any secured Indebtedness have entered into intercreditor agreements giving one or more of such holders priority over the other holders in the collateral held by them.

Section 4.10. Asset Sales.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(i) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of; and

(ii) at least 75% of the consideration therefor received by the Company or such Restricted Subsidiary is in the form of cash, Cash Equivalents or Replacement Assets or a combination of both. For purposes of this Section 4.10(a)(ii), each of the following shall be deemed to be cash:

(A) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet) of the Company or any Restricted Subsidiary (other than contingent liabilities**,** Indebtedness that is by its terms subordinated to the Notes or any Note Guarantee and liabilities to the extent owed to the Company or any Subsidiary of the Company) that are assumed by the transferee of any such assets or Equity Interests pursuant to a written assignment and assumption agreement that releases the Company or such Restricted Subsidiary from further liability therefor;

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

(C) any Designated Noncash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Noncash Consideration received pursuant to this clause (C) that is at that time outstanding, not to exceed the greater of (x) 1.5% of Total Assets or (y) $100.0 million (with the Fair Market Value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value).

(b) Within 365 days after the receipt by the Company or any of its Restricted Subsidiaries of any Net Proceeds from an Asset Sale, the Company or such Restricted Subsidiary may apply such Net Proceeds at its option:

(i) to repay (x) Indebtedness secured by assets of the Company or its Restricted Subsidiaries (to the extent of the value of the assets securing such Indebtedness), (y) Obligations under the Credit Agreement or (z) Indebtedness of a Restricted Subsidiary of the Company that is not a Guarantor (to the extent of the value of the assets of such Restricted Subsidiary); or

(ii) to purchase Replacement Assets.

Pending the final application of any such Net Proceeds, the Company or such Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by this Indenture.

(c) On the 366th day after an Asset Sale or such earlier date, if any, as the Company determines not to apply the Net Proceeds relating to such Asset Sale as set forth in Section 4.10(b) (each such date being referred as an "**Excess Proceeds Trigger Date**"), such aggregate amount of Net Proceeds that has not been applied on or before the Excess Proceeds Trigger Date as permitted pursuant to Section 4.10(b) ("**Excess Proceeds**") shall be applied by the Company to make an offer (an "**Asset Sale Offer**") to all Holders of Notes and all holders of other Indebtedness that is *pari passu* with the Notes or any Note Guarantee containing provisions similar to those set forth in this Indenture with respect to offers to purchase with the proceeds of sales of assets, to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer shall be equal to 100% of the principal amount of the Notes and such other *pari passu* Indebtedness plus accrued and unpaid interest and Additional Interest, if any, to the date of purchase, and shall be payable in cash.

(d) The Company may defer the Asset Sale Offer until there are aggregate unutilized Excess Proceeds equal to or in excess of $30.0 million resulting from one or more Asset Sales, at which time the entire unutilized amount of Excess Proceeds (not only the amount in excess of $30.0 million) shall be applied as provided in Section 4.10(c). If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company and its Restricted Subsidiaries may use such Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and such other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes and such other *pari passu* Indebtedness shall be purchased on a pro rata basis based on the principal amount of Notes and such other *pari passu* Indebtedness tendered. Upon completion of each Asset Sale Offer, the Excess Proceeds subject to such Asset Sale shall no longer be deemed to be Excess Proceeds.

(e) The Company shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sales provisions of this Indenture, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations under the Asset Sale provisions of this Indenture by virtue of such compliance.

Section 4.11. Transactions with Affiliates.

(a) The Company shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into, make, amend, renew or extend any transaction, contract, agreement, understanding, loan, advance or Guarantee with, or for the benefit of, any Affiliate (each, an "**Affiliate Transaction**"), unless:

(i) such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained

in a comparable arm's-length transaction by the Company or such Restricted Subsidiary with a Person that is not an Affiliate of the Company or any of its Restricted Subsidiaries; and

(ii) the Company delivers to the Trustee:

(1) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $25.0 million, a Board Resolution set forth in an Officers' Certificate certifying that such Affiliate Transaction or series of related Affiliate Transactions complies with this Section 4.11 and that such Affiliate Transaction or series of related Affiliate Transactions has been approved by a majority of the disinterested members of the Board of Directors of the Company (if any); and

(2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $100.0 million, an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction or series of related Affiliate Transactions from a financial point of view issued by an independent accounting, appraisal or investment banking firm of national standing.

(b) The following items shall not be deemed to be Affiliate Transactions and, therefore, shall not be subject to the provisions of Section 4.11(a):

(i) transactions between or among the Company and/or its Restricted Subsidiaries or any Person that shall become a Restricted Subsidiary as part of any such transactions (but excluding any such transaction to the extent that any payments thereunder made by the Company or any of its Restricted Subsidiaries to such Person are substantially concurrently paid by such Person to any other Affiliate of the Company, except to the extent that any such transaction would not be prohibited by this Section 4.11);

(ii) payment of reasonable and customary fees to, and reasonable and customary indemnification and similar payments on behalf of, directors of the Company;

(iii) Permitted Investments and Restricted Payments that are permitted by the provisions of Section 4.07;

(iv) any sale of Equity Interests (other than Disqualified Stock) of the Company;

(v) transactions pursuant to agreements or arrangements in effect on the Issue Date, or any amendment, modification, or supplement thereto or replacement thereof, as long as such agreement or arrangement, as so amended, modified, supplemented or replaced, taken as a whole, is not more disadvantageous to the Company and its Restricted Subsidiaries than the original agreement or arrangement in existence on the Issue Date;

(vi) any employment, consulting, service or termination agreement, or reasonable and customary indemnification arrangements, entered into by the Company or any of its Restricted Subsidiaries with officers and employees of the Company or any of its Restricted Subsidiaries and the payment of compensation to officers and employees of the Company or any of its Restricted Subsidiaries (including amounts paid pursuant to employee benefit plans, employee stock option or similar plans), so long as such agreement or payment has been approved by a majority of the disinterested members of the Board of Directors of the Company;

(vii) payments or loans to employees or consultants in the ordinary course of business which are approved by a majority of the disinterested members of the Board of Directors of the Company in good faith;

(viii) transactions with a Person that is an Affiliate of the Company solely because the Company, directly or indirectly, owns Equity Interests in, or controls, such Person; and

(ix) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture, which are fair to the Company and its Restricted Subsidiaries in the determination of a majority of the disinterested members of the Board of Directors or the senior management of the Company, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party.

Section 4.12. Liens.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Indebtedness (other than Permitted Liens) upon any of their property or assets, now owned or hereafter acquired, unless all payments due under this Indenture and the Notes are secured on an equal and ratable basis with the obligations so secured (or, in the case of Indebtedness subordinated to the Notes or the related Note Guarantees, prior or senior thereto, with the same relative priority as the Notes shall have with respect to such subordinated Indebtedness) until such time as such obligations are no longer secured by a Lien.

Section 4.13. Business Activities.

The Company shall not, and shall not permit any Restricted Subsidiary thereof to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Section 4.14. Offer to Repurchase upon a Change of Control.

(a) If a Change of Control Triggering Event occurs, each Holder of Notes shall have the right to require the Company to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess of $2,000) of that Holder's Notes pursuant to an offer by the Company (a "**Change of Control Offer**") at an offer price (a "**Change of Control Payment**") in cash equal to not less than 101% of the aggregate principal amount of the Notes repurchased plus accrued and unpaid interest and Additional Interest, if any, thereon, to the date of repurchase (the "**Change of Control Payment Date**"). No later than 30 days following any Change of Control Triggering Event (unless the Company has exercised its right to redeem the Notes pursuant to Section 3.07 hereof), the Company shall mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the Change of Control Payment Date specified in such notice, which date shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures described in Section 3.08 (including the notice required thereby). The Company shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of this Indenture, the Company shall comply with the applicable securities laws and regulations and shall not be deemed to have breached their obligations under the Change of Control provisions of this Indenture by virtue of such compliance.

(b) On the Change of Control Payment Date, the Company shall, to the extent lawful:

(i) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer;

(ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered; and

(iii) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company.

(c) The Paying Agent shall promptly mail or wire transfer to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee shall promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each such new Note shall be in a principal amount of $2,000 or an integral multiple $1,000 in excess of $2,000.

(d) The Company shall publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

(e) Notwithstanding anything to the contrary in this Section 4.14, the Company shall not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.14 and all other provisions of this Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes tendered and not withdrawn under such Change of Control Offer.

Section 4.15. [INTENTIONALLY LEFT BLANK].

Section 4.16. Designation of Restricted and Unrestricted Subsidiaries.

(a) The Board of Directors of the Company may designate any Restricted Subsidiary of the Company to be an Unrestricted Subsidiary; *provided* that:

(i) any Guarantee by the Company or any Restricted Subsidiary thereof of any Indebtedness of the Subsidiary being so designated shall be deemed to be an Incurrence of Indebtedness by the Company or such Restricted Subsidiary (or both, if applicable) at the time of such designation, and such Incurrence of Indebtedness would be permitted under Section 4.09;

(ii) the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary being so designated (including any Guarantee by the Company or any Restricted Subsidiary thereof of any Indebtedness of such Subsidiary) shall be deemed to be a Restricted Investment made as of the time of such designation and that such Investment would be permitted under Section 4.07;

(iii) the Subsidiary being so designated:

(1) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary thereof unless either (A) such agreement, contract, arrangement or understanding is with customers, clients, suppliers or purchasers or sellers of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture, which are fair to the Company and its Restricted Subsidiaries in the determination of a majority of the disinterested members of the Board of Directors or the senior management of the Company, or (B) the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(2) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (A) to subscribe for additional Equity Interests or (B) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(3) has not Guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries, except (A) to the extent such Guarantee or credit support would be released upon such designation or (B) a pledge of the Equity Interests of the Unrestricted Subsidiary that is the obligor thereunder; and

(iv) no Default or Event of Default would be in existence following such designation.

(b) Any designation of a Restricted Subsidiary of the Company as an Unrestricted Subsidiary shall be evidenced to the Trustee by filing with the Trustee the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the preceding conditions and was permitted by this Indenture. If, at any time, any Unrestricted Subsidiary would fail to meet any of the preceding requirements described in Section 4.16(a)(iii), it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness, Investments, or Liens on the property, of such Subsidiary shall be deemed to be Incurred or made by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness, Investments or Liens are not permitted to be Incurred or made as of such date under this Indenture, the Company shall be in default under this Indenture.

(c) The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that:

(i) such designation shall be deemed to be an Incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness (including any Non-Recourse Debt) of such Unrestricted Subsidiary and such designation shall only be permitted if such Indebtedness is permitted under Section 4.09;

(ii) all outstanding Investments owned by such Unrestricted Subsidiary shall be deemed to be made as of the time of such designation and such designation shall only be permitted if such Investments would be permitted under Section 4.07;

(iii) all Liens upon property or assets of such Unrestricted Subsidiary existing at the time of such designation would be permitted under Section 4.12; and

(iv) no Default or Event of Default would be in existence following such designation.

Section 4.17. Payments for Consent.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of Notes for or as an inducement to any consent, waiver or amendment of any of the

terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Section 4.18. Guarantees.

The Company shall not permit any of its Restricted Subsidiaries (other than any Insignificant Subsidiary), directly or indirectly, to Guarantee or pledge any assets to secure the payment of any other Indebtedness of the Company or any Domestic Restricted Subsidiary unless such Restricted Subsidiary is a Guarantor or simultaneously delivers to the Trustee an Opinion of Counsel and executes a supplemental indenture, substantially in the form of Exhibit E-1 hereto, providing for the Guarantee of the payment of the Notes by such Restricted Subsidiary, which Guarantee shall be senior to or *pari passu* with such Subsidiary's Guarantee of such other Indebtedness.

Section 4.19. Sale and Leaseback Transactions.

The Company shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided* that the Company or any Restricted Subsidiary thereof may enter into a Sale and Leaseback Transaction if:

(i) the Company or such Restricted Subsidiary, as applicable, could have (A) Incurred Indebtedness in an amount equal to the Attributable Debt relating to such Sale and Leaseback Transaction pursuant to Section 4.09 and (B) incurred a Lien to secure such Indebtedness pursuant to Section 4.12 in which case such Indebtedness and Lien shall be deemed to have been so Incurred;

(ii) 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

(iii) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, Section 4.10.

Section 4.20. [INTENTIONALLY LEFT BLANK].

Section 4.21. Termination of Applicability of Certain Covenants if Notes Rated Investment Grade.

Notwithstanding the foregoing, the Company's and its Restricted Subsidiaries' obligations to comply with this Article Four (except for Sections 4.01, 4.02, 4.03, 4.04, 4.05, 4.06, 4.12, 4.14, 4.18 and 4.19) and Section 5.01(a)(iii) will terminate with respect to the Notes and cease to have any further effect from and after the first date when the Notes are rated Investment Grade.

ARTICLE FIVE
SUCCESSORS

Section 5.01. Merger, Consolidation or Sale of Assets.

(a) The Company shall not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company is the surviving corporation) or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(i) either: (1) the Company is the surviving corporation; or (2) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition shall have been made (A) is a corporation or limited liability company organized or existing under the laws of the United States, any state thereof or the District of Columbia (*provided* that, if the Person formed by or surviving such consolidation or merger, or the transferee of such properties or assets, is a limited liability company, then there shall be a Restricted Subsidiary of such Person which shall be a corporation organized in the jurisdictions permitted by this Section 5.01(a)(i) and a co-obligor of the Notes) and (B) assumes all the obligations of the Company under the Notes, this Indenture and the Registration Rights Agreement pursuant to agreements reasonably satisfactory to the Trustee;

(ii) immediately after giving effect to such transaction, no Default or Event of Default exists;

(iii) immediately after giving effect to such transaction on a pro forma basis, the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, conveyance or other disposition shall have been made, shall either (x) be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Consolidated Leverage Ratio test set forth in Section 4.09(a) or (y) have a Consolidated Leverage Ratio that is lower than the Consolidated Leverage Ratio of the Company immediately prior to such transaction; and

(iv) each Guarantor, unless such Guarantor is the Person with which the Company has entered into a transaction under this Section 5.01, shall have by amendment to its Note Guarantee confirmed that its Note Guarantee shall apply to the obligations of the Company or the surviving Person in accordance with the Notes and this Indenture.

(b) In addition, the Company and its Restricted Subsidiaries may not, directly or indirectly, lease all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries considered as one enterprise, in one or more related transactions, to any other Person. Section 5.01(a)(ii) and (iii) shall not apply to (i) any merger, consolidation or sale, assignment, transfer, conveyance or other disposition of assets between or among the Company and any of its Restricted Subsidiaries or (ii) any transaction if, in the good faith determination of the Board of Directors of the Company, the sole purpose of the transaction is to reincorporate the Company in another state of the United States.

Section 5.02. Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.01 hereof, the successor Person formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor Person and not to the Company), and may exercise every right and power of, the Company under the Indenture with the same effect as if such successor Person had been named as the Company in this Indenture. In the event of any such transfer (other than any transfer by way of lease), the predecessor Company will be released and discharged from all liabilities and obligations in respect of the Notes and the Indenture and the predecessor Company may be dissolved, wound up or liquidated at any time thereafter.

ARTICLE SIX
DEFAULTS AND REMEDIES

Section 6.01. Events of Default.

(a) Each of the following is an "**Event of Default**" with respect to the Notes:

(i) default for 30 days in the payment when due of interest on, or Additional Interest with respect to, the Notes;

(ii) default in payment when due (whether at maturity, upon acceleration, redemption, required repurchase or otherwise) of the principal of, or premium, if any, on the Notes;

(iii) failure by the Company or any of its Restricted Subsidiaries to comply with Article Five;

(iv) failure by the Company or any of its Restricted Subsidiaries for 30 days after written notice by the Trustee or Holders representing 25% or more of the aggregate

principal amount of Notes then outstanding to comply with Section 4.10 or Section 4.14 (other than a failure to purchase Notes in connection therewith, which shall constitute an Event of Default under clause (ii) above);

(v) failure by the Company or any of its Restricted Subsidiaries for 60 days after written notice by the Trustee or Holders representing 25% or more of the aggregate principal amount of Notes then outstanding to comply with any of the other agreements in this Indenture;

(vi) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness by the Company or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Company or any of its Restricted Subsidiaries) whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default:

(A) is caused by a failure to make any principal payment when due at the final maturity of such Indebtedness and prior to the expiration of any grace period provided in such Indebtedness on the date of such default (a "**Payment Default**"); or

(B) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $100.0 million or more;

(vii) failure by the Company or any of its Restricted Subsidiaries to pay final judgments (to the extent such judgments are not paid or covered by insurance provided by a reputable carrier that has the ability to perform) aggregating in excess of $100.0 million, which judgments are not paid, discharged or stayed for a period of 60 days;

(viii) except as permitted by this Indenture, any Note Guarantee with respect to the Notes shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or any Guarantor, or any Person acting on behalf of any Guarantor, shall deny or disaffirm its obligations under its Note Guarantee with respect to the Notes;

(ix) the Company or any Significant Subsidiary of the Company (or any Restricted Subsidiaries that together would constitute a Significant Subsidiary) pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) makes a general assignment for the benefit of its creditors, or

(D) generally is not paying its debts as they become due; and

(x) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company or any Significant Subsidiary of the Company (or Restricted Subsidiaries that together would constitute a Significant Subsidiary), in an involuntary case; or

(B) appoints a custodian of the Company or any Significant Subsidiary of the Company (or Restricted Subsidiaries that together would constitute a Significant Subsidiary) or for all or substantially all of the property of the Company or any Significant Subsidiary of the Company (or Restricted Subsidiaries that together would constitute a Significant Subsidiary); or

(C) orders the liquidation of the Company or any Significant Subsidiary of the Company (or Restricted Subsidiaries that together would constitute a Significant Subsidiary);

and the order or decree remains unstayed and in effect for 60 consecutive days.

Section 6.02. Acceleration.

(a) In the case of an Event of Default specified in clauses (ix) and (x) of Section 6.01(a) above with respect to (i) the Company or (ii) any Significant Subsidiary of the Company (or any Restricted Subsidiaries that together would constitute a Significant Subsidiary), all outstanding Notes shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing with respect to Notes, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately by notice in writing to the Company specifying the Event of Default. Upon such declaration, the Notes, together with accrued and unpaid interest (including Additional Interest), shall become due and payable immediately.

(b) In the event of a declaration of acceleration of the Notes because an Event of Default has occurred and is continuing as a result of the acceleration of any Indebtedness described in Section 6.01(a)(vi), the declaration of acceleration of the Notes shall be automatically annulled if the holders of all Indebtedness described in Section 6.01(a)(vi) have rescinded the declaration of acceleration in respect of such Indebtedness within 30 Business Days of the date of such declaration, and if the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction, and all existing Events of Default with respect to Notes, except non-payment of principal or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

(c) In the case of any Event of Default occurring by reason of any willful action or inaction taken or not taken by or on behalf of the Company or any of its Restricted Subsidiaries with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem Notes pursuant to Section 3.07, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law upon the acceleration of the Notes.

Section 6.03. Other Remedies.

(a) If an Event of Default occurs and is continuing with respect to the Notes, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, interest, and Additional Interest, if any, with respect to, the Notes or to enforce the performance of any provision of the Notes or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04. Waiver of Past Defaults.

Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences hereunder except a continuing Default or Event of Default in the payment of interest or Additional Interest on, or the principal of, the Notes.

The Company shall deliver to the Trustee an Officers' Certificate stating that the requisite percentage of Holders have consented to such waiver and attaching copies of such consents. In case of any such waiver, the Company, the Trustee and the Holders of Notes shall be restored to their former positions and rights hereunder and under the Notes, respectively. This Section 6.04 shall be in lieu of Section 316(a)(1)(B) of the TIA and such Section 316(a)(1)(B) of the TIA is hereby expressly excluded from this Indenture and the Notes, as permitted by the TIA. Upon any such waiver, such Default with respect to the affected Notes shall cease to exist, and any Event of Default with respect to such Notes arising therefrom shall be deemed to have been cured for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. Control by Majority.

The Holders of a majority in principal amount of the then outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for exercising

any remedy available to the Trustee with respect to the Notes, or exercising any trust or power conferred upon the Trustee with respect to the Notes. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders of Notes not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders of Notes.

Section 6.06. Limitation on Suits.

(a) A Holder of a Note may not pursue any remedy with respect to this Indenture or the Notes unless:

(i) the Holder gives the Trustee written notice of a continuing Event of Default with respect to Notes;

(ii) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(iii) such Holder or Holders offer the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(v) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

(b) A Holder of a Note may not use this Indenture to affect, disturb or prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holder).

Section 6.07. Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of the principal of, premium or Additional Interest, if any, or interest on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, shall not be impaired or affected without the consent of the Holder.

Section 6.08. Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(a)(i) or (a)(ii) occurs and is continuing with respect to the Notes, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium, if any, interest, and Additional Interest, if any, remaining unpaid on the Notes and interest on overdue principal and premium, if any, and, to the extent lawful, interest and Additional Interest, if any, and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes then outstanding allowed in any judicial proceedings relative to any of the Company or Guarantors (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other securities or property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel and any other amounts due the Trustee under Section 7.07 out of the estate in any such proceeding shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. Priorities.

(a) If the Trustee collects any money pursuant to this Article Six, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders of Notes in respect of which such money was collected for amounts due and unpaid on the Notes for principal, premium, if any, interest and Additional Interest, if any, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, interest, and Additional Interest, if any, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

(b) The Trustee may fix a record date and payment date for any payment to Holders of Notes pursuant to this Section 6.10.

Section 6.11. Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE SEVEN
TRUSTEE

Section 7.01. Duties of Trustee.

Except to the extent, if any, provided otherwise in the TIA (as from time to time in effect):

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any certificates or opinions required to be delivered hereunder, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.01.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, costs, liability or expense that might be incurred by it in connection with the request or direction.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law. The Trustee (acting in any capacity) shall be under no liability for interest on any money received by it hereunder unless otherwise agreed in writing with the Company.

Section 7.02. Certain Rights of Trustee.

(a) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the willful misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default (except any Event of Default occurring pursuant to Sections 6.01(a)(i), 6.01(a)(ii) and 4.01) unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of such event is sent to the Trustee in accordance with Section 12.02, and such notice references the Notes and this Indenture.

(h) In no event shall the Trustee be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(j) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

Section 7.03. Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may become a creditor of, or otherwise deal with, the Company or any of its Affiliates with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest as described in the TIA (as in effect at such time), it must eliminate such conflict within 90 days, apply to the Commission for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11.

Section 7.04. Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication, and it shall not be responsible for the compliance by the Company or any Holder with any federal or state securities laws or the determination as to which beneficial owners are entitled to receive notices hereunder.

Notwithstanding anything else herein to the contrary, the Trustee shall not have (a) any responsibility with respect to (i) the accuracy of the records of any Depositary or any other Person with respect to any beneficial interest in Global Notes or (ii) the selection of the particular portions of a Global Note to be redeemed or refunded in the event of a partial redemption or refunding of part of the Notes Outstanding that are represented by Global Notes, or (b) any obligation to (i) deliver to any Person, other than a Holder, any notice with respect to Global Notes, including any notice of redemption or refunding or (ii) make payment to any Person, other than a Holder, of any amount with respect to the principal of, redemption premium, if any, or interest on Global Notes.

Section 7.05. Notice of Defaults.

If a Default or an Event of Default occurs and is continuing with respect to the Notes and if a Responsible Officer of the Trustee has notice of such Default or Event of Default as described in Section 7.02(g), the Trustee shall mail to Holders of Notes a notice of the Default or Event of Default within 90 days after it occurs; provided, however, that in any event the Trustee shall not be required to mail such notice prior to 10 days after a Responsible Officer receives notice of such default or Event of Default as described in Section 7.02(g). Except in the case of a Default or Event of Default relating to the payment of principal or interest or Additional Interest on any Note then outstanding, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06. Reports by Trustee to Holders of the Notes.

(a) Within 60 days after each May 15 beginning with the May 15 following the date hereof, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA Section 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA Section 313(c).

(b) A copy of each report at the time of its mailing to the Holders of Notes shall be mailed to the Company and filed with the Commission and each stock exchange on which the Notes are listed in accordance with TIA Section 313(d). The Company shall promptly notify the Trustee in writing when the Notes are listed on any stock exchange or any delisting thereof.

Section 7.07. Compensation and Indemnity.

(a) The Company shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder in accordance with a written schedule provided by the Trustee to the Company. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

(b) The Company and the Guarantors shall fully indemnify the Trustee against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company and the Guarantors (including this Section 7.07) and defending itself against any claim (whether asserted by either of the Company or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence, bad faith or willful misconduct. The Trustee shall notify the Company and the Guarantors promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder unless the failure to notify the Company impairs the Company's ability to defend such claim. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Company does not need to pay for any settlement made without its consent. The Company need not reimburse any expense or indemnify against any loss or liability incurred by the Trustee as a result of the violation of this Indenture by the Trustee if such violation arose from the Trustee's negligence, bad faith or willful misconduct.

(c) The obligations of the Company and the Guarantors under this Section 7.07 shall survive the satisfaction and discharge of this Indenture and resignation or removal of the Trustee.

(d) To secure the Company's payment obligations in this Section 7.07, the Trustee shall have a Lien prior to the Notes, which it may exercise by right of set-off, on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture and resignation or removal of the Trustee.

(e) When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(a)(ix) and (x) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

(f) The Trustee shall comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

(g) Any amounts due and owing to the Trustee hereunder (whether in the nature of fees, expenses, indemnification payments or reimbursements for advances) which have not been paid by or on behalf of the Company within 30 days following written notice thereof given to the Company shall bear interest at an interest rate equal to the Trustee's announced prime rate in effect from time to time, plus two percent (2%) per annum.

Section 7.08. Replacement of Trustee.

(a) A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee with respect to the Notes by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(i) the Trustee fails to comply with Section 7.10;

(ii) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(iii) a custodian or public officer takes charge of the Trustee or its property; or

(iv) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee with respect to the Notes to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in principal amount of the then outstanding Notes may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may, at the expense of the Company, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09. Successor Trustee by Merger, Etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the successor Person without any further act shall be the successor Trustee.

Section 7.10. Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trust powers, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50.0 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1), (2) and (5). The Trustee is subject to TIA Section 310(b).

Section 7.11. Preferential Collection of Claims Against Company.

The Trustee is subject to TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein. The Trustee hereby waives any right to set off any claim that it may have against the Company in any capacity (other than any capacity in which it serves under this Indenture) against any of the assets of the Company held by the Trustee; *provided*, *however*, that if the Trustee is or becomes a lender of any other Indebtedness permitted hereunder to be *pari passu* with the Notes, then such waiver shall not apply to the extent of such Indebtedness.

ARTICLE EIGHT
DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. Option to Effect Legal Defeasance or Covenant Defeasance.

The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 be applied to all outstanding Notes and the Notes Guarantees related to the Notes upon compliance with the conditions set forth below in this Article Eight.

Section 8.02. Legal Defeasance and Discharge.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from their obligations with respect to all outstanding Notes and all obligations of the Guarantors shall be deemed to have been discharged with respect to their obligations under the Note Guarantees related to the Notes on the date the conditions set forth below are satisfied (hereinafter, "**Legal Defeasance**"). For this purpose, Legal Defeasance means that the Company and the Guarantors shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes and Note Guarantees related to the Notes, respectively, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all their other obligations under such Notes, the related Note Guarantees and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of outstanding Notes to receive solely from the trust fund described in Section 8.04, and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, interest and Additional Interest, if any, on such Notes when such payments are due, (b) the Company's obligations with respect to such Notes under Article Two concerning issuing temporary Notes, registration of Notes and mutilated, destroyed, lost or stolen Notes and the

Company's obligations under Section 4.02, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's and the Guarantors' obligations in connection therewith and (d) this Article Eight. Subject to compliance with this Article Eight, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03. Covenant Defeasance.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from their obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.16, 4.17, 4.18, 4.19 and 5.01(a)(iii) with respect to the outstanding Notes and the Note Guarantees related to the Notes on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "**Covenant Defeasance**"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes and the Notes Guarantees related to the Notes, the Company and the Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default with respect to Notes under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes and Note Guarantees shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04, Sections 6.01(a)(iii) through (viii) shall not constitute Events of Default with respect to Notes.

Section 8.04. Conditions to Legal or Covenant Defeasance.

(a) The following shall be the conditions to the application of either Section 8.02 or 8.03 to the outstanding Notes:

(i) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, or interest and premium and Additional Interest, if any, on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(ii) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(iii) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel reasonably acceptable to the Trustee confirming that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(iv) no Default or Event of Default shall have occurred and be continuing either: (a) on the date of such deposit; or (b) insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 123rd day after the date of deposit;

(v) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound;

(vi) the Company must have delivered to the Trustee an Opinion of Counsel to the effect that assuming no intervening bankruptcy of the Company or any Guarantor between the date of deposit and the 123rd day following the deposit and assuming that no Holder is an "insider" of the Company under applicable bankruptcy law, after the 123rd day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally, including Section 547 of the United States Bankruptcy Code, and Section 15 of the New York Debtor and Creditor Law;

(vii) the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others;

(viii) if the Notes are to be redeemed prior to their Stated Maturity, the Company must deliver to the Trustee irrevocable instructions to redeem all of the Notes on the specified redemption date; and

(ix) the Company must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent (other than the expiration of the 123-day period referred to in Section 8.04(a)(vi)) relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05. Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions.

(a) Subject to Section 8.06, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee pursuant to Section 8.04 in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium and Additional Interest, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

(b) The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

(c) Anything in this Article Eight to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a)), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. Repayment to the Company.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, interest, or Additional Interest, if any, on any Note and remaining unclaimed for two years after such principal, and premium, if any, interest, or Additional Interest, if any, has become due and payable shall be paid to the Company on its written request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; *provided*, *however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the reasonable expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains

unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Company.

Section 8.07. Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture, the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 and, in the case of a Legal Defeasance, the Guarantors' obligations under their respective Note Guarantees shall be revised and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03, in each case until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03, as the case may be; *provided*, *however*, that, if the Company makes any payment of principal of, premium, if any, or interest on any Note following the reinstatement of their obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE NINE
AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01. Without Consent of Holders of Notes.

(a) Notwithstanding Section 9.02, with respect to the Notes, the Company, the Guarantors, and the Trustee may amend or supplement this Indenture, the Notes or the Note Guarantees without the consent of any Holder of a Note:

(i) to cure any ambiguity, defect or inconsistency;

(ii) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(iii) to provide for the assumption of any of the Company's or Guarantor's obligations to Holders of Notes in the case of a merger or consolidation or sale of all or substantially all of such the Company's or Guarantor's assets;

(iv) to make any change that would provide any additional rights or benefits to the Holders of Notes or that does not materially adversely affect the legal rights under this Indenture of any such Holder;

(v) to comply with requirements of the Commission in order to effect or maintain the qualification of this Indenture under the TIA;

(vi) to comply with Section 4.18;

(vii) to evidence and provide for the acceptance of appointment by a successor Trustee;

(viii) to provide for the issuance of Additional Notes in accordance with this Indenture; or

(ix) to conform the text of this Indenture or the Notes to any provision of the section of the Offering Memorandum entitled "Description of Notes" to the extent that such provision in this Indenture or the Notes was intended to conform to the text of such "Description of Notes".

Upon the request of the Company accompanied by resolutions of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of any documents requested under Section 7.02(b) hereof, the Trustee shall join with the Company in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties, protections, privileges, indemnities or immunities under this Indenture or otherwise.

Section 9.02. With Consent of Holders of Notes.

(a) Except as otherwise provided in this Section 9.02, the Company, the Guarantors and the Trustee may amend or supplement this Indenture or the Notes (and related Note Guarantees) with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and, subject to Sections 6.04 and 6.07, any existing Default or Event of Default or compliance with any provision of this Indenture or the Notes (and related Note Guarantees) may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including Additional Notes, if any) (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

(b) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to consent to any indenture supplemental hereto. If a record date is fixed, the Holders of Notes on such record date, or its duly designated proxies, and only such Persons, shall be entitled to consent to such supplemental indenture, whether or not such Holders remain Holders after such record date; *provided* that unless such consent shall have become effective by virtue of the requisite percentage having been obtained prior to the date which is 90 days after such record date, any such consent previously given shall automatically and without further action by any Holder be cancelled and of no further effect.

(c) Upon the request of the Company accompanied by resolutions of its Board of Directors authorizing the execution of any such amendment or supplement to this Indenture, and

upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02(b), the Trustee shall join with the Company in the execution of such amendment or supplement unless such amendment or supplement directly affects the Trustee's own rights, duties, protections, privileges, indemnities or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amendment or supplement.

(d) It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

(e) After an amendment, supplement or waiver under this Section becomes effective, the Company shall mail to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, supplement or waiver. Subject to Sections 6.04 and 6.07, the Holders of a majority in aggregate principal amount of the then outstanding Notes (including Additional Notes, if any) may waive compliance in a particular instance by the Company with any provision of this Indenture, or the Notes. However, with respect to the Notes, without the consent of each Holder affected, an amendment or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(i) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the principal of or change the fixed maturity of any Note or alter the provisions, or waive any payment, with respect to the redemption of the Notes other than provisions relating to Sections 4.10 and 4.14 (except to the extent provided in clause (ix) below);

(iii) reduce the rate of or change the time for payment of interest on any Note;

(iv) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Additional Interest, if any, on the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

(v) make any Note payable in money other than U.S. dollars;

(vi) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders of Notes to receive payments of principal of, or interest or premium or Additional Interest, if any, on the Notes;

(vii) release any Guarantor from any of its obligations under its Note Guarantee or this Indenture, except in accordance with the terms of this Indenture;

(viii) impair the right to institute suit for the enforcement of any payment on or with respect to the Notes or the Note Guarantees;

(ix) amend, change or modify the obligation of the Company to make and consummate an Asset Sale Offer with respect to any Asset Sale in accordance with Section 4.10 after the obligation to make such Asset Sale Offer has arisen, or the obligation of the Company to make and consummate a Change of Control Offer in the event of a Change of Control Triggering Event in accordance with Section 4.14 after such Change of Control Triggering Event has occurred, including, in each case, amending, changing or modifying any definition relating thereto;

(x) except as otherwise permitted under Section 4.18 and Section 5.01, consent to the assignment or transfer by the Company or any Guarantor of any of their rights or obligations under this Indenture;

(xi) amend or modify any of the provisions of this Indenture or the related definitions affecting the ranking of the Notes or any Note Guarantee in any manner adverse to the Holders of the Notes or any Note Guarantee; and

(xii) make any change in the preceding amendment and waiver provisions.

Section 9.03. Compliance with Trust Indenture Act.

Every amendment or supplement to this Indenture or the Notes shall be set forth in a document that complies with the TIA as then in effect.

Section 9.04. Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05. Notation on or Exchange of Notes.

(a) The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

(b) Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06. Trustee to Sign Amendments, Etc..

The Trustee shall sign any amendment or supplement to this Indenture or any Note authorized pursuant to this Article Nine if the amendment or supplement does not adversely affect the rights, duties, liabilities, protections, privileges, indemnities or immunities of the Trustee. The Company may not sign an amendment or supplemental Indenture or Note until its Board of Directors approve it. In executing any amendment or supplement or Note, the Trustee shall receive and (subject to Section 7.01) shall be fully protected in conclusively relying upon an Officers' Certificate and an Opinion of Counsel stating that the execution of such amendment or supplement is authorized or permitted by this Indenture.

ARTICLE TEN
NOTE GUARANTEES

Section 10.01. Guarantee.

(a) Subject to this Article Ten, each of the Guarantors hereby, jointly and severally, and fully and unconditionally, guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Company hereunder or thereunder, that: (i) the principal of, premium, if any, and interest and Additional Interest, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, if any, and interest and Additional Interest, if any, on the Notes, if lawful (subject in all cases to any applicable grace period provided herein), and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full, all in accordance with the terms hereof and thereof; and (ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

(b) The Guarantors hereby agree that, to the maximum extent permitted under applicable law, their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or

any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Subject to Section 6.06, each Guarantor hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

(c) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to any of the Company or the Guarantors, any amount paid by any of them to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(d) Each Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article Six for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article Six hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Note Guarantee. The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Note Guarantee.

Section 10.02. Limitation on Guarantor Liability.

Each Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to its Note Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of such Guarantor will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article Ten, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent transfer or conveyance.

Section 10.03. Execution and Delivery of Note Guarantee.

(a) If an Officer of a Guarantor whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates the Note, the Note Guarantee shall be valid nevertheless.

(b) The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Note Guarantee set forth in this Indenture on behalf of the Guarantors.

(c) If required by Section 4.18, the Company shall cause such Subsidiaries to execute supplemental indentures to this Indenture in accordance with Section 4.18 and this Article Ten, to the extent applicable.

Section 10.04. Guarantors May Consolidate, Etc., on Certain Terms.

(a) A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than the Company or another Guarantor, unless:

(i) immediately after giving effect to that transaction, no Default or Event of Default exists; and

(ii) either:

(A) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than the Guarantor) is organized or existing under the laws of the United States, any state thereof or the District of Columbia and assumes all the obligations of that Guarantor under this Indenture, its Note Guarantee and the Registration Rights Agreement pursuant to a supplemental indenture satisfactory to the Trustee; or

(B) such sale or other disposition or consolidation or merger complies with Section 4.10.

(b) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by a Guarantor, such successor Person shall succeed to and be substituted for a Guarantor with the same effect as if it had been named herein as a Guarantor. All the Note Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Note Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Note Guarantees had been issued at the date of the execution hereof.

(c) Except as set forth in Article Five, and notwithstanding clauses (i) and (ii) of Section 10.04(a), nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

Section 10.05. Release of Guarantor.

(a) The Note Guarantee of a Guarantor shall be released:

(i) in connection with any transaction permitted by this Indenture after which such Guarantor would no longer constitute a Restricted Subsidiary of the Company, if the sale of Capital Stock, if any, complies with Section 4.10;

(ii) if the Company properly designates any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary under this Indenture;

(iii) upon satisfaction and discharge of the Notes as set forth under Section 11.01 or upon defeasance of the Notes as set forth under Article 8; or

(iv) solely in the case of a Note Guarantee created pursuant to Section 4.18, upon the release or discharge of the Guarantee which resulted in the creation of such Note Guarantee pursuant to this Section 4.18, except a discharge or release by or as a result of payment under such Guarantee.

(b) Any Guarantor not released from its obligations under its Note Guarantee shall remain liable for the full amount of principal of and interest and Additional Interest, if any, on the Notes and for the other obligations of any Guarantor under this Indenture as provided in this Article Ten.

ARTICLE ELEVEN
SATISFACTION AND DISCHARGE

Section 11.01. Satisfaction and Discharge.

(a) This Indenture shall be discharged and shall cease to be of further effect as to all Notes issued hereunder, when:

(i) either:

(A) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company) have been delivered to the Trustee for cancellation; or

(B) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the mailing of a notice of redemption

or otherwise or will become due and payable within one year and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium and Additional Interest, if any, and accrued interest to the date of maturity or redemption;

(ii) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit and such deposit shall not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Guarantor are a party or by which the Company or any Guarantor is bound;

(iii) the Company or any Guarantor have paid or caused to be paid all sums payable by it under this Indenture; and

(iv) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

(b) In addition, the Company must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

(c) Notwithstanding the above, the Trustee shall pay to the Company from time to time upon its request any cash or Government Securities held by it as provided in this section which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification delivered to the Trustee, are in excess of the amount thereof that would then be required to be deposited to effect a satisfaction and discharge under this Article Eleven.

(d) After the conditions to discharge contained in this Article Eleven have been satisfied, and the Company has paid or caused to be paid all other sums payable hereunder by the Company, and delivered to the Trustee an Officers' Certificate and Opinion of Counsel, each stating that all conditions precedent to satisfaction and discharge have been satisfied, the Trustee upon written request shall acknowledge in writing the discharge of the obligations of the Company and the Guarantors under this Indenture (except for those surviving obligations specified Section 11.01).

Section 11.02. Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 11.03 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee pursuant to Section 11.01

hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium and Additional Interest, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

Section 11.03. Repayment to the Company.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium and Additional Interest, if any, or interest on any Note and remaining unclaimed for two years after such principal, and premium or Additional Interest, if any, or interest has become due and payable shall be paid to the Company on their request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; *provided*, *however*, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times or The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Company.

ARTICLE TWELVE
MISCELLANEOUS

Section 12.01. Trust Indenture Act Controls.

If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Section 318(c), the imposed duties shall control.

Section 12.02. Notices.

(a) Any notice or communication by the Company or any Guarantor, on the one hand, or the Trustee on the other hand, to the other is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telecopier or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company and/or any Guarantor:

Windstream Corporation
4001 Rodney Parham Road
Little Rock, Arkansas 72212-2442

Facsimile: (501) 748-7400
Attention: John Fletcher

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036

Facsimile: (917) 777-4112
Attention: Richard B. Aftanas

If to the Trustee:

U.S. Bank National Association
Two Midtown Plaza
1349 West Peachtree Street
Suite 1050
Atlanta, Georgia 30309
Facsimile: (404) 898-8844

(b) The Company, the Guarantors or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

(c) All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if telecopied; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery.

(d) Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

(e) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance on such waiver.

(f) In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

(g) If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

(h) If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 12.03. Communication by Holders of Notes with Other Holders of Notes.

Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and any other Person shall have the protection of TIA Section 312(c).

Section 12.04. Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture (except in connection with the original issuance of the Notes), the Company shall furnish to the Trustee:

(i) an Officers' Certificate (which shall include the statements set forth in Section 12.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(ii) an Opinion of Counsel (which shall include the statements set forth in Section 12.05 hereof) stating that, in the opinion of such counsel (who may rely upon an Officers' Certificate or certificates of public officials as to matters of fact), all such conditions precedent and covenants have been satisfied.

Section 12.05. Statements Required in Certificate or Opinion.

(a) Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) shall comply with the provisions of TIA Section 314(e) and shall include:

(i) a statement that the Person making such certificate or opinion has read such covenant or condition;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

Section 12.06. Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 12.07. No Personal Liability of Directors, Officers, Employees and Stockholders.

No director, officer, employee, incorporator, stockholder, member, manager or partner of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, this Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 12.08. Governing Law.

THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE AND THE NOTES.

Section 12.09. Consent to Jurisdiction.

Any legal suit, action or proceeding arising out of or based upon this Indenture or the transactions contemplated hereby ("**Related Proceedings**") may be instituted in the federal courts of the United States of America located in the City of New York or the courts of the State of New York in each case located in the City of New York (collectively, the "**Specified Courts**"), and each party irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by

mail (to the extent allowed under any applicable statute or rule of court) to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court has been brought in an inconvenient forum.

Section 12.10. No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or any of its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 12.11. Successors.

All agreements of the Company in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors. All agreements of each Guarantor in this Indenture shall bind such Guarantor's successors, except as otherwise provided in Section 10.04.

Section 12.12. Severability.

In case any provision in this Indenture or the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 12.13. Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

Section 12.14. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by the Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered

to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "**Act**" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Company if made in the manner provided in this Section 12.14.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to such witness, notary or officer the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) Notwithstanding anything to the contrary contained in this Section 12.14, the principal amount and serial numbers of Notes held by any Holder, and the date of holding the same, shall be proved by the register of the Notes maintained by the Registrar as provided in Section 2.04.

(d) If the Company shall solicit from the Holders of the Notes any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to resolutions of its Board of Directors, fix in advance a record date for the determination of Holders of Notes entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Notwithstanding TIA Section 316(c), such record date shall be the record date specified in or pursuant to such resolution, which shall be a date not earlier than the date 30 days prior to the first solicitation of Holders of Notes generally in connection therewith or the date of the most recent list of Holders of Notes forwarded to the Trustee prior to such solicitation pursuant to Section 2.06 and not later than the date such solicitation is completed. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record of Notes at the close of business on such record date shall be deemed to be Holders of Notes for the purposes of determining whether Holders of the requisite proportion of the then outstanding Notes have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the then outstanding Notes shall be computed as of such record date; *provided* that no such authorization, agreement or consent by the Holders of Notes on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than eleven months after the record date.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Note shall bind every future Holder of the same Note and the Holder of every Note issued upon the registration or transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Note.

(f) Without limiting the foregoing, a Holder entitled hereunder to take any action hereunder with regard to any particular Note may do so itself with regard to all or any part of the principal amount of such Note or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such principal amount.

Section 12.15. Benefit of Indenture.

Nothing in this Indenture or the Notes, express or implied, shall give to any Person, other than the parties hereto, any Paying Agent, any Registrar and its successors hereunder, and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 12.16. Table of Contents, Headings, Etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

[**SIGNATURE PAGES FOLLOW**]

IN WITNESS WHEREOF, the parties have executed this Indenture as of January 23, 2013.

WINDSTREAM CORPORATION

By /s/ Jeffery R. Gardner
Name: Jeffery R. Gardner
Title: President and Chief Executive Officer

[*Signature Page to the Indenture*]

GUARANTORS:

BISHOP COMMUNICATIONS CORPORATION
BUFFALO VALLEY MANAGEMENT SERVICES, INC.
CINERGY COMMUNICATIONS COMPANY OF VIRGINIA
COMMUNICATIONS SALES AND LEASING, INC.
CONESTOGA ENTERPRISES, INC.
CONESTOGA MANAGEMENT SERVICES, INC.
CT CELLULAR, INC.
CT COMMUNICATIONS, INC.
CT WIRELESS CABLE, INC.
D&E COMMUNICATIONS, INC.
D&E INVESTMENTS, INC.
D&E MANAGEMENT SERVICES, INC.
D&E NETWORKS, INC.
EQUITY LEASING, INC.
GABRIEL COMMUNICATIONS FINANCE COMPANY
HEART OF THE LAKES CABLE SYSTEMS, INC.
HOSTED SOLUTIONS CHARLOTTE, LLC
HOSTED SOLUTIONS RALEIGH, LLC
IOWA TELECOM DATA SERVICES, L.C.
IOWA TELECOM TECHNOLOGIES, LLC
IWA SERVICES, LLC
KDL COMMUNICATIONS CORPORATION
KDL HOLDINGS, LLC
KERRVILLE CELLULAR, LLC
KERRVILLE COMMUNICATIONS CORPORATION
KERRVILLE MOBILE HOLDINGS, LLC
KERRVILLE WIRELESS HOLDINGS, LLC
LAKEDALE COMMUNICATIONS, LLC
LEXCOM INC.
NORLIGHT TELECOMMUNICATIONS OF VIRGINIA, INC.
NUVOX, INC.
OKLAHOMA WINDSTREAM, LLC
PCS LICENSES, INC.
PROGRESS PLACE REALTY HOLDING COMPANY, LLC
TELEVIEW, LLC
TEXAS WINDSTREAM, INC.
VALOR TELECOMMUNICATIONS ENTERPRISES FINANCE CORP.

VALOR TELECOMMUNICATIONS ENTERPRISES II, LLC
VALOR TELECOMMUNICATIONS ENTERPRISES, LLC
VALOR TELECOMMUNICATIONS INVESTMENTS, LLC
VALOR TELECOMMUNICATIONS OF TEXAS, LLC
WINDSTREAM ALABAMA, LLC
WINDSTREAM ARKANSAS, LLC
WINDSTREAM BAKER SOLUTIONS, INC.
WINDSTREAM COMMUNICATIONS KERRVILLE, LLC
WINDSTREAM COMMUNICATIONS TELECOM, LLC
WINDSTREAM CTC INTERNET SERVICES, INC.
WINDSTREAM DIRECT, LLC
WINDSTREAM EN-TEL, LLC
WINDSTREAM HOLDING OF THE MIDWEST, INC.
WINDSTREAM HOSTED SOLUTIONS, LLC
WINDSTREAM INTELLECTUAL PROPERTY SERVICES, INC.
WINDSTREAM IOWA COMMUNICATIONS, INC.
WINDSTREAM IOWA-COMM, INC.
WINDSTREAM KDL-VA, INC.
WINDSTREAM KERRVILLE LONG DISTANCE, LLC
WINDSTREAM LAKEDALE LINK, INC.
WINDSTREAM LAKEDALE, INC.
WINDSTREAM LEASING, LLC
WINDSTREAM LEXCOM ENTERTAINMENT, LLC
WINDSTREAM LEXCOM LONG DISTANCE, LLC
WINDSTREAM LEXCOM WIRELESS, LLC
WINDSTREAM MONTEZUMA, INC.
WINDSTREAM NETWORK SERVICES OF THE MIDWEST, INC.
WINDSTREAM NORTHSTAR, LLC
WINDSTREAM NUVOX ARKANSAS, INC.
WINDSTREAM NUVOX ILLINOIS, INC.
WINDSTREAM NUVOX INDIANA, INC.
WINDSTREAM NUVOX KANSAS, INC.
WINDSTREAM NUVOX OKLAHOMA, INC.
WINDSTREAM OKLAHOMA, LLC
WINDSTREAM SHAL NETWORKS, INC.
WINDSTREAM SHAL, LLC
WINDSTREAM SOUTH CAROLINA, LLC
WINDSTREAM SUGAR LAND, INC.
WINDSTREAM SUPPLY, LLC

WIRELESS ONE OF NORTH CAROLINA, LLC

By /s/ Jeffery R. Gardner
Name: Jeffery R. Gardner
Title: President and Chief Executive Officer

[*Signature Page to the Indenture*]

GUARANTORS:

SOUTHWEST ENHANCED NETWORK SERVICES, LP

By: Valor Telecommunications Enterprises, LLC, its general partner

By: /s/ Jeffery R. Gardner
Name: Jeffery R. Gardner
Title: President and Chief Executive Officer

WINDSTREAM SOUTHWEST LONG DISTANCE, LP

By: Valor Telecommunications Enterprises, LLC, its general partner

By: /s/ Jeffery R. Gardner
Name: Jeffery R. Gardner
Title: President and Chief Executive Officer

[*Signature Page to the Indenture*]

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: /s/ Muriel Shaw
Name: Muriel Shaw
Title: Assistant Vice President

[*Signature Page to the Indenture*]

EXHIBIT A

FORM OF NOTE

[Face of Note]

[THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.07(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.12 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.]

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS NOTE HEREON (OR ANY PREDECESSOR OF THIS NOTE) (THE "RESALE RESTRICTION TERMINATION DATE") ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (i) PURSUANT TO CLAUSE (D) PRIOR TO THE END OF THE 40 DAY DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S

UNDER THE SECURITIES ACT OR PURSUANT TO CLAUSE (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (ii) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF A HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

[*Additional language for Regulation S Note to be inserted after paragraph 1*]

[THE RIGHTS ATTACHING TO THIS REGULATION S GLOBAL NOTE, AND THE CONDITIONS AND PROCEDURES GOVERNING ITS EXCHANGE FOR CERTIFICATED NOTES, ARE AS SPECIFIED IN THE INDENTURE (AS DEFINED HEREIN).]

CUSIP

No. **$ **

WINDSTREAM CORPORATION

6 3/8% SENIOR NOTES DUE 2023

Issue Date:

Windstream Corporation, a Delaware corporation, (the "**Company**," which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to [ ], or its registered assigns, the principal sum of $[ ] on August 1, 2023.

Interest Payment Dates: February 1 and August 1, commencing August 1, 2013.

Record Dates: January 15 and July 15.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

[**SIGNATURE PAGE FOLLOWS**]

IN WITNESS WHEREOF, the Company have caused this Note to be signed manually or by facsimile by its duly authorized officer.

WINDSTREAM CORPORATION

By: _____
Name: Anthony W. Thomas
Title: Chief Financial Officer and Treasurer

(Trustee's Certificate of Authentication)

This is one of the 6 3/8% Senior Notes due 2023 described in the within-mentioned Indenture.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

[Reverse Side of Note]

WINDSTREAM CORPORATION

6 3/8% SENIOR NOTES DUE 2023

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. *Interest*. The Company promises to pay interest on the principal amount of this Note at 6 3/8% per annum from the date hereof until maturity and shall pay the Additional Interest, if any, payable pursuant to Section 2.5 of the Registration Rights Agreement referred to below. The Company shall pay interest and Additional Interest, if any, semi-annually in arrears on February 1 and August 1 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "**Interest Payment Date**"). Interest on the Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance; *provided* that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; *provided further* that the first Interest Payment Date shall be August 1, 2013. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; the Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest and Additional Interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

2. *Method of Payment*. The Company shall pay interest on the Notes (except defaulted interest) and Additional Interest, if any, to the Persons who are registered Holders of Notes at the close of business on the record date immediately preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.13 of the Indenture with respect to defaulted interest. If a Holder has given wire transfer instructions to the Company, the Company shall pay all principal, interest and premium and Additional Interest, if any, on that Holder's Notes in accordance with those instructions. All other payments on Notes shall be made at the office or agency of the Paying Agent and Registrar within the United States of America unless the Company elects to make interest payments by check mailed to the Holders at their addresses set forth in the register of Holders. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. *Paying Agent and Registrar*. Initially, the Trustee under the Indenture shall act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without prior notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. *Indenture*. The Company issued the Notes under an Indenture dated as of January 23, 2013 ("**Indenture**") among the Company, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended. The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Indenture pursuant to which this Note is issued provides that an unlimited aggregate principal amount of Additional Notes may be issued thereunder.

Optional Redemption. (a) At any time prior to February 1, 2018, the Company may redeem all or part of the Notes upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to the sum of (i) 100% of the principal amount thereof, *plus* (ii) the Applicable Premium as of the date of redemption, *plus* (iii) accrued and unpaid interest and Additional Interest, if any, to the date of redemption.

(b) At any time on or after February 1, 2018, the Company may redeem all or a part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest and Additional Interest, if any, thereon, to the applicable redemption date, if redeemed during the twelve-month period beginning on February 1 of the years indicated below:

Year	Percentage
2018	103.188%
2019	102.125%
2020	101.063%
2021 and thereafter	100.000%

(c) At any time prior to February 1, 2016, the Company may redeem up to 35% of the aggregate principal amount of Notes issued under the Indenture (including any Additional Notes) at a redemption price of 106.375% of the principal amount thereof, plus accrued and unpaid interest and Additional Interest, if any, thereon to the redemption date, with the net cash proceeds of one or more Equity Offerings; *provided* that: (1) at least 65% of the aggregate principal amount of Notes issued under the Indenture (including any Additional Notes) remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company or its Subsidiaries); and (2) the redemption must occur within 90 days of the date of the closing of such Equity Offering.

5. *Repurchase at Option of Holder*. (a) If a Change of Control Triggering Event occurs, each Holder of Notes shall have the right to require the Company to repurchase all or any part (equal to $2,000 or an integral multiple of $1,000 in excess of $2,000) of that Holder's

Notes pursuant to an offer by the Company (a "**Change of Control Offer**") at an offer price (a "**Change of Control Payment**") in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest and Additional Interest, if any, thereon, to the date of purchase. Within 30 days following any Change of Control Triggering Event, the Company shall mail a notice to each Holder describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on a date (the "**Change of Control Payment Date**") specified in such notice, which shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice.

6. *Asset Sales*. Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company or Restricted Subsidiary of the Company, as applicable, may apply such Net Proceeds at its option: to repay (A) Indebtedness secured by assets of the Company or its Restricted Subsidiaries (to the extent of the value of the assets securing such Indebtedness), (B) Obligations under the Credit Agreement or (C) Indebtedness of a Restricted Subsidiary of the Company that is not a Guarantor (to the extent of the value of the assets of such Restricted Subsidiary); or to purchase Replacement Assets. Pending the final application of any such Net Proceeds, the Company or its Restricted Subsidiaries may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by this Indenture.

On the 366th day after an Asset Sale or such earlier date, if any, as the Company determines not to apply the Net Proceeds relating to such Asset Sale as set forth in Section 4.10(b) (each such date being referred as an "**Excess Proceeds Trigger Date**"), such aggregate amount of Net Proceeds that has not been applied on or before the Excess Proceeds Trigger Date as permitted pursuant to Section 4.10(b) ("**Excess Proceeds**") shall be applied by the Company to make an offer (an "**Asset Sale Offer**") to all Holders of Notes and all holders of other Indebtedness that is *pari passu* with the Notes or any Note Guarantee containing provisions similar to those set forth in this Indenture with respect to offers to purchase with the proceeds of sales of assets, to purchase the maximum principal amount of Notes and such other *pari passu* Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer shall be equal to 100% of the principal amount of the Notes and such other *pari passu* Indebtedness plus accrued and unpaid interest and Additional Interest, if any, to the date of purchase, and shall be payable in cash. The Company may defer the Asset Sale Offer until there are aggregate unutilized Excess Proceeds equal to or in excess of $30.0 million resulting from one or more Asset Sales, at which time the entire unutilized amount of Excess Proceeds (not only the amount in excess of $30.0 million) shall be applied as provided in Section 4.10(c) of the Indenture. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company and its Restricted Subsidiaries may use such Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and such other *pari passu* Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Notes and such other *pari passu* Indebtedness shall be purchased on a pro rata basis based on the principal amount of Notes and such other *pari passu* Indebtedness tendered. Upon completion of each Asset Sale Offer, the Excess Proceeds subject to such Asset Sale shall no longer be deemed to be Excess Proceeds.

7. *Denominations, Transfer, Exchange*. The Notes are in registered form without coupons in minimum denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company is not required to transfer or exchange any Note selected for redemption. Also, the Company is not required to transfer or exchange any Note (1) for a period of 15 days before the mailing of a notice of redemption of Notes to be redeemed or (2) tendered and not withdrawn in connection with a Change of Control Offer or an Asset Sale Offer. Transfer may be restricted as provided in the Indenture.

8. *Persons Deemed Owners*. The registered Holder of a Note will be treated as its owner for all purposes.

9. *Amendment, Supplement and Waiver*. Subject to certain exceptions, the Indenture, or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). Without the consent of any Holder of a Note, the Indenture, or the Notes may be amended or supplemented to, among other things, cure any ambiguity, defect or inconsistency, or make any change that does not adversely affect the legal rights under the Indenture of any such Holder.

10. *Defaults and Remedies*. In the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to (i) the Company or (ii) any Significant Subsidiary of the Company (or any Restricted Subsidiaries that together would constitute a Significant Subsidiary), all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing with respect to the Notes, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately by notice in writing to the Company specifying the Event of Default. In the event of a declaration of acceleration of the Notes because an Event of Default has occurred and is continuing as a result of the acceleration of any Indebtedness described in Section 6.01(a)(vi) of the Indenture, the declaration of acceleration of the Notes shall be automatically annulled if the holders of all Indebtedness described in Section 6.01(a)(vi) of the Indenture have rescinded the declaration of acceleration in respect of such Indebtedness within 30 Business Days of the date of such declaration, and if the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction, and all existing Events of Default, except non-payment of principal or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

In the case of any Event of Default occurring by reason of any willful action or inaction taken or not taken by or on behalf of the Company or any of its Restricted Subsidiaries

with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Notes pursuant to Section 3.07 of the Indenture, an equivalent premium shall also become and be immediately due and payable to the extent permitted by law upon the acceleration of the Notes.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders of the Notes notice of any Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest or Additional Interest) if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes. If certain conditions are satisfied, Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture, except a continuing Default or Event of Default in the payment of interest or Additional Interest on, or the principal of, the Notes.

11. *Trustee Dealings with Company*. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may become a creditor of, or otherwise deal with the Company or any of its Affiliates, with the same rights it would have if it were not Trustee.

12. *No Recourse Against Others*. No director, officer, employee, incorporator, stockholder, member, manager or partner of the Company or any Guarantor, as such, shall have any liability for any obligations of the Company or the Guarantors under the Notes, this Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

13. *Authentication*. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

14. *Additional Rights of Holders of Restricted Global Notes and Restricted Definitive Notes*. In addition to the rights provided to Holders under the Indenture, Holders of Restricted Global Notes and Restricted Definitive Notes shall have all the rights set forth in the Registration Rights Agreement dated as of the date of the Indenture, by and among the Company, the Guarantors and the parties named on the signature pages thereof, as such agreement may be amended, modified or supplemented from time to time and, with respect to any Additional Notes, one or more registration rights agreements between the Company and the other parties thereto, as such agreement(s) may be amended, modified or supplemented from time to time, relating to rights given by the Company to the purchasers of Additional Notes to register such Additional Notes under the Securities Act (the "**Registration Rights Agreement**").

15. *CUSIP Numbers*. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP

numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

16. *Guarantee*. The Company's obligations under the Notes are fully and unconditionally guaranteed, jointly and severally, by the Guarantors.

17. *Copies of Documents*. The Company shall furnish to any Holder upon written request and without charge a copy of the Indenture and/or the Registration Rights Agreement. Requests may be made to:

Windstream Corporation
4001 Rodney Parham Road
Little Rock, Arkansas 72212-2442
Facsimile: (504) 748-7400
Attention: John Fletcher

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Facsimile: (917) 777-4112
Attention: Richard B. Aftanas

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to: _____

(INSERT ASSIGNEE'S LEGAL NAME)

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____

to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.14 of the Indenture, check the appropriate box below:

☐ Section 4.10 ☐ Section 4.14

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.14 of the Indenture, state the amount you elect to have purchased:

$

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: _____

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

[*To be inserted for Rule 144A Global Note*]

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange		Amount of Decrease in Principal Amount at Maturity of this Global Note	Amount of Increase in Principal Amount at Maturity of this Global Note	Principal Amount at Maturity of this Global Note Following such decrease (or increase)		Signature of Authorized Signatory of Trustee or Custodian

[*To be inserted for Regulation S Global Note*]

SCHEDULE OF EXCHANGES OF REGULATION S GLOBAL NOTE

The following exchanges of a part of this Regulation S Global Note for an interest in another Global Note or of other Restricted Global Notes for an interest in this Regulation S Global Note, have been made:

Date of Exchange		Amount of Decrease in Principal Amount at Maturity of this Global Note	Amount of Increase in Principal Amount at Maturity of this Global Note	Principal Amount at Maturity of this Global Note Following such decrease (or increase)		Signature of Authorized Signatory of Trustee or Custodian

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

Windstream Corporation
4001 Rodney Parham Road
Little Rock, Arkansas 72212-2442
Facsimile: (501) 748-7400
Attention: John Fletcher

U.S. Bank National Association
Two Midtown Plaza
1349 West Peachtree Street
Suite 1050
Atlanta, Georgia 30309
Facsimile: (404) 898-8844

Re: 6 3/8% Senior Notes due 2023

Reference is hereby made to the Indenture, dated as of January 23, 2013 (the "**Indenture**"), among Windstream Corporation, a Delaware corporation, (the "**Company**"), the Guarantors, and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "**Transferor**") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount at maturity of $ in such Note[s] or interests (the "**Transfer**"), to (the "**Transferee**"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

☐ 1. Check if Transferee will take delivery of a beneficial interest in the 144A Global Note or a Definitive Note Pursuant to Rule 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the Securities Act of 1933, as amended (the "**Securities Act**"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

☐ 2. Check if Transferee will take delivery of a beneficial interest in a Legended Regulation S Global Note, or a Definitive Note pursuant to Regulation S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Legended Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

☐ 3. Check and complete if Transferee will take delivery of a Restricted Definitive Note pursuant to any provision of the Securities Act other than Rule 144, Rule 144A or Regulation S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

☐ (a) such Transfer is being effected to the Company or a subsidiary thereof; or

☐ (b) such Transfer is being effected to an Institutional Accredited Investor and pursuant to an exemption from the registration requirements of the Securities Act other than Rule 144A, Rule 144 or Rule 904, and the Transferor hereby further certifies that it has not engaged in any general solicitation within the meaning of Regulation D under the Securities Act and the Transfer complies with the transfer restrictions applicable to Restricted Definitive Notes and the requirements of the exemption claimed, which certification is supported by (1) a certificate executed by the Transferee in the form of Exhibit D to the Indenture and (2) an Opinion of Counsel provided by the Transferor or the Transferee (a copy of which the Transferor has attached to this certification), to the effect that such Transfer is in compliance with the Securities Act. Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Definitive Notes and in the Indenture and the Securities Act.

4. Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.

☐ (a) Check if Transfer is Pursuant to Rule 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

☐ (b) Check if Transfer is Pursuant to Regulation S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and, in the case of a transfer from a Restricted Global Note or a Restricted Definitive Note, the Transferor hereby further certifies that (a) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (b) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (c) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (d) the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person, and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

☐ (c) Check if Transfer is Pursuant to Other Exemption. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

Dated: _____

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

☐ (a) a beneficial interest in the:

(i) 144A Global Note (CUSIP); or

(ii) Regulation S Global Note (CUSIP); or

☐ (b) a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

☐ (a) a beneficial interest in the:

(i) 144A Global Note (CUSIP); or

(ii) Regulation S Global Note (CUSIP); or

(iii) Unrestricted Global Note (CUSIP); or

☐ (b) a Restricted Definitive Note; or

☐ (c) an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

Windstream Corporation
4001 Rodney Parham Road
Little Rock, Arkansas 72212-2442
Facsimile: (501) 748-7400
Attention: John Fletcher

U.S. Bank National Association
Two Midtown Plaza
1349 West Peachtree Street
Suite 1050
Atlanta, Georgia 30309
Facsimile: (404) 898-8844

Re: 6 3/8% Senior Notes due 2023

Reference is hereby made to the Indenture, dated as of January 23, 2013 (the "**Indenture**"), among Windstream Corporation, a Delaware corporation, (the "**Company**"), the Guarantors, and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

(the "**Owner**") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount at maturity of $ in such Note[s] or interests (the "**Exchange**"). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Definitive Notes or Beneficial Interests in a Restricted Global Note for Unrestricted Definitive Notes or Beneficial Interests in an Unrestricted Global Note

☐ (a) Check if Exchange is from beneficial interest in a Restricted Global Note to beneficial interest in an Unrestricted Global Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount at maturity, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "**Securities Act**"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

☐ (b) Check if Exchange is from beneficial interest in a Restricted Global Note to Unrestricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby

certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

☐ (c) Check if Exchange is from Restricted Definitive Note to beneficial interest in an Unrestricted Global Note. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

☐ (d) Check if Exchange is from Restricted Definitive Note to Unrestricted Definitive Note. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. Exchange of Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes for Restricted Definitive Notes or Beneficial Interests in Restricted Global Notes

☐ (a) Check if Exchange is from beneficial interest in a Restricted Global Note to Restricted Definitive Note. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount at maturity, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

☐ (b) Check if Exchange is from Restricted Definitive Note to beneficial interest in a Restricted Global Note. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] :

☐ 144A Global Note, :

☐ Regulation S Global Note, :

with an equal principal amount at maturity, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

Dated: _____

_____
[Insert Name of Transferor]

By: _____
Name:
Title:

EXHIBIT D

FORM OF CERTIFICATE FROM
ACQUIRING INSTITUTIONAL ACCREDITED INVESTOR

Windstream Corporation
4001 Rodney Parham Road
Little Rock, Arkansas 72212-2442
Facsimile: (501) 748-7400
Attention: John Fletcher

U.S. Bank National Association
Two Midtown Plaza
1349 West Peachtree Street
Suite 1050
Atlanta, Georgia 30309
Facsimile: (404) 898-8844

Re: 6 3/8% Senior Notes due 2023

Reference is hereby made to the Indenture, dated as of January 23, 2013 (the "**Indenture**"), among Windstream Corporation, a Delaware corporation, (the "**Company**"), the Guarantors, and U.S. Bank National Association, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

In connection with our proposed purchase of $ aggregate principal amount of:

(a) ☐ beneficial interest in a Global Note, or

(b) ☐ a Definitive Note,

we confirm that:

1. We understand that any subsequent transfer of the Notes or any interest therein is subject to certain restrictions and conditions set forth in the Indenture and the undersigned agrees to be bound by, and not to resell, pledge or otherwise transfer the Notes or any interest therein except in compliance with, such restrictions and conditions and the Securities Act of 1933, as amended (the "**Securities Act**").

2. We understand that the offer and sale of the Notes have not been registered under the Securities Act, and that the Notes and any interest therein may not be offered or sold except as permitted in the following sentence. We agree, on our own behalf and on behalf of any accounts for which we are acting as hereinafter stated, that if we should sell the Notes or any interest therein, we shall do so only (A) to the Company or any subsidiary thereof, (B) in accordance with Rule 144A under the Securities Act to a "qualified institutional buyer" (as defined therein), (C) to an institutional "accredited investor" (as defined below) that, prior to such transfer, furnishes (or has furnished on its behalf by a U.S. broker-dealer) to you and to the

Company a signed letter substantially in the form of this letter and an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act, (D) outside the United States in accordance with Rule 904 of Regulation S under the Securities Act, (E) pursuant to the provisions of Rule 144 under the Securities Act or (F) pursuant to an effective registration statement under the Securities Act, and we further agree to provide to any person purchasing the Definitive Note or beneficial interest in a Global Note from us in a transaction meeting the requirements of clauses (A) through (E) of this paragraph a notice advising such purchaser that resales thereof are restricted as stated herein.

3. We understand that, on any proposed resale of the Notes or beneficial interest therein, we will be required to furnish to you and the Company such certifications, legal opinions and other information as you and the Company may reasonably require to confirm that the proposed sale complies with the foregoing restrictions. We further understand that the Notes purchased by us will bear a legend to the foregoing effect.

4. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the Securities Act) and have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we and any accounts for which we are acting are each able to bear the economic risk of our or its investment.

5. We are acquiring the Notes or beneficial interest therein purchased by us for our own account or for one or more accounts (each of which is an institutional "accredited investor") as to each of which we exercise sole investment discretion.

The Trustee and the Company are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Dated: _____

_____
[Insert Name of Accredited Investor]

By: _____
Name:
Title:

EXHIBIT E

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

Supplemental Indenture (this "**Supplemental Indenture**"), dated as of , among (the "**Guaranteeing Subsidiary**"), a subsidiary of Windstream Corporation, a Delaware corporation (or its permitted successor) (the "**Company**"), and U.S. Bank National Association, a national banking association organized under the laws of the United States (or its permitted successor), as trustee under the Indenture referred to below (the "**Trustee**").

W I T N E S S E T H

WHEREAS, the Company and the other Guarantors party thereto have heretofore executed and delivered to the Trustee an indenture (the "**Indenture**"), dated as of January 23, 2013 providing for the issuance of the Company's 6 3/8% Senior Notes due 2023 (the "**Notes**");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall, subject to Article Ten of the Indenture, unconditionally guarantee the Notes on the terms and conditions set forth therein (the "**Note Guarantee**"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Guaranteeing Subsidiary and the Trustee agree as follows for the equal and ratable benefit of the Holders of the Notes:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee.

(a) Subject to Article Ten of the Indenture, the Guaranteeing Subsidiary fully and unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Company hereunder or thereunder, that:

(i) the principal of, premium, if any, and interest and Additional Interest, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, if any, and interest and Additional Interest, if any, on the Notes, if lawful (subject in all cases to any applicable grace period provided herein), and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder will be promptly paid in full, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. The Guaranteeing Subsidiary agrees that this is a guarantee of payment and not a guarantee of collection.

(b) The Guaranteeing Subsidiary hereby agrees that, to the maximum extent permitted under applicable law, its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor.

(c) The Guaranteeing Subsidiary, subject to Section 6.06 of the Indenture, hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and the Indenture.

(d) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors, or any custodian, trustee, liquidator or other similar official acting in relation to any of the Company or the Guarantors, any amount paid by any of them to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(e) The Guaranteeing Subsidiary agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(f) The Guaranteeing Subsidiary agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article Six of the Indenture for the purposes of the Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article Six of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of the Note Guarantee.

(g) The Guaranteeing Subsidiary shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Note Guarantee.

(h) The Guaranteeing Subsidiary confirms, pursuant to Section 10.02 of the Indenture, that it is the intention of such Guaranteeing Subsidiary that the Note Guarantee not constitute (i) a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to the Note Guarantee or (ii) an unlawful distribution under any applicable state law prohibiting shareholder distributions by an insolvent subsidiary to the extent applicable to the Note Guarantee. To effectuate the foregoing intention, the Guaranteeing Subsidiary and the Trustee hereby irrevocably agree that the obligations of the Guaranteeing Subsidiary will be limited to the maximum amount as will, after giving effect to all other contingent and fixed liabilities of such Guaranteeing Subsidiary that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article Ten of the Indenture, result in the obligations of the Guaranteeing Subsidiary under the Note Guarantee not constituting a fraudulent transfer or conveyance or such an unlawful shareholder distribution.

3. Execution and Delivery. The Guaranteeing Subsidiary agrees that the Note Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of the Note Guarantee.

4. Guaranteeing Subsidiary May Consolidate, Etc., on Certain Terms. The Guaranteeing Subsidiary may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into, any Person other than as set forth in Section 10.04 of the Indenture.

5. Release. The Guaranteeing Subsidiary's Note Guarantee shall be released as set forth in Section 10.05 of the Indenture.

6. No Recourse Against Others. Pursuant to Section 12.07 of the Indenture, no director, officer, employee, incorporator or stockholder of the Guaranteeing Subsidiary shall have any liability for any obligations of the Guaranteeing Subsidiary under the Notes, the Indenture, this Supplemental Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. This waiver and release are part of the consideration for the Note Guarantee.

7. NEW YORK LAW TO GOVERN. THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE.

8. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

9. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

10. Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

[**SIGNATURE PAGE FOLLOWS**]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

[NAME OF GUARANTEEING SUBSIDIARY]

By: _____
Name:
Title:

WINDSTREAM CORPORATION

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

By: _____
Name:
Title:

EXHIBIT 2

2013 Windstream Amendment to Registration Statement

As filed with the Securities and Exchange Commission on November 18, 2013

Registration No. 333-192223

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Windstream Corporation

(Exact name of registrant as specified in its charter)

Delaware	4813	20-0792300
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classifications Code Number)	(I.R.S. Employer Identification Number)

4001 Rodney Parham Road
Little Rock, Arkansas 72212-2442
(501) 748-7000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

_____

SEE TABLE OF ADDITIONAL REGISTRANTS
John P. Fletcher, Esq.
Executive Vice President and General Counsel
Windstream Corporation
4001 Rodney Parham Road
Little Rock, Arkansas 72212-2442
Tel. (501) 748-7000
Fax (501) 748-7400
(Name, address, including zip code, and telephone number, including area code, of agent for service)

_____

With copies of all communications to:
Daniel L. Heard, Esq.
Kutak Rock LLP
124 West Capitol Avenue, Suite 2000
Little Rock, Arkansas 72201
Tel. (501) 975-3000
Fax (501) 975-3001

_____

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:
Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) ☐
Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) ☐

Table of Contents

RISK FACTORS

You should carefully consider the following risk factors in addition to the other information included in this prospectus before tendering your original notes in the exchange offer. In addition, you should carefully consider the matters discussed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2012 and in other documents that are subsequently filed with the SEC, which are incorporated by reference into this prospectus. If any of the following risks or the risks incorporated by reference into this prospectus actually occur, our business, financial condition, prospects, results of operations or cash flow could be materially and adversely affected. Additional risks or uncertainties not currently known to us, or that we currently deem immaterial, may also impair our business operations. We cannot assure you that any of the events discussed in the risk factors below will not occur and if such events do occur, you may lose all or part of your original investment in the notes. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See "Forward-Looking Statements."

Risks Related to the Exchange Offer

You may have difficulty selling the original notes that you do not exchange.

If you do not exchange your original notes for exchange notes pursuant to the exchange offer, the original notes you hold will continue to be subject to the existing transfer restrictions. The original notes may not be offered, sold or otherwise transferred, except in compliance with the registration requirements of the Securities Act, pursuant to an exemption from registration under the Securities Act or in a transaction not subject to the registration requirements of the Securities Act, and in compliance with applicable state securities laws. We do not anticipate that we will register the original notes under the Securities Act. After the exchange offer is consummated, the trading market for the remaining untendered original notes may be small and inactive. Consequently, you may find it difficult to sell any original notes you continue to hold because there will be fewer original notes of such series outstanding.

If you do not exchange your original notes in the exchange offer, you will no longer be entitled to an increase in interest payments on original notes that the original indenture provides for if we fail to complete the exchange offer.

Once the exchange offer has been completed, holders of outstanding original notes will not be entitled to any increase in the interest rate on their original notes that the original indenture governing the original notes provides for if we fail to complete the exchange offer. Holders of original notes will not have any further rights to have their original notes registered, except in limited circumstances, once the exchange offer is completed.

Some holders of the exchange notes may be required to comply with the registration and prospectus delivery requirements of the Securities Act.

If you exchange your original notes in the exchange offer for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities and, if so, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

In addition, a broker-dealer that purchased original notes for its own account as part of market-making or trading activities must deliver a prospectus when it sells the exchange notes it received in the exchange offer. Our obligation to make this prospectus available to broker-dealers is limited. We cannot assure you that a proper prospectus will be available to broker-dealers wishing to resell their exchange notes.

Failure to comply with the exchange offer procedures could prevent a holder from exchanging its original notes.

Holders of the original notes are responsible for complying with all exchange offer procedures. The issuance of exchange notes in exchange for original notes will only occur upon completion of the procedures described in this prospectus under "The Exchange Offer." Therefore, holders of original notes who wish to exchange them for exchange notes should allow sufficient time for timely completion of the exchange procedure. Neither

Windstream nor the exchange agent are obligated to extend the offer or notify you of any failure to follow the proper procedure.

Risks Related to the Exchange Notes

Our substantial debt could adversely affect our cash flow and prevent us from fulfilling our obligations under the notes.

After giving effect to the issuance of the original notes and the use of the proceeds therefrom, we had approximately $8,846.8 million of consolidated debt as of September 30, 2013.

Our substantial amount of debt could have important consequences to you. For example, it could:

- make it more difficult for us to satisfy our obligations under the notes;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to make interest and principal payments on our debt, thereby limiting the availability of our cash flow to fund future capital expenditures, working capital and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our business and the telecommunications industry;
- place us at a competitive disadvantage compared with competitors that have less debt; and
- limit our ability to borrow additional funds, even when necessary to maintain adequate liquidity.

Further, a substantial portion of our debt, including borrowings under our senior secured credit facilities, bears interest at variable rates. If market interest rates increase, variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow. While we may enter into agreements limiting our exposure to higher interest rates, any such agreements may not offer complete protection from this risk.

In addition to our debt, we have significant contractual obligations, as discussed under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2012 and in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2013, incorporated by reference herein.

Despite our substantial debt, we or our subsidiaries may still be able to incur significantly more debt. This could further exacerbate the risks associated with our substantial debt.

We or our subsidiaries may be able to incur additional debt in the future. The terms of our senior secured credit facilities, the Indenture and the agreements governing our other debt will allow us to incur substantial amounts of additional debt, subject to certain limitations. If additional debt is added to our current debt levels, the related risks we could face would be magnified.

The agreements governing our debt, including the notes and our senior secured credit facilities, contain various covenants that impose restrictions on us that may affect our ability to operate our business and to make payments on the notes.

The agreements governing our senior secured credit facilities, the Indenture governing the exchange notes and the agreements governing our other debt each impose operating and financial restrictions on our activities. These restrictions include compliance with or maintenance of certain financial tests and ratios, including minimum interest coverage ratio and maximum leverage ratio, and limit or prohibit our ability to, among other things:

- incur additional debt and issue preferred stock;

- permit liens;
- redeem and/or prepay certain debt;
- pay dividends on our stock or repurchase stock;
- make certain investments;
- engage in specified sales of assets;
- enter into transactions with affiliates;
- enter new lines of business;
- engage in consolidation, mergers and acquisitions;
- make certain capital expenditures; and
- pay dividends and make other distributions.

These restrictions on our ability to operate our business could seriously harm our business by, among other things, limiting our ability to take advantage of financing, merger and acquisition and other corporate opportunities.

Various risks, uncertainties and events beyond our control could affect our ability to comply with these covenants and maintain these financial tests and ratios. Failure to comply with any of the covenants in our existing or future financing agreements would result in a default under those agreements and under other agreements containing cross-default provisions. A default would permit debt holders to accelerate the maturity for the debt under these agreements and to foreclose upon any collateral securing the debt and to terminate any commitments to lend. Under these circumstances, we might have insufficient funds or other resources to satisfy all our obligations, including our obligations under the notes. In addition, the limitations imposed by financing agreements on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing.

We may enter into significant transactions that, although permitted by the Indenture governing the exchange notes, could adversely affect our credit ratings and the value of the notes.

The Indenture contains numerous restrictive covenants for the benefit of the note holders, but such covenants are subject to exceptions, some of which may be significant. In particular, while the Indenture limits our ability to make restricted payments, including dividends and other distributions and stock repurchases, it currently affords us the capacity to make restricted payments in amounts of up to $4.2 billion in the aggregate, provided that we remain in compliance with a specified consolidated leverage ratio. Therefore, we could, in the future, enter into certain transactions, including acquisitions, reorganizations, spin-offs, re-financings or other recapitalizations, that may increase our indebtedness and/or decrease the amount of assets available to our creditors and thereby increase our leverage relative to our assets and earnings. Consistent with our strategy of seeking to enhance shareholder value, we have in the past and intend to continue to regularly evaluate and consider such potential transactions so long as they would be permitted under the Indenture governing the exchange notes and the other documents governing our outstanding indebtedness. While such transactions could potentially enhance the value of the equity in our company, they could also negatively affect our credit ratings and the value of the notes.

The notes are effectively subordinated to our secured debt and that of the guarantors.

The notes, and each guarantee of the notes, are unsecured and therefore are effectively subordinated to any of our secured debt and that of the guarantors to the extent of the value of the assets securing such debt. In the event of a bankruptcy or similar proceeding, the assets which serve as collateral for any secured debt will be available to satisfy the obligations under the secured debt before any payments are made on the notes. As of September 30, 2013, we had approximately $3,403.4 million of secured debt outstanding.

EXHIBIT 3

July 2014 Windstream 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
Date of Report (Date of earliest event reported): July 29, 2014

Exact name of registrant as specified in its charter	State or other jurisdiction of incorporation or organization	Commission File Number	I.R.S. Employer Identification No.
Windstream Holdings, Inc.	Delaware	001-32422	46-2847717
Windstream Corporation	Delaware	001-36093	20-0792300

4001 Rodney Parham Road Little Rock, Arkansas (Address of principal executive offices)	72212 (Zip Code)

(501) 748-7000
(Registrants' telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

On July 29, 2014, Windstream Holdings, Inc. (Windstream) issued a press release announcing plans to spinoff certain telecommunications network assets into an independent, publicly traded real estate investment trust (REIT). In addition, also on July 29, 2014, Windstream will make a presentation to investors and analysts with respect to the spinoff plans and make a fact sheet available to investors and analysts with respect to the spinoff plans. A copy of the press release is attached hereto as Exhibit 99.1, a copy of the investor presentation is attached hereto as Exhibit 99.2, and a copy of the fact sheet is attached hereto as Exhibit 99.3.

The information contained in this Item 7.01 to this Current Report on Form 8-K, including Exhibits 99.1, 99.2 and 99.3, shall not be deemed "filed" with the SEC nor incorporated by reference in any registration statement filed by Windstream under the Securities Act of 1933, as amended.

Cautionary Statement Regarding Forward Looking Statements

Windstream claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding the completion of the transaction, the expected benefits of the transaction, the expected financial attributes of the new Windstream and the REIT including the initial rent amount, the pro forma dividend and leverage ratio for each company, and the illustrative trading multiples and values for each company. Such statements are based on estimates, projections, beliefs and assumptions that Windstream believes are reasonable but are not guarantees of future events and results. Actual future events and results of Windstream may differ materially from those expressed in these forward-looking statements as a result of a number of important factors.

Factors that could cause actual results to differ materially from those contemplated in Windstream's forward-looking statements include, among others:

- risks related to the anticipated timing of the proposed separation, the expected tax treatment of the proposed transaction, the ability of each of Windstream (post-spin) and the new REIT to conduct and expand their respective businesses following the proposed spinoff, and the diversion of management's attention from regular business concerns;
- our ability to receive, or delays in obtaining, the regulatory approvals required to complete the spinoff; and
- those additional factors under "Risk Factors" in Item 1A of Part I of Windstream's Annual Report on Form 10-K for the year ended December 31, 2013, and in subsequent filings with the Securities and Exchange Commission at www.sec.gov.

In addition to these factors, actual future performance, outcomes and results may differ materially because of more general factors including, among others, general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes.

Windstream undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause Windstream's actual results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties that may affect Windstream's future results included in other filings by Windstream with the Securities and Exchange Commission at www.sec.gov.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*

The following exhibits are being furnished herewith:

Exhibit No.	**Description**
	Press Release, dated July 29, 2014
	Investor Presentation
	Fact Sheet

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WINDSTREAM HOLDINGS, INC.

By: /s/ John P. Fletcher
Name: John P. Fletcher
Title: Executive Vice President and General Counsel

WINDSTREAM CORPORATION

By: /s/ John P. Fletcher
Name: John P. Fletcher
Title: Executive Vice President and General Counsel

Dated: July 29, 2014

EXHIBIT INDEX

Exhibit No.	Description
	Press Release, dated July 29, 2014
	Investor Presentation
	Fact Sheet

Exhibit 99.1

Windstream to spin off assets into publicly traded REIT

Transaction accelerates company's transformation by enabling greater network investments that will enhance service to customers while providing the REIT with opportunities to grow and diversify

Aligns strategic objectives and creates new opportunities for both companies to increase shareholder value

Release date: July 29, 2014

LITTLE ROCK, Ark. - Windstream (Nasdaq: WIN), a leading provider of advanced network communications, today announced plans to spin off certain telecommunications network assets into an independent, publicly traded real estate investment trust (REIT). The transaction will enable Windstream to accelerate network investments, provide enhanced services to customers and maximize shareholder value. The transaction will allow the REIT, which will own Windstream's existing fiber and copper network and other fixed real estate assets, to expand its network and diversify its assets through acquisitions. The company's board of directors approved the plan following the receipt of a favorable private letter ruling from the Internal Revenue Service.

"This transaction will make Windstream a more nimble competitor in today's increasingly dynamic communications marketplace and accelerate our deployment of advanced communications services," said Jeff Gardner, president and CEO of Windstream. "Additionally, the REIT will have geographically diverse, high-quality assets and sustainable cash flows with the ability to grow and diversify over time."

Transaction Rationale

The tax-free spinoff will enable Windstream to realize significant financial flexibility by lowering debt by approximately $3.2 billion and increasing free cash flow to accelerate broadband investments, transition faster to an IP network and pursue additional growth opportunities to better serve customers. As a result of the transaction, Windstream will offer faster broadband speeds and more robust performance to consumers. The company said it would expand availability of 10 Mbps Internet service to more than 80 percent of its customers by 2018. It also said it would more than double the availability of 24 Mbps Internet service by 2018, expanding to more than 30 percent of its customers.

The REIT will be positioned to provide an attractive dividend to shareholders and grow revenue through lease escalation, capital investment and acquisitions.

Transaction Details

Under the transaction, Windstream will spin off certain assets, including its fiber and copper networks and other real estate, as a REIT, which will lease use of the assets to Windstream through a long-term triple-net exclusive lease with an initial estimated rent payment of $650 million per year. Windstream will operate and maintain the assets and deliver advanced communications and technology services to consumers and businesses. Customers will see no change in their rates, scope or terms of service as a result of the transaction. Windstream will continue to have sole responsibility for meeting its existing regulatory obligations following the creation of the REIT. The REIT will focus on expanding and diversifying its assets and tenants through future acquisitions.

Windstream anticipates that the REIT will raise approximately $3.5 billion in new debt, which will be used to repay existing Windstream debt to effect the transaction. Windstream expects to retire approximately $3.2 billion of debt as part of the transaction, resulting in the company deleveraging to 3.3 times debt to adjusted operating income before depreciation and amortization immediately at closing. The company's enhanced leverage profile and improved discretionary free cash flow will enable Windstream to invest more capital in strategic initiatives, better positioning Windstream for long-term growth.

The transaction will not result in significant operational changes at Windstream. The REIT will have approximately 25 employees. Tony Thomas, Windstream's chief financial officer, will become CEO of the REIT. Francis X. "Skip" Frantz, a Windstream director, will serve as chairman of the REIT's board.

"Tony has served Windstream well, and I would like to personally offer my gratitude for his many contributions over the last eight years," Gardner said. "I am confident that his experience and expertise will benefit the REIT while also providing important continuity and fostering a close working relationship between the two companies."

Thomas was appointed CFO in 2009. He previously served as controller for Windstream. He will continue to serve in his current role with Windstream while the company conducts a search for his successor.

"I am very excited about this new opportunity and believe that we will be able to drive additional value for shareholders and maximize benefits for customers operating as two distinct companies," Thomas said.

Frantz has been a director of Windstream since 2006 and was chairman of the board from July 2006 to February 2010. He is a former chairman of the United States Telecom Association and was previously executive vice president of external affairs, general counsel and secretary of Alltel Corp.

"I have known Skip for many years, and his extensive telecommunications experience has been a terrific asset to me personally and to Windstream as a whole," Gardner said. "His leadership has been integral throughout the transformation of Windstream, and he will bring significant expertise to the REIT."

Frantz will leave the Windstream board upon close of the transaction.

Shareholder Distribution

As part of this transaction, Windstream shareholders will retain their existing shares and receive shares in the REIT commensurate with their Windstream ownership.

Dividend Practice

Windstream plans to maintain its current dividend practice through the close of the transaction. Following the spinoff, the expected annual dividend per share in the aggregate for the two companies will be $0.70 per current Windstream share, with Windstream expected to pay an annual dividend of $0.10, while the REIT will have an annual dividend equivalent to $0.60.

Approvals and Anticipated Closing

Windstream has received a private letter ruling from the Internal Revenue Service relating to certain tax matters regarding the tax-free nature of the spinoff and the qualification of the spunoff entity's assets as real property for REIT purposes.

Completion of the proposed spinoff is contingent on receipt of regulatory approvals, final approval from the Windstream board of directors, execution of definitive documentation, and satisfaction of other customary conditions. No assurances can be given that such conditions will be satisfied or as to the timing of any regulatory action. Windstream may, at any time and for any reason until the proposed transaction is complete, abandon the spinoff or modify or change the terms of the spinoff.

Windstream anticipates that the spinoff would occur in the first quarter of 2015.

Additional Information

Bank of America Merrill Lynch and Stephens Inc. are serving as exclusive financial advisers to Windstream in the transaction. Bank of America Merrill Lynch and J.P. Morgan also are advising with respect to certain financing matters. Skadden, Arps, Slate, Meagher & Flom LLP is serving as legal adviser to Windstream.

Conference Call

Windstream will hold a conference call at 7:30 a.m. CDT today to review the transaction.

To Access the Call:

Interested parties can access the call by dialing 1-877-374-3977, conference ID 78117902, ten minutes prior to the start time.

To Access the Call Replay:

A replay of the call will be available beginning at 10:30 a.m. CDT today and ending at midnight on Aug. 5. The replay can be accessed by dialing 1-855-859-2056, conference ID 78117902.

Webcast Information:

The conference call also will be streamed live over the company's website at www.windstream.com/investors. Financial, statistical and other information related to the call will be posted on the site. A replay of the webcast will be available on the website beginning at 10:30 a.m. CDT today.

About Windstream

Windstream (Nasdaq: WIN), a FORTUNE 500 and S&P 500 company, is a leading provider of advanced network communications, including cloud computing and managed services, to businesses nationwide. The company also offers broadband, phone and digital TV services to consumers primarily in rural areas. For more information, visit www.windstream.com.

Cautionary Statement Regarding Forward-Looking Statements

Windstream claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding the completion of the transaction, the expected benefits of the transaction, the expected financial attributes of the new Windstream and the REIT including the initial rent amount, the pro forma dividend and leverage ratio for each company, and the illustrative trading multiples and values for each company. Such

statements are based on estimates, projections, beliefs and assumptions that Windstream believes are reasonable but are not guarantees of future events and results. Actual future events and results of Windstream may differ materially from those expressed in these forward-looking statements as a result of a number of important factors.

Factors that could cause actual results to differ materially from those contemplated in Windstream's forward-looking statements include, among others:

- risks related to the anticipated timing of the proposed separation, the expected tax treatment of the proposed transaction, the ability of each of Windstream (post-spin) and the new REIT to conduct and expand their respective businesses following the proposed spinoff, and the diversion of management's attention from regular business concerns;
- our ability to receive, or delays in obtaining, the regulatory approvals required to complete the spinoff; and
- those additional factors under "Risk Factors" in Item 1A of Part I of Windstream's Annual Report on Form 10-K for the year ended December 31, 2013, and in subsequent filings with the Securities and Exchange Commission at www.sec.gov.

In addition to these factors, actual future performance, outcomes and results may differ materially because of more general factors including, among others, general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes.

Windstream undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause Windstream's actual results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties that may affect Windstream's future results included in other filings by Windstream with the Securities and Exchange Commission at www.sec.gov.

-end-

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David Avery, 501-748-5876
david.avery@windstream.com

Investor Contact:
Mary Michaels, 501-748-7578
mary.michaels@windstream.com

Exhibit 99.2

windstream

Windstream to Spin Off Selected Assets into Publicly Traded REIT

July 29, 2014

1

Safe Harbor

windstream

Safe Harbor Statement

Windstream claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding the completion of the transaction, the expected benefits of the transaction, the expected financial attributes of the new Windstream and the REIT including the initial rent amount, the pro forma dividend and leverage ratio for each company, and the illustrative trading multiples and values for each company discussed herein. Such statements are based on estimates, projections, beliefs, and assumptions that Windstream believes are reasonable but are not guarantees of future events and results. Actual future events and results of Windstream may differ materially from those expressed in these forward-looking statements as a result of a number of important factors.

Factors that could cause actual results to differ materially from those contemplated in Windstream's forward-looking statements include, among others: (i) risks related to the anticipated timing of the proposed separation, the expected tax treatment of the proposed transaction, the ability of each of Windstream (post-spin) and the new REIT to conduct and expand their respective businesses following the proposed spin off, and the diversion of management's attention from regular business concerns; (ii) our ability to receive, or delays in obtaining, the regulatory approvals required to complete the spin off; and (iii) those additional factors under "Risk Factors" in Item 1A of Part I of Windstream's Annual Report on Form 10-K for the year ended December 31, 2013, and in subsequent filings with the Securities and Exchange Commission at www.sec.gov.

Windstream Participants

windstream

Jeff Gardner

Chief Executive Officer, Windstream

Tony Thomas

Chief Financial Officer, Windstream

Bob Gunderman

SVP & Treasurer, Windstream

Throughout this presentation:

- "Windstream" or "WIN" refers to Windstream Holdings, Inc. (existing entity)
- "REIT" refers to the proposed newly formed, publicly traded real estate investment trust to be spun-off to WIN shareholders

3

Where We've Come From

windstream

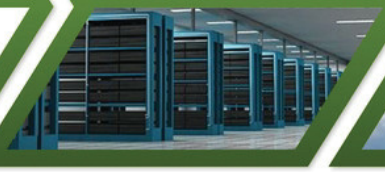
2006

Traditional Rural ILEC

- Consumer-focused voice and broadband provider

2007-2012

Transformation



- Expanded focus on enterprise and broadband services

2013+

Business Services and Broadband Provider

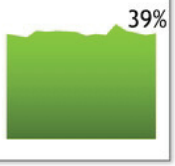
- Executing a growth focused strategy

4

Where We Are Today

windstream

Strong business focus with advanced capabilities

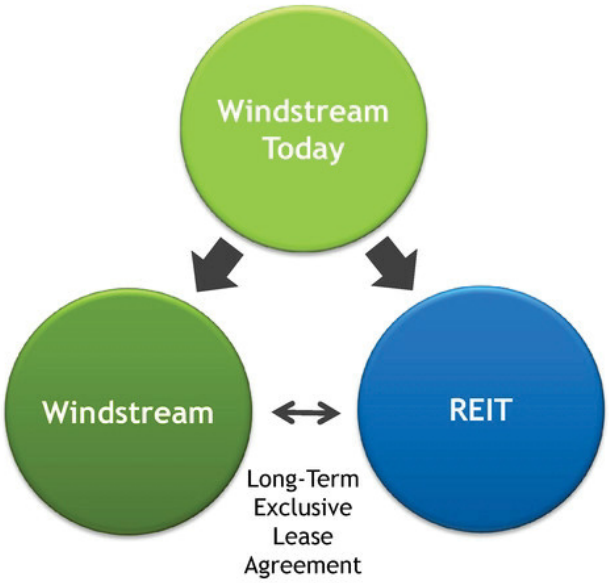
Strong Enterprise Focused Capabilities	National Footprint	Business, Broadband Leader	Focus on Mid-Size Enterprises	Stable Margins	Financially Strong
					
▪ Top 5 Fiber Network ▪ 2,000+ Enterprise Sales Force	▪ 48 States ▪ 86 Top markets	▪ 73% revenue in growth segments	▪ Advanced customized solutions	▪ Disciplined expense management	▪ ~$830M annual free cash flow

windstream®
smart solutions. personalized service.

5

What We Are Announcing

Windstream plans to separate its business into two publicly traded, independent companies through a tax-free spinoff of selected network assets



- Windstream will spin off certain network assets (including fiber, copper, real estate and other fixed assets) into an independent, publicly traded real estate investment trust or "REIT"
- Windstream retains operational control of the network assets via a long-term "triple net" exclusive master lease agreement and will retain responsibility for meeting its existing regulatory obligations post transaction
- Windstream will retain the day-to-day role of providing advanced network communications services to businesses and consumers
- The REIT will become a new publicly traded real-estate investment trust that invests in telecom distribution system assets

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Why This Makes Sense

windstream

Enables greater network investments

- Enhanced cash flow positions WIN to accelerate broadband investments, transition to an IP-centric network faster and deliver enhanced services to customers
- Increased investments drive growth, improve long-term competitiveness, and enable WIN to better meet customers' changing needs
- Capital project partnerships with Windstream will promote growth at the REIT

Optimizes capital structure

- Decreases WIN indebtedness by $3.2bn and reduces leverage to 3.3x OIBDA (1)
- The new REIT's capital structure is aligned with the REIT asset class with an attractive weighted average cost of capital
- Ability to pursue separate capital allocation policies
  - initial aggregate dividend targeted at $0.70 per share

Aligns strategic objectives

- Enables separate strategic objectives
  - Windstream: A growth-focused operating company
  - The REIT: A yield-focused real-estate investment trust
- Better positions WIN and the REIT to pursue growth through incremental capital investments and acquisitions

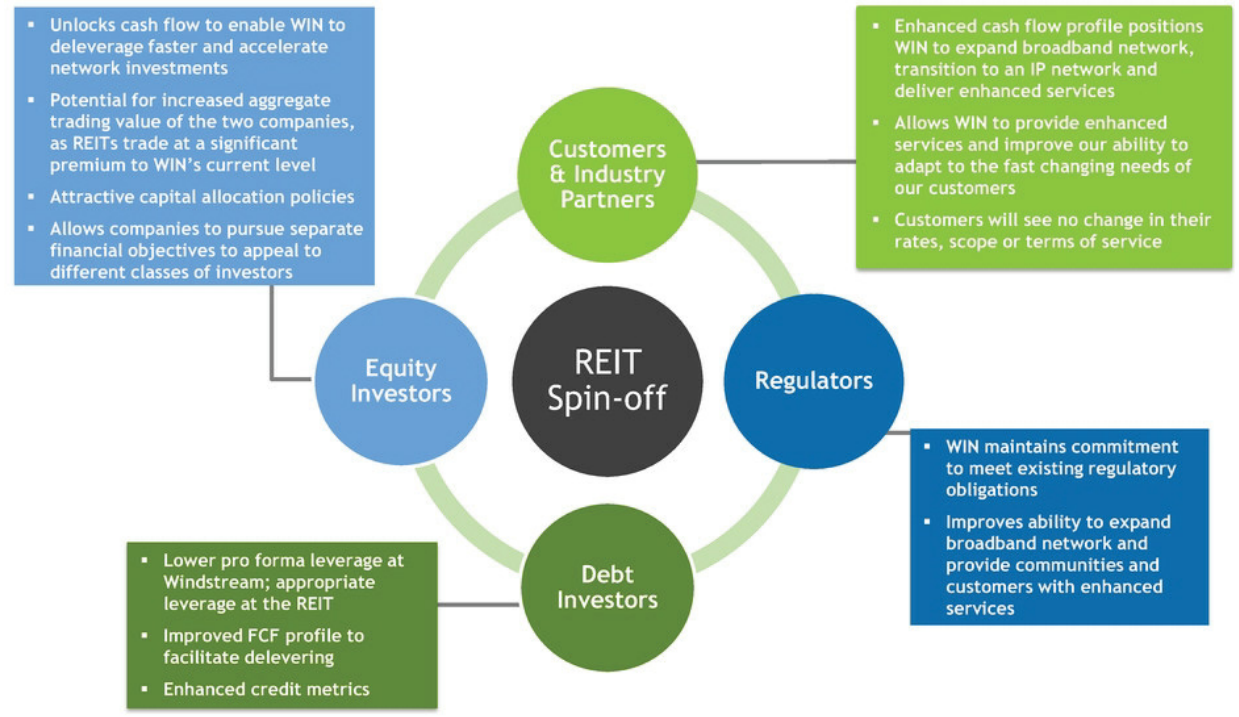
Unlocks shareholder value

- Ability to evaluate each entity separately using valuation techniques aligned with each company's asset mix, business outlook, and strategic objectives
- Structure, combined with REIT dividend distribution requirements and single level tax treatment, allows each company to pursue attractive growth opportunities while creating value for shareholders

(1) FY14E Adjusted OIBDA equal to Wall St. consensus estimates.

7

Transaction Benefits All Stakeholders



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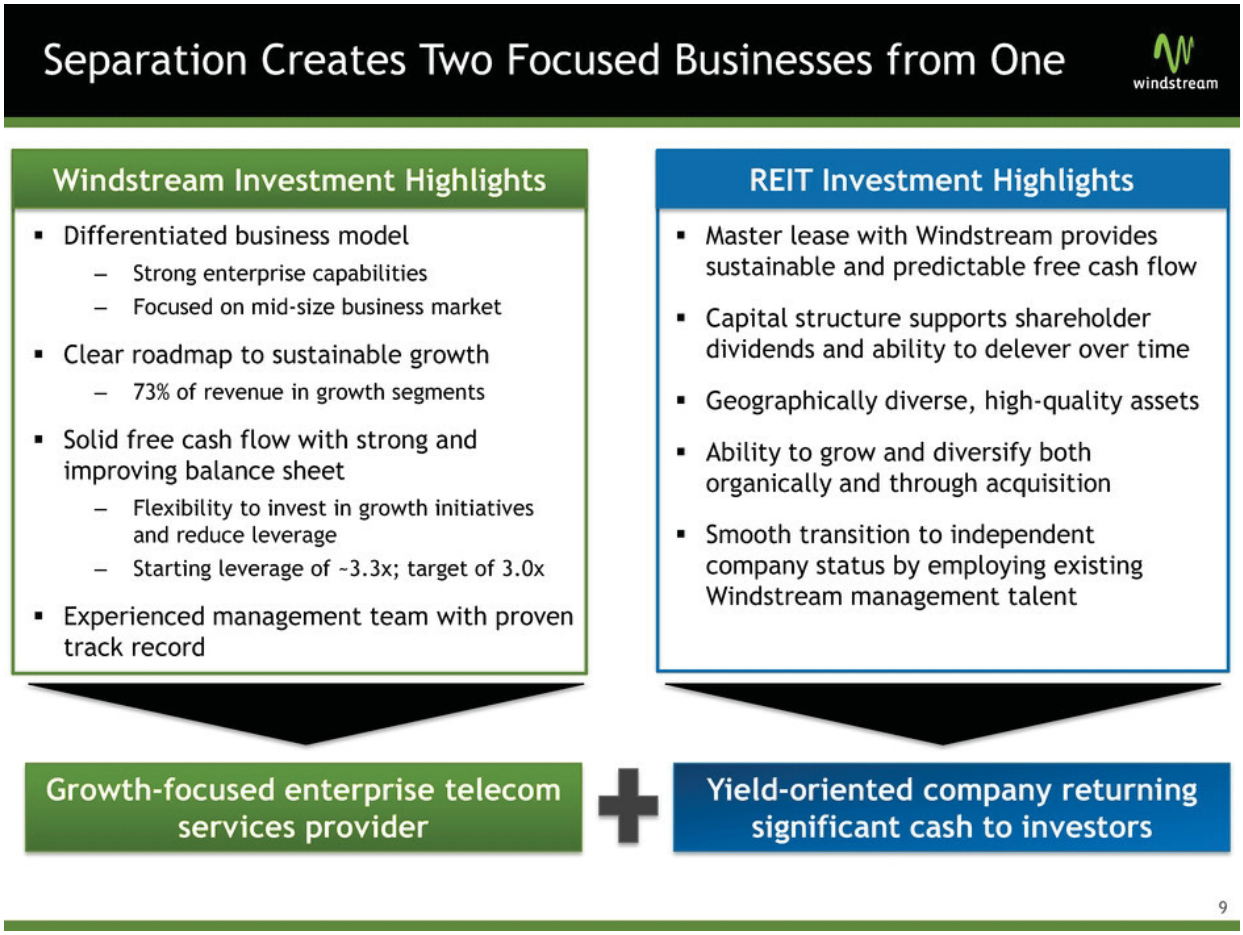
Separation Creates Two Focused Businesses from One
windstream
Windstream Investment Highlights
Differentiated business model
Strong enterprise capabilities
Focused on mid-size business market
Clear roadmap to sustainable growth
73% of revenue in growth segments
Solid free cash flow with strong and improving balance sheet
Flexibility to invest in growth initiatives and reduce leverage
Starting leverage of ~3.3x; target of 3.0x
Experienced management team with proven track record
REIT Investment Highlights
Master lease with Windstream provides sustainable and predictable free cash flow
Capital structure supports shareholder dividends and ability to delever over time
Geographically diverse, high-quality assets
Ability to grow and diversify both organically and through acquisition
Smooth transition to independent company status by employing existing Windstream management talent
Growth-focused enterprise telecom services provider
Yield-oriented company returning significant cash to investors
9

Transaction Mechanics

WIN received a Private Letter Ruling from the IRS with respect to the tax-free status of the separation and the qualification of certain assets as "REIT-able"

Transaction Structure	▪ Tax-free spin off of REIT to Windstream shareholders
Indebtedness	▪ Windstream to reduce total indebtedness by ~$3.2B (1) – Windstream to retire additional $2.2B of debt via debt-for-debt exchange – The REIT to distribute $1.2B in cash to Windstream to fund debt retirement ▪ The REIT to raise approximately $3.5B in new debt
Shareholder Distribution	▪ WIN shareholders will retain shares of Windstream Holdings and receive shares of the REIT commensurate with their WIN ownership
Dividend Practice	▪ The REIT will distribute at least 90% of its annual taxable income as dividends ▪ Expected aggregate annual dividend target of $0.70 per current share – WIN dividend of $0.10 per share (2) – REIT dividend of $0.60 per share, assuming a 1 for 1 exchange ratio (3)

(1) Net of estimated transaction expenses and financing fees.
(2) WIN plans to maintain its current dividend practice through the close of the transaction.
(3) The final exchange ratio is subject to change. The REIT's dividend is expected to be the equivalent of a $0.60 annual dividend per WIN share.

Windstream Business Snapshot

Company Objectives	▪ Be a leading provider of advanced communications services to businesses nationwide ▪ Provide broadband, phone & digital TV services to consumers ▪ Pursue new growth opportunities to adapt to the rapidly changing telecom landscape
Operations	▪ Business locations/customers: 606k/388k ▪ Consumer connections: 3.3M, mostly rural ▪ Locations: 150 offices in 48 states ▪ Employees: ~13k
CEO & Chairman	▪ Jeff Hinson, Chairman ▪ Jeff Gardner, CEO
Financial Considerations	▪ Pro forma revenue: ~$6B ▪ Expected pro forma net leverage: ~3.3x (down from 3.8x) ▪ Leverage target: 3.0x ▪ Targeted capex intensity: 13-15% ▪ Expected dividend: $0.10 per share ▪ Expected payout ratio: 15-20%

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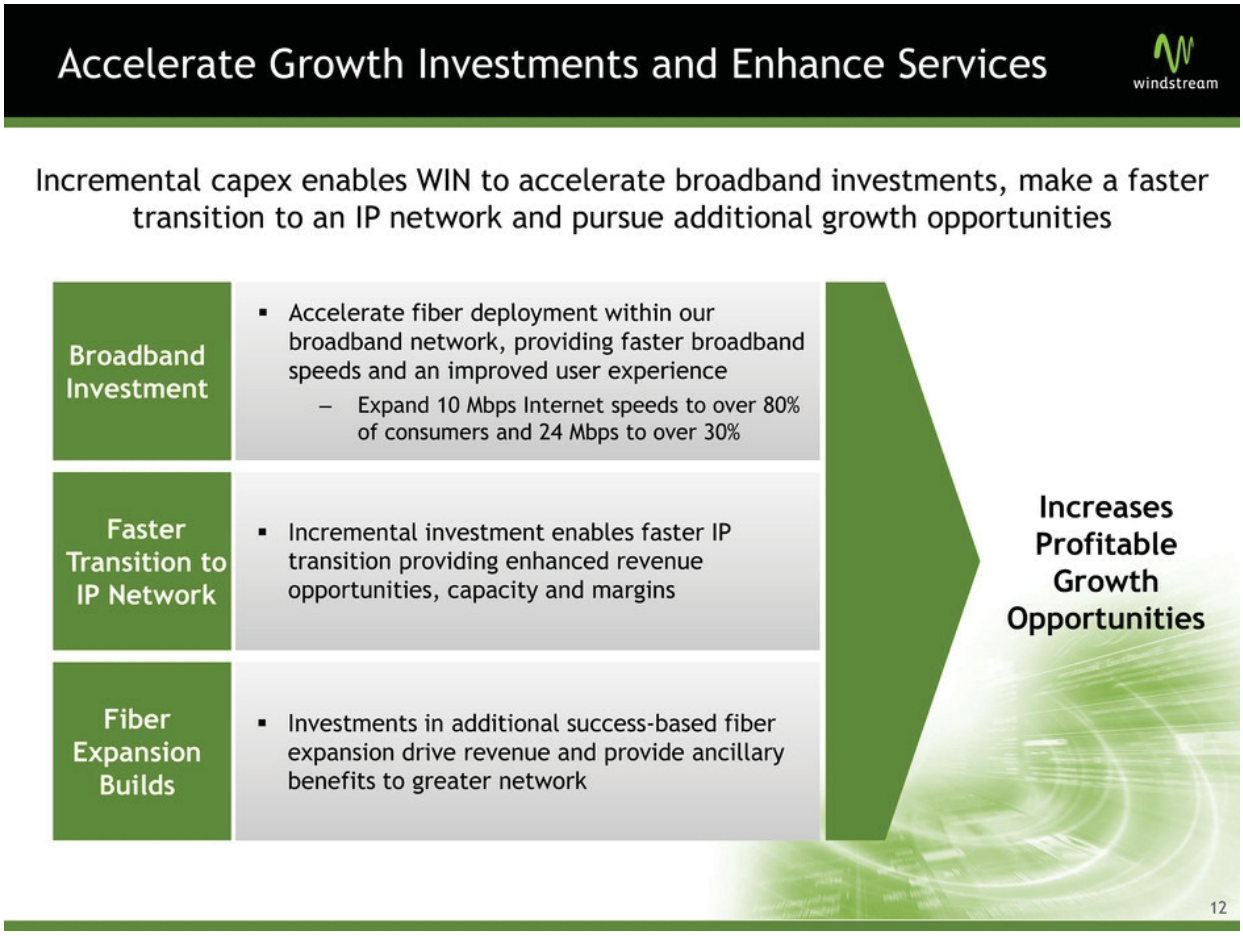
Accelerate Growth Investments and Enhance Services
windstream
Incremental capex enables WIN to accelerate broadband investments, make a faster transition to an IP network and pursue additional growth opportunities
Broadband Investment
Accelerate fiber deployment within our broadband network, providing faster broadband speeds and an improved user experience
– Expand 10 Mbps Internet speeds to over 80% of consumers and 24 Mbps to over 30%
Faster Transition to IP Network
Incremental investment enables faster IP transition providing enhanced revenue opportunities, capacity and margins
Fiber Expansion Builds
Investments in additional success-based fiber expansion drive revenue and provide ancillary benefits to greater network
Increases Profitable Growth Opportunities
12

The REIT's Pro Forma Business Snapshot

windstream

Company Objectives	▪ Invest in geographically diverse telecom distribution system assets, including fiber, copper, real estate, and other related fixed assets ▪ Improve asset diversification through strategic investment and acquisition of adjacent telecommunications infrastructure over time ▪ Return income to investors through regular dividend distributions
Operations	▪ Anchor tenant: Windstream ▪ Future customers: Other carriers and telecommunications services providers ▪ Growth strategy: Success-based capital investments and rent escalators ▪ Employees: ~25
CEO & Chairman	▪ Skip Frantz, Chairman ▪ Tony Thomas, CEO
Financial Considerations	▪ Initial lease revenue: ~$650M (1) ▪ Expected pro forma net leverage: ~5.4x ▪ Expected dividend: $0.60 per share ▪ Expected payout ratio: ~75%



(1) The REIT will also receive Windstream's residential CLEC business.

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The REIT's Paths to Achieving Long-Term Growth

windstream

Windstream Partnership	Rent Escalation	▪ Grow the Windstream annual lease payment through annual lease escalation after year 3
	Investing for Growth	▪ Partner with Windstream to invest in projects that will result in incremental revenue for the REIT through higher annual lease payments – Provides Windstream attractive financing option by helping fund capital investments through the REIT's lower cost of capital
Independent Growth	Sale Leaseback Transactions	▪ Provides tenant diversification and added scale to the REIT over time ▪ Substantial existing telecom assets that qualify as real property ▪ Various transaction structures available
	Asset Diversification	▪ Expand through related investments in adjacent telecom markets

Flexible balance sheet and additional leverage capacity will help support the REIT's growth strategy

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Separation Creates Significant Value

windstream

The separation is free cash flow accretive, significantly deleveraging to Windstream and provides the potential for substantial shareholder value creation

	Current Windstream	New Windstream	REIT	Illustrative Combined Value / % Change
Assumed Adjusted OIBDA Multiple	6.7x *Current*	6.7x	14.4x *1-Year Triple-Net REIT Comp Average*	
Indicative Share Price	$ 10.46	$ 8.66	$ 9.41	$ 18.07 / 72.7%
Indicative Equity Value	$ 6,307	$ 5,222	$ 5,672	
(+) Net Debt (as of 12/31/14E) [1]	8,500	5,250	3,400	
Indicative Enterprise Value	$ 14,807	$ 10,472	$ 9,072	
Fiscal Year 2014E Metrics: [2]				
FY14E Revenue [2]	$ 5,900	$ 5,900	$ 650	
FY14E Adjusted OIBDA [2]	2,220	1,570	630	
FY14E Adjusted Free Cash Flow [2,3]	830	508	439	$ 946 / 14.0%
Net Leverage [4]	3.8x	3.3x	5.4x	
Dividend per Share	$ 1.00	$ 0.10	$ 0.60	$ 0.70 / (30.0%)

Note: For illustrative purposes only and not intended to predict future share prices of New Windstream or the REIT. The REIT's indicative share price and dividend per share assumes a 1:1 exchange ratio. Assumes $650M lease payment from Windstream to the REIT and pay down of ~$3.2B of debt at Windstream. Excludes transfer of consumer CLEC business.

(1) Excludes debt premium. FY14E debt estimated based on FCF and payout ratio guidance. Assumes Windstream incurs $150M in transaction expenses and financing fees.

(2) FY14E Revenue and Adjusted OIBDA equal to Wall St. consensus estimates. Windstream FY14E adjusted FCF equal to midpoint of guidance.

(3) Assumes 4.0% interest rate on debt paid down at Windstream and 5.5% interest rate on new debt at the REIT, tax affected at 38.0%.

(4) Assumes $75M pro forma cash at Windstream and $75M pro forma cash at the REIT.

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Key Next Steps

windstream

- **3Q14**
  - File regulatory approval documentation with various regulatory authorities
    - Transaction will require regulatory approval from multiple state Public Utility Commissions
  - Prepare spinoff agreements and SEC filings (including pro forma financial statements for each company)
- **4Q14**
  - File Form 10 with the SEC
  - Begin executing financing transactions
- **1Q15**
  - Finalize definitive documentation
  - Distribution made after Form 10 declared effective and regulatory approval process completed
  - The REIT to commence operations as a publicly traded real-estate investment trust

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Summary

- Transaction unlocks meaningful value for shareholders
- Benefits equity and debt investors: Additional cash flow generated from this structure will accelerate debt pay down, enable greater reinvestment into the business and provide increased strategic and financial flexibility
- Windstream will be better positioned to focus on growth through attractive expansion projects, while the REIT's strong and stable cash flow will support an attractive dividend
- New capital structures provide increased strategic flexibility and allow each company to optimize its own priorities and opportunities
- Experienced management team will enhance transaction execution and ensure seamless operation for our customers

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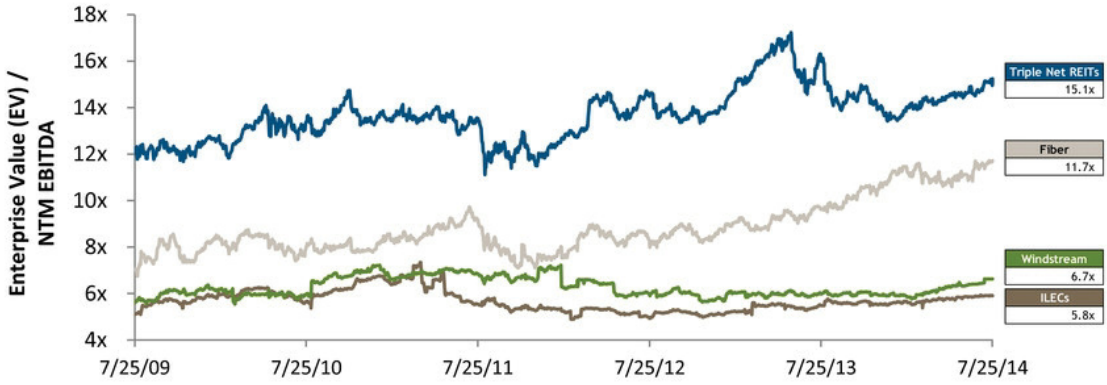
Appendix

Historical Valuation of REITs versus WIN Peers

windstream

Triple Net REITs have historically traded at significant premiums to WIN and its peers

Average During	Windstream	ILECs	Fiber	Triple Net REITs
Current Multiple:	6.7x	5.8x	11.7x	15.1x
Last 1 Year:	6.1x	5.7x	10.8x	14.4x
Last 2 Years:	6.0x	5.5x	9.8x	14.6x
Last 3 Years:	6.2x	5.4x	9.3x	14.1x
Last 5 Years:	6.3x	5.7x	8.8x	13.7x



Source: Factset.
Note: Triple Net REITs average EV / NTM EBITDA includes O, OHI, NNN, GLPI, EPR, LXP, MPW, NHI, SBRA, LTC and GTY.
Note: ILECs average EV / NTM EBITDA includes ALSK, HCOM, FRP, CNSL, CBB, WIN, FTR and CTL.
Note: Fiber average EV / NTM EBITDA includes CCOI, TWTC and LVLT.

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Lease Key Terms

windstream

Lease Structure	▪ Exclusive "triple net" Master Lease between Windstream Holdings ("Windstream") and the REIT ▪ Under the triple net lease structure, Windstream will be responsible for maintenance capex, property taxes, insurance and other costs associated with the operation and maintenance of the assets including without limitation, permits and pole agreements, 3rd party leases, licenses and regulatory fees
Term and Termination	▪ 15 years, with up to four 5-year extensions at Windstream' s option ▪ Causes for termination by lessor include lease payment default, bankruptcy and/or loss of relevant authorization permits ▪ Provisions for orderly auction-based transition to new operator at the end of the term if not extended
Rent	▪ $650M (1) annual rental rate (excluding additions from capex), paid in equal monthly installments ▪ Rate is fixed for 3 years; thereafter, the rate increases on an annual basis at a rent escalator of 0.5%
Rights Conveyed	▪ Lease will convey upon Windstream, for the express benefit of its operating subsidiaries, exclusive rights to access and affix telecommunications electronics, switching or other equipment to the REIT's assets for the provision, routing and delivery of voice, data and other communication services ▪ In exchange for consideration paid, Windstream's exclusive usage rights include the right to provide communications services or sub-lease access to the REIT's assets. Any such services will be operated and administered by Windstream for its sole benefit
Capital Expenditures	▪ Windstream will be required to maintain properties consistent with industry standards, in good repair ▪ Capitalization rate of REIT funded investments will be 8.125% for first 2 years and a floating rate based on the REIT's cost of capital thereafter

(1) Final rent amount to be determined following the final appraisal of the leased property.

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Exhibit 99.3

WINDSTREAM TO SPIN OFF ASSETS INTO PUBLICLY TRADED REIT

windstream.

To stay ahead of the fast-changing service needs of our customers – whether in broadband, cloud computing or IP-based services – Windstream is planning to spin off certain telecommunications assets, including fiber, copper and other fixed assets, into an independent, publicly traded real estate investment trust (REIT). The transaction will allow Windstream to accelerate network investments, provide enhanced services to customers and maximize shareholder value.

REIT

A publicly traded company that owns and operates income-producing real estate.

REITs distribute 90% of their annual taxable income as a dividend.

Windstream Details

Advanced network communications service provider

Management
Jeffrey T. Hinson
Board Chairman
Jeff Gardner
President & CEO

Employees
13,000

$ Stock symbol
WIN

Windstream ⟵ LONG-TERM MASTER LEASE ⟶ The REIT

Initial estimated rent payment of $650 million per year

REIT Details

Certain assets, including fiber, copper and other fixed assets

Management
Francis X. "Skip" Frantz
Board Chairman
Tony Thomas
CEO

Employees
~25

$ Stock symbol
TBD

KEY TRANSACTION FACTS

Operational

- Windstream will be the REIT's anchor tenant and will lease the assets to operate and maintain the network; over time, the REIT will have strong growth opportunities through lease escalation, capital investment and acquisitions
- No changes will be made to customers' service as a result of the transaction
- Windstream will continue to have sole responsibility for meeting its existing regulatory obligations

Financial

- Provides attractive aggregate dividend of $.70, with majority paid by the REIT
- The REIT will raise approximately $3.5 billion in new debt to repay existing Windstream debt; Windstream will deleverage immediately to 3.3x
- Combination of REIT distribution requirements and single-level tax treatment leads to additional value for shareholders

FOUNDATION OF STRENGTH

Windstream continues its transformation into an advanced communications and technology services company

Roughly two-thirds of capital invested directed toward growth initiatives to enhance network capabilities

Windstream has the 5th largest fiber network in the U.S.

Capital efficient, high cash flow business model

73%

Windstream has elevated business services and consumer broadband to 73% of the company's total revenue

CORE BENEFITS

Makes Windstream a more nimble competitor and better positioned to advance in a fast-changing communications marketplace

Enables Windstream to accelerate broadband investments, transition faster to an IP network and deliver growth more quickly in order to better serve customers

Aligns strategic objectives and creates new opportunities for both companies to maximize shareholder value

INVESTORS

- Windstream will have increased flexibility to invest in growth initiatives and further reduce leverage while the REIT will be capitalized to ensure strong returns to shareholders, with an ability to deliver growth over time
- Generates additional free cash flow
- Modestly increases WIN capex intensity to ~13-15% to enable growth and enhanced services to customers
- Enables debt reduction of $3.2 billion via a debt-for-debt exchange and a distribution from the REIT to Windstream

CUSTOMERS

- In a rapidly shifting communications landscape, addresses fast-changing needs of consumer and business customers
- Enables the acceleration of Windstream's network investments that will offer faster broadband speeds, a faster transition to IP and more robust performance for customers
- The transition will be seamless for customers

EMPLOYEES

- Drives Windstream's vision to become the premier enterprise communications and services provider
- The separation will accelerate Windstream's transformation and improve the company's competitive position
- There will be no change to employee roles and responsibilities
- Over time, a stronger, more competitive company will create better opportunities for employees

LOOKING FORWARD…

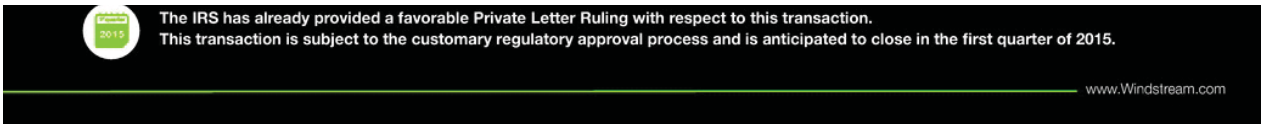
2015
The IRS has already provided a favorable Private Letter Ruling with respect to this transaction.
This transaction is subject to the customary regulatory approval process and is anticipated to close in the first quarter of 2015.
www.Windstream.com

EXHIBIT 4

Gunderman Dep. Tr.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
No. 17 Civ. 7857 (JMF)
----------)
U.S. BANK NATIONAL ASSOCIATION, solely in its capacity as indenture trustee of Windstream Services, LLC's 6 3/8% Senior Notes due 2023,

Plaintiff-Counterclaim Defendant,

vs.

WINDSTREAM SERVICES, LLC,

Defendant-Counterclaimant,

vs.

AURELIUS CAPITAL MASTER, LTD.,

Counterclaim Defendant.

----------)

VIDEOTAPED 30(b)(6) DEPOSITION OF WINDSTREAM SERVICES, LLC by
BOB F. GUNDERMAN
New York, New York
November 3, 2017

Reported by:
Linda Salzman
JOB NO. 133132

November 3, 2017
10:08 a.m.

Videotaped 30(b)(6) Deposition of WINDSTREAM SERVICES, LLC by BOB F. GUNDERMAN, held at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York, pursuant to Notice, before Linda Salzman, a Notary Public of the State of New York.

A P P E A R A N C E S:

FRIEDMAN KAPLAN SEILER & ADELMAN
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Attorneys for Defendant-Counterclaimant and the Witness
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BY: AARON MARKS, ESQ.
RUSH HOWELL, ESQ.

(Continued)

A P P E A R A N C E S: (Continued)

KRAMER LEVIN NAFTALIS & FRANKEL
Attorneys for Counterclaim Defendant
1177 Avenue of the Americas
New York, New York 10036
BY: ARTHUR AUFSES III, ESQ.

Also Present:
MICHAEL C. McCARTHY, Maslon LLP
DALE SWINDELL, Videographer

STIPULATIONS

IT IS HEREBY STIPULATED AND AGREED by and among counsel for the respective parties hereto, that the sealing and certification of the within deposition shall be and the same are hereby waived;

IT IS FURTHER STIPULATED AND AGREED all objections, except as to the form of the question, shall be reserved to the time of the trial;

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

B. Gunderman
reads:
"Remember, the sales -- leaseback provision in the indenture can be a limited factor here."
Do you see that?
A. I see that.
Q. Do you have any understanding as to what that refers to?
MR. MARKS: Objection to form.
A. I don't recall what he was referring to in his e-mail.
Q. Can you tell us what your role was in the planning of the April 2015 transaction?
A. Can you be more specific?
Q. No. I mean, I would like to hear you generally explain what your role was in the transaction.
A. Well, you know, the transaction, the planning steps of the transaction went on for multiple months. Multiple years. Quarters. I was the treasurer. At that time, my role would have been to contemplate the capitalization of the

B. Gunderman
NewCo, the new REIT.
I would have been responsible for investor relations, which would have been, you know, think of how we would communicate the benefits of the transaction to all of our constituents.
And also managed financial planning, which given that role, I would have been involved in understanding the financial impacts of any number of, you know, financial assumptions and outcomes of whatever was current with Windstream at the time.
So in the context of this transaction, that would have been my contribution to the project.
Q. And as of April 2013, had the planning for the transaction started?
A. I don't recall the exact timing of the planning of the transaction. I do recall that sometime in 2013 we were approached with a concept of a REIT spin-off. I wasn't heavily involved early on in the planning of the transaction. As

B. Gunderman
the ideation became more developed, I became more involved as the project progressed, but in the initial ideation, planning, structuring, I wasn't involved in driving that.
Q. You referred in your last answer to, "We were approached with a concept of a REIT spin-off."
Who is the "we" in that statement?
A. The company.
Q. And the company at that time was what? What was the name of the company?
A. Windstream Services.
Q. Because there was no Holdings at that time, correct?
A. I forget the exact day of the establishment of Holdings, but you know, we put the HoldCo structure in somewhere, I believe, in 2013.
Q. And who approached Windstream Services?
A. My recollection was, is that Bank of America was the advisor who

B. Gunderman
brought the original idea.
Q. And do I understand you correctly that the idea came from Bank of America?
A. Yes.
Q. It wasn't something being planned and discussed within Windstream prior to Bank of America?
A. Not to my knowledge.
Q. And who at Bank of America was involved in approaching Windstream?
A. I don't remember all the accounting that was responsible. I think Amar Mirza might have been a structuring person who would have presented the idea at some point, and our lead investment banking advisor at the time was, I think, Mark Bush would be the two that I would have remembered from the account team that would have approached us.
Q. As the planning progressed through to the time of the actual transaction in April of 2015, did Bank of America continue to be involved?

B. Gunderman
constituents.
Q. Could I ask you to look at, please, the third page of this exhibit, which is WIN 20238.
A. Could I have a moment to read this?
Q. Of course.
A. Thank you.
(Witness reading document.)
A. I've read the document.
Q. I would like to call your attention, please, to page 3 of the document, which is WIN 20238.
A. Okay.
Q. And there's an e-mail on that page dated 2/28/2015, subject: Re Fitch follow-up questions addressed to John, and it's from Mary.
Do you see that?
A. I do see that.
Q. And Mary is Mary Michaels at Windstream and John is John Culver at Fitch Ratings, correct?
A. Correct.

B. Gunderman
Q. And one of the statements by Mary Michaels is:
"The lease payment is technically subordinated to the Win Corp. debt. However, as a practical reality, it is clearly a priority payment."
Do you see that?
A. I do.
Q. And do you agree with that statement by Mary Michaels?
A. Well, as I testified earlier, I agree that the lease payment at Windstream Holdings is junior in priority to the obligations that, what is now Windstream Services, and I do agree that the lease payment from Windstream Holdings to Uniti is a priority payment given the importance of the use of the leased assets from Windstream Holdings and its subsidiaries.
Q. And the reference to lease payment is a reference to the rent due under the master lease, correct?
A. That is my understanding of the statement.

B. Gunderman
Q. And you previously testified today about how cash goes from transferor subsidiaries to Services to Holdings to enable Holdings to pay the rent. Do you recall that?
A. I previously testified that the transferor subsidiaries as express beneficiaries of and who have use of the assets of the master lease use those assets to create income, that cash from that income is aggregated up to Services, and the ability for Services to move cash, you know, outside of the restricted Services group is governed by our covenants, and one of the uses of cash that we move from Services to Holdings is to make a payment for the master lease with Uniti.
Q. And in the years or two-and-a-half years since the master lease was signed, have the transferor subsidiaries in fact generated enough cash from their operations to fund the payment of rent under the master lease?

B. Gunderman
A. Well, the transferor subsidiaries by definition don't make the payments for the master lease. The transferor subsidiaries generate income. That income is turned into cash, which is aggregated into Services. That cash is governed by our covenants within Win Services, which we were able to send cash from Services to Holdings, and we pay the master lease with that cash.
Q. And the cash that has been generated month after month by the transferor subsidiaries has been sufficient in amount to enable Services to send enough cash to Holdings, for Holdings to pay the monthly rent every month to Uniti; is that correct?
A. I would answer it a different way. The aggregate cash generated by Windstream Holdings' subsidiaries in the aggregate, which is more than just transferor subsidiaries, has been more than enough cash to satisfy the obligations that Holdings has to make the

EXHIBIT 5

Intercompany Memo

windstream communications

INTERCOMPANY MEMO

Date: April 24, 2015

To: The Files

From: External Reporting

Subject: Spin-off/Leaseback Accounting Considerations

Background and Description of the Transaction

On April 24, 2015, Windstream Holdings, Inc. ("Windstream," the "Company," "we," "our," or "us"), a holding company and parent company of Windstream Services, LLC ("Win Services"), completed the spin-off of certain telecommunications network assets (the "Transferred Assets") and its consumer Competitive Local Exchange Carrier ("CLEC") business into an independent, publicly traded real estate investment trust ("REIT"), Communications Sales & Leasing, Inc. ("CS&L"), a Maryland corporation. Following the completion of the spin-off, CS&L will elect to be treated as a REIT for federal income tax purposes under Section 856(a) of the Internal Revenue Code of 1986, as amended and formed a wholly-owned taxable REIT subsidiary ("TRS") to operate the consumer CLEC business. CS&L primarily will be engaged in leasing activities, consisting largely of leasing to Windstream, the telecommunications distribution system assets, as well as acquiring, developing, and leasing telecommunications distribution system assets operated by tenants other than Windstream, which may include, but are not limited to, cable television distribution systems, data center facilities, and wireless tower stations. CS&L will not operate the distribution system assets or any other real estate assets it may acquire, but rather, CS&L will lease each of its assets to another entity to operate. CS&L's TRS will operate the consumer CLEC business and focus on ways to improve its operating performance. For purposes of this memo, the transfer of the distribution system assets to CS&L and the subsequent leaseback by Windstream is referred to as "the Transaction".

Transferred Assets

Win Services and its subsidiaries own an extensive copper cable network and a local and long-haul fiber optic cable network, which it utilizes in its communications business or leases to third party communications providers{ XE "Real Property Business" }. The networks include approximately 285,000 miles of copper cable lines, approximately 118,000 route miles of fiber optic cable lines, telephone poles, underground conduits, concrete pads, attachment hardware (e.g., bolts and lashings), pedestals, guy wires, anchors, signal repeaters, and central office land and buildings. The telecommunications distribution system assets are passive and are clearly distinct from the equipment and electronics that generate the voice and data signals, which are the basis for Windstream's recording revenue and expense transactions associated with the provisioning of telecommunication services to its customers. As a result, equipment connected to the distribution system assets such as switches, routers, digital subscriber line access multiplexers, etc. did not transfer to CS&L and was retained by Windstream. Approximately 47% of Win Services' net book value of its telecommunications property, plant and equipment was transferred to CS&L in the spin-off transaction.

Certain components of the telecommunications distribution system assets are installed along public rights-of-way or easements{ XE "Easements" } held by Win Services or other public utilities. In addition, Win Services holds permits from state highway departments and enters into right-of-way license or franchise agreements with county governments and local municipalities in order to access public rights-of-way{ XE "Permits" }. Win Services also enters into pole attachment agreements pursuant to which Win Services attaches its cable lines to a third party's poles or allows a third party to attach its cable lines to Win Services' poles{ XE "Pole Agreements" }. Each of the easements, permits, and pole agreements provides the holder with the right to use and access specified real property for the purpose of installing, maintaining, and operating a telecommunications distribution system. Easements are typically acquired for an unlimited or indefinite period of time, whereas pole agreements and permits are generally for a fixed period of time in exchange for consideration. Pole agreements typically have terms of ten to twenty-five

years, with automatic one-year renewal terms thereafter. Permits to use highway rights-of-way are usually in perpetuity because regulated utilities have the right to occupy public rights-of- way. Permits to use rights-of-way in cities are typically for three to ten years, with one-year renewal terms thereafter, but regulated utilities also have a right to occupy these rights-of-way. The holder of a permit or pole agreement is generally required to pay its proportionate share of the maintenance costs of the site and to maintain the physical assets located thereon.

If Win Services had transferred outright ownership of the easements, permits and pole agreements to CS&L, then CS&L would have had to become regulated with the public utility commissions ("PUCs{ XE "PUCs" }") in each state in which the property underlying the relevant agreement or permit is located. Although there are no legal or other impediments to CS&L becoming regulated and, as CS&L expands its ownership of distribution system assets that it leases to other tenants, it may choose to become regulated, obtaining PUC authorizations would have been a costly, time-intensive, and complex process. Accordingly, allowing legal title to remain at Win Services at the date of the spin-off avoided the inefficiency of obtaining two PUC authorizations. In conjunction with the spin-off, Windstream irrevocably assigned to CS&L all of the benefits and burdens of ownership of the easements, permits, and pole agreements through assignment and assumption agreements. { XE "Assignment Agreements" }

CLEC Business

Win Services' consumer CLEC business offers voice, broadband, long-distance, and value-added services to consumer customers located in primarily rural locations{ XE "Consumer CLEC Business" }. A substantial portion of the network assets used to provide these services to customers are contracted through interconnection agreements with other carriers, as compared to the services offered in our Incumbent Local Exchange Carrier ("ILEC") markets where most of the network assets are owned by us. The consumer CLEC business generated approximately $36.0 million and $45.1 million in revenues for the years ended December 31, 2014 and 2013, respectively, and had approximately 54,000 and 77,000 customers as of December 31, 2014 and 2013, respectively. Beginning in 2012, Win Services no longer accepted new residential customers in the residential service areas covered by its consumer CLEC business, and as such the cash flows associated with this business eroded over time through customer attrition. The carrying value of the net assets of the consumer CLEC business that were transferred to CS&L was approximately $12.4 million.

Spin-off Transaction

In exchange for the Transferred Assets and the consumer CLEC business, Windstream received:

(i) CS&L common stock of which 80.4 percent of the shares were distributed on a pro rata basis to Windstream's stockholders as a tax-free stock dividend,

(ii) Cash payment of $1.035 billion from CS&L,

(iii) CS&L debt securities of approximately $2.45 billion, consisting of $970.2 million in term loans, $400.0 million in secured notes and $1,077.3 million in unsecured notes.

In order to fund the cash payment to Windstream and complete the distribution of certain of its debt securities to Windstream, CS&L borrowed approximately $2.14 billion through a new senior credit agreement and also issued debt securities in the private placement market consisting of $1,110.0 million aggregate principal amount of 8.25 percent senior unsecured notes due April 15, 2023 and $400.0 million aggregate principal amount of 6.00 percent senior secured notes due October 15, 2023. Borrowings under CS&L's new senior credit agreement and the senior unsecured notes were issued at a discount.

Following the spinoff, Windstream completed a tax-free debt exchange in which the Company transferred the CS&L debt securities to two investment banks in exchange for certain debt securities of Win Services consisting of $1.7 billion aggregate principal amount of borrowings outstanding under Tranches A3, A4 and B4 of Win Services' senior credit facility and $752.2 million aggregate principal amount of borrowings outstanding under the revolving line of credit held by the investment banks. Win Services will also use the proceeds from the cash payment to redeem $850.0 million of long-term debt, consisting of $400.0 million aggregate principal amount of 8.125 percent senior unsecured notes due September 1, 2018 and $450.0 million of the outstanding aggregate principal amount of 9.875 percent notes due 2018 issued by PAETEC Holding, LLC, a direct, wholly-owned subsidiary of Win Services. (Refer to separate memos addressing the accounting for the debt-for-debt exchange and redemption of long-term debt).

Spin-off/Leaseback Accounting Considerations

As of the spin-off date, Win Services retained a passive ownership interest in approximately 19.6 percent of the common stock of CS&L. The Company intends to dispose of all of its shares of CS&L common stock in one or more transactions as soon as practicable (over the first year after the spin-off) depending on market conditions through the exchange of the CS&L common stock for additional Win Services' debt securities. (Refer to separate memo addressing the accounting for Win Services' retained interest in CS&L).

Master Lease Description

On April 24, 2015, Windstream (the "Lessee") entered into a long-term triple-net master lease ("Master Lease") with CS&L (the "Lessor") to lease back the telecommunications network assets. Under terms of the Master Lease, Windstream has the exclusive right to use the telecommunications network assets for an initial term of 15 years with up to four, five-year renewal options. CS&L has the right, but not the obligation, upon Windstream' s request, to fund capital expenditures of Windstream in an aggregate amount of up to $250.0 million for a maximum period of five years. If CS&L exercises this right, the lease payments under the Master Lease will be adjusted at a rate of 8.125 percent of the capital expenditures funded by CS&L during the first two years and at a floating rate based on CS&L's cost of capital thereafter. Additionally, if CS&L agrees to fund the entire $250.0 million, the initial term of the master lease will be increased from 15 years to 20 years and the number of renewal terms will be reduced from four renewal terms of five years each to three renewal terms of five years each.

Significant provisions of the Master Lease include the following:

- Annual rent of $650.0 million paid in equal monthly installments in advance and is fixed for the first three years. Thereafter, rent will increase on an annual basis at a rent escalator of 0.5%. (Article 2.1)
- Lessee is required to pay all property taxes, insurance, and repair or maintenance costs associated with the leased property. Lessee is also required to pay all fees associated with the easements, permits, rights-of-way and pole attachments. (Article 4)
- Lease conveys to Lessee and its operating subsidiaries the exclusive rights to access and affix telecommunications electronics, switching or other equipment to the Transferred Assets for the provision, routing and delivery of voice, data and other telecommunications services. The exclusive usage rights include the right to provide sub-lease access to the Transferred Assets for the Lessee's sole benefit. (Article 6)
- Lessee is responsible for compliance with all federal, state and local legal and regulatory requirements and Lessee will indemnify and hold Lessor harmless against any claims or penalties resulting from any non-compliance with such laws and regulations. (Article 8)
- Lessee is required to maintain the Transferred Assets consistent with industry standards, in good repair sufficient to meet federal and state utility commission service delivery standards. (Article 9)
- Lessor, at its option, may fund distribution system extensions and upgrades. If Lessor funds any portion of a tenant capital improvement prior to the second anniversary of the commencement date of the lease, the then current annual rent under the Master Lease shall be increased, effective as of the date of such funding and continuing for the balance of the initial term, by an amount equal to the product of (i) the amount of the funds advanced by Lessor for such capital improvement on such date multiplied by (ii) 8.125%, subject to an annual escalation of 0.5%. (For example, if Lessor provides funding for a tenant capital improvement in the amount of $30,000,000, the annual rent shall be increased by an amount equal to $2,437,500 effective as of the date such funds are advanced by the Lessor.) (Article 10)
- If Lessee exercises its right to extend the initial term from 15 to 20 years, then the Lessor is obligated to fund up to $50.0 million annually in capital improvements to the distribution system assets for a period of 5 years following the Lessee's exercise of this option, but in no event will Lessor have an obligation to fund any capital improvements from and after the 7th anniversary of the lease commencement date. Lessee is not required to request funding from Lessor upon exercise of this option. Capital improvements funded by the Lessor up to the second anniversary of the lease commencement date will result in an increase in the annual rent based on the amount of funds advanced by the Lessor multiplied by 8.125 percent. Funds provided by the Lessor after the

second anniversary of the lease commencement date through the 7th anniversary of the lease commencement date will result in an increase of annual rent based on the following formula: (i) amount of funds advanced by Lessor multiplied by (ii) a rate not to exceed 200 basis points above the average of Lessor's highest cost of debt's average implied yield over the preceding 60 trading days and Lessor's average implied dividend yield over the preceding 60 trading days. (Article 10)

- Lessee is required to insure the Transferred Assets. If any portion of the Transferred Assets is damaged or destroyed from a risk not covered by insurance carried by Lessee, then the Lessee, at its expense, shall restore the distribution system assets in a manner consistent with prudent industry practice. (Article 13)

- Lessor has the irrevocable right to access and inspect all facilities to confirm the Lessee's compliance with its operating and maintenance obligations. Lessor has no rights with respect to the Lessee's electronics, switching and other equipment affixed to the Transferred Assets during the term of the lease. (Article 24)

- Lessor is prohibited from engaging in certain transactions with competitors of the Lessee including:

  - Lessor cannot construct fiber and copper distributions systems for a competitor of Lessee within or adjoining areas of Lessee's ILEC operating territories subject to the lease agreement (Article 7)
  - Lessor cannot be acquired by a competitor of Lessee (Article 18)

- Upon notice of non-renewal, Lessee shall have a three month period to sell its license issued by the applicable federal and state regulatory authorities ("Regulatory Licenses") to operate as a local exchange carrier ("LEC"), its equipment and electronics, and its customer relationships. If Lessee does not enter into such agreement prior to the end of such three month period, Lessor shall conduct an auction to the highest bidder in the market place that is a regulated entity (the "Auction"). The Lessee will be required to transfer the license, equipment, electronics, and customer relationships to the highest qualified bidder. If Lessee has not consummated a sale at the conclusion of the lease term, then the Lessor and Lessee will enter into a management agreement (the "Management Agreement") in which Lessor will pay Lessee a management fee equal to 110%[1] of the Lessee's operating costs to continue to operate the business in accordance with regulatory standards. All benefits and burdens of operating the market area will accrue to the Lessor with the exception of the management fee paid to the Lessee. The Management Agreement will remain in effect until Lessee completes a transaction to sell its Regulatory Licenses and LEC operations. (Article 36)

- An "Event of Default" under the Lease shall include, but not be limited to:

  - Lessee's failure to pay any installment of rent or additional charges when due and such failure is not cured within 10 days following notice thereof;
  - Lessee's failure to maintain the necessary authorizations, Permits or Pole Agreements and such failure continues for a period of 45 days or such longer period as is necessary so long as Lessee proceeds promptly and with due diligence to cure such failure and diligently completes the curing thereof;
  - Lessee's failure to pay any fees or rent associated with any authorizations, Permits or Pole Agreements which are not subject to a good faith bona fide dispute, and such failure is not cured within 10 days following notice thereof;
  - Lessee's failure to pay insurance premiums and such failure is not cured within 10 days following notice thereof;
  - Bankruptcy

  Upon the occurrence of an Event of Default, Lessor may elect to terminate the Lease and/or exercise any other rights and remedies provided for in the Lease, including the right to require the lessee to enter into an auction process to sell its FCC license to operate as a LEC. (Article 16)

For additional lease terms and conditions, see the Master Lease Agreement (Attachment 1) to this memo.

[1] Management believes that this fee is consistent with market pricing for the services to be rendered by the Company during the period of the agreement.

Spin-off/Leaseback Accounting Considerations

Accounting Considerations:
This memo addresses the following issues related to accounting for the Transaction:

Issue 1 – Is the Transaction within the scope of sale-leaseback guidance for real estate?

Issue 2 – What is the appropriate unit of account for the sale-leaseback analysis?

Issue 3 – Does the Transaction qualify for sale-leaseback of real estate?

Issue 4 – If the Transaction does not qualify for sale-leaseback accounting, what is the appropriate accounting treatment?

Issue 5 – How should the effects, if any, of the Transaction be reflected in the standalone consolidated financial statements of Win Services and the Guarantor and Non-guarantor supplemental financial statements?

Issue 6 – What are the required financial statement disclosures for the Transaction?

Accounting Guidance Considered:

- Accounting Standards Codification ("ASC") 360, *Property, Plant, and Equipment*, ("ASC 360")
- ASC 835, *Interest* ("ASC 835")
- ASC 840, *Leases* ("ASC 840")
- Ernst & Young Financial Reporting Developments – Leases, 2013 ("E&Y Leases FRD")
- PricewaterhouseCoopers Accounting and Reporting Manual ("PwC ARM")
- Deloitte Accounting Research Tool, FASB Accounting Standards Codification Manual ASC 840 Q&As ("Deloitte DART")

Issue 1– Is the Transaction within the scope of sale-leaseback guidance for real estate?

The Transaction represents a spinoff-leaseback arrangement in which an entity distributes the stock of a subsidiary that owns real estate to the shareholders of the parent entity. Concurrent with the spin-off, the parent entity enters into an arrangement to leaseback all or a portion of the properties that were spun-off. Because the Transaction involves the transfer of real estate to CS&L, it is subject either to the provisions of ASC 360-20, *Property, Plant, and Equipment - Real Estate Sales,* which governs the sale of real estate, or 840-40, *Leases: Sale-Leaseback Transactions,* which addresses the accounting for sale-leasebacks involving real estate.

The arrangement between CS&L and Windstream is in the legal form of a lease. Management believes that even if it were not a legal form lease, the guidance contained in ASC 840-10-15 with respect to leases embedded in a service arrangement would indicate that a lease is present. Specifically, the arrangement conveys the "right to control the use of the underlying property, plant, or equipment" as evidenced by the following:

- Windstream has "the ability or right to operate the property, plant, or equipment or direct others to operate the property, plant, or equipment in a manner it determines appropriate while obtaining or controlling more than a minor amount of the output or other utility of the property, plant, or equipment." The property subject to the arrangement is explicitly identified and it is not economically feasible or practicable for CS&L to perform its obligations under the arrangement through the use of alternative real property. (ASC 840-10-15-5). Further, Windstream will make all operating decisions, and will be entitled to all of the economic benefits, with respect to the Transferred Assets throughout the term of the Master Lease.
- Windstream has the exclusive right to control physical access to the Transferred Assets during the term of the Master Lease as well as the ability to affix telecommunications electronics, switching or other equipment to the

distribution system assets, including the right to sub-lease the distribution system assets for its sole benefit (ASC 840-10-15-6). As discussed above, Windstream is entitled to all of the associated economic benefits from its use of the Transferred Assets.

- Windstream will receive all of the output from the Transferred Assets in consideration for payments to the Lessor that are neither contractually fixed per unit of output nor equal to the current market price per unit of output at the time of delivery of the output.

Since the Transaction includes a lease of the Transferred Assets to Windstream, the Transaction represents a spin-off-leaseback arrangement. Although ASC 840-40 does not directly address the issue of spin-off-leasebacks, prevailing practice is to evaluate a spin-off-leaseback in accordance with its provisions. (In Section 9.5.2 of E&Y's Leases FRD and Section 4650.5230 of PwC's ARM, both firms express the view that a spinoff-leaseback should be accounted for under the sale-leaseback accounting guidance.)

Different sale-leaseback accounting rules apply depending on if the transaction involves real estate or non-real estate. Notwithstanding that the Company has concluded that it will not have a controlling financial interest in CS&L post spin-off and deconsolidation is appropriate under ASC 810, *Consolidation* (refer to separate memo), a transfer of equity interest in an entity may still be subject to real estate sales guidance if the transfer represents "in-substance real estate".

Question 10-13 of PwC's Utility Guide provides a list of indicators to consider whether an investment would represent in-substance real estate:

- *"How important is the real estate to the activities of the business; is the real estate incidental or is the real estate the primary source of generation of income for the entity?*

- *What is the scope of the activities of the business? A single power plant entity that holds only a power plant would generally be viewed as in substance real estate. However, an integrated utility with extensive operations beyond the real estate assets would likely be viewed differently.*

- *What is the relative value of the real estate as compared to the entity? Although there are no bright lines, the greater the percentage of the entity's total assets that comprise real estate, the greater the likelihood that the entity is in-substance real estate."*

Conclusion **– Issue 1**

The Company has concluded that Transferred Assets would represent in-substance real estate and the sale-leaseback accounting guidance involving real estate is applicable to the Transaction based on the following indicators:

- *Importance of real estate* – The Transferred Assets are the most important assets held by CS&L as they are the primary source of income for the entity. The consumer CLEC business will not be material to CS&L's future operating results, cash flows and financial position following completion of the Transaction. As discussed above, consumer CLEC revenues for the years ended December 31, 2014 and 2013 would represent approximately 5% and 6%, respectively, of the expected annual rental revenue ($650.0 million) to be recorded by CS&L. In addition, the carrying value of the net assets of the consumer CLEC business that transferred to CS&L of approximately $12.4 million represented less than 1% of the total net assets transferred to CS&L in the Transaction.

- *Scope of activities* – CS&L's principal business activity is to monetize the Transferred Assets through the leaseback to Windstream. In the future, CS&L may acquire, develop, and lease telecommunications distribution system assets operated by tenants other than Windstream; however, CS&L will not operate the distribution system assets or any other real estate assets it may acquire, but rather, CS&L will lease each of its assets to either Windstream or another entity to operate the asset. Consumer CLEC revenues are expected to continue to erode due to customer attrition.

- *Relative value of the real estate compared to the entity* – The value of CS&L is substantially attributable to the Transferred Assets.

Issue 2 – *What is the appropriate unit of account for the sale-leaseback analysis?*

As described above, the Master Lease is structured into 36 separate and distinct market areas currently served by Windstream. Each market area includes components of the Transferred Assets leased from CS&L (i.e., fiber optic and copper cable, conduits, poles, attachment hardware, guy wires, pedestals, central office land and buildings, and the associated FCC licenses, permits, easements and pole attachments applicable to the underlying real estate assets). For purposes of this sale-leaseback analysis, the Company must determine the appropriate unit of account.

Deloitte DART 840-40-25 Q&A 20 provides guidance for accounting for the sale and leaseback of an asset portfolio as follows:

> *"Each sale-leaseback transaction in the portfolio should be accounted for separately, as long as sufficient evidence exists that the terms of the transaction were not impacted by other sale-leaseback transactions in the portfolio entered into at approximately the same time. If the terms of a transaction are such that the sales price of the asset does not represent a market price, the leasing arrangement provides for above-market or below-market rental rates, or the underlying assets are interrelated or located at the same geographic location, that transaction should be accounted for collectively with other similar transactions. Regardless of whether the transactions are accounted for individually or collectively, each individual transaction must be evaluated to determine if the fair value of the individual asset is less than its carrying amount. In such a circumstance, a loss should be recognized immediately."*

PwC ARM 4650 also provides the following guidance on the unit of account question for assets under a master lease agreement:

> *"The determination regarding unit of account should be based on the nature and interdependency of the individual pieces of equipment covered by the lease agreement. A key consideration is whether the lease covers multiple pieces of unrelated equipment or a group of assets that work together to complete a specific process. If the assets are functionally independent of one another, the lease agreement should be considered to include multiple units of account, and each should be evaluated individually for lease classification. Conversely, if the pieces of equipment covered by the lease agreement are intended to function together, those assets should be considered to represent a single unit of account. Classification should not be different simply because one "master lease" was entered into instead of multiple individual leases."*

Conclusion – Issue 2

Given that each leased market area is functionally independent from the other, as evidenced by the fact that they are in different geographic locations, the Company has concluded that the appropriate unit of account for the sale-leaseback analysis would be the individual market area under the Master Lease. Given that the structure and key terms of the Master Lease are the same for all market areas, analysis of Issues 3 and 4 apply to all market areas covered in the Transaction.

Issue 3 – *Does the Transaction qualify for sale-leaseback of real estate?*

As of the April 24, 2015 closing date, the Transaction met the four criteria for a "sale of real estate" as defined in ASC 360-20-40-7, which requires that the following conditions be met for a sale to be consummated:

- The parties are bound by the terms of a contract – A formal Separation and Distribution Agreement was legally executed by Windstream and CS&L in conjunction with the spin-off.
- All consideration has been exchanged – Prior to the spin-off, Windstream received from CS&L the cash payment, CS&L debt securities and CS&L common stock in exchange for the Transferred Assets and the consumer CLEC business.
- Any permanent financing for which the seller is responsible has been arranged – Pursuant to the Separation and Distribution Agreement, Windstream was not required to arrange for any financing in order to consummate the spin-off.

Spin-off/Leaseback Accounting Considerations

- All conditions precedent to closing were performed – All other terms and conditions specified in the Separation and Distribution Agreement were satisfied by Windstream and CS&L at the time of closing.

Sale-leaseback accounting is defined under the ASC Master Glossary as: "*a method of accounting for a sale-leaseback transaction in which the seller-lessee records the sale, removes all property and related liabilities from its balance sheet, recognizes gain or loss from the sale, and classifies the leaseback in accordance with the ASC 840-40*". In order to qualify for sale-leaseback accounting, a transaction must meet the following conditions under ASC 840-40-25-9:

"[Sale-leaseback accounting shall be used by a seller-lessee only if the transaction meets all of the following criteria:

[FAS 098, paragraph 7]]

a) [Meets the definition of a normal leaseback.

[FAS 098, paragraph 7]]

b) [The payment terms and provisions adequately demonstrate the buyer-lessor's initial and continuing investment in the property as described in paragraphs ASC 360-20-40-9 through 40-24.

[FAS 098, paragraph 7]][

c) The payment terms and provisions transfer all of the other risks and rewards of ownership as demonstrated by the absence of any other continuing involvement by the seller-lessee described in paragraphs ASC 360-20-40-37 through 40-64, ASC 840-40-25-13 through 25-14, and ASC 840-40-25-17.

According to ASC 840-40-25-9a, a normal leaseback is defined as "*a lessee-lessor relationship that involves the active use of the property by the seller-lessee in consideration for payment of rent*" where active use of the property is defined as "*the use of the property by the seller-lessee during the lease term in the seller-lessee's trade or business, provided that subleasing of the leased-back property is minor.*" Minor is defined in the glossary as "*the present value of a reasonable amount of rental for that portion of the leaseback that is subleased is not more than 10% of the fair value of the asset sold.*"

In a real estate sale-leaseback transaction, if the seller-lessee has any continuing involvement with the property, other than normal leaseback, the seller would be precluded from accounting for the transaction as a sale. ASC 360-20-40-37 through 40-64 and ASC 840-40-25-13 to 18 describe forms of continuing involvement by the seller-lessee with the leased property where risks and rewards of ownership are not deemed to be transferred.

The Company has evaluated the Transaction as follows:

1. The arrangement between Windstream and CS&L constitutes a lease based on the following factors:

   - The agreement conveys the right to use real property for a stated period of time. (ASC 840-10-20)
   - The assets covered by the arrangement are explicitly identified. It is not economically feasible or practicable for CS&L to perform its obligations under the arrangement through the use of alternative real property. (ASC 840-10-15-5)
   - Windstream has the ability or right to control physical access to the assets covered by the arrangement. Under the terms of the lease, Windstream will have exclusive rights to access and affix telecommunications electronics, switching or other equipment to the distribution system assets, including the right to sub-lease the distribution system assets for its sole benefit (ASC 840-10-15-6)

2. The arrangement between Windstream and CS&L constitutes a normal leaseback in that Windstream will actively use the Transferred Assets in conducting its business operations and pay CS&L rent for usage of the Transferred Assets. (ASC 840-40-25-9a) Note that the quantitative determination as to whether sub-leasing activity associated with the Transferred Assets would be deemed "minor" was not performed due to various forms of continuing involvement as further described below.

3. The arrangement between Windstream and CS&L includes payment terms and provisions that are adequate to demonstrate CS&L's initial and continuing investment in the Transferred Assets. (ASC 840-40-25-9b)

4. The terms of the arrangement result in continuing involvement by Windstream in the Transferred Assets. (ASC 840-40-25-9c)

Listed below is an analysis of the various forms of continuing involvement discussed in ASC 360 and 840 and management's conclusions thereof:

Prohibited Continuing Involvement	Analysis and Conclusions
ASC 360-20-40-38 and ASC 840-40-25-13(a): Seller-lessee has an obligation or an option to repurchase the property or the buyer-lessor can compel the seller-lessee to repurchase the property.	NO – Windstream does not have the option or obligation to purchase the leased property at the end of the lease term.
ASC 360-20-40-41 and ASC 840-40-25-13(b): Seller-lessee guarantees the buyer-lessor's investment or a return on that investment for a limited or extended period of time.	NO – Windstream did not guarantee CS&L's investment or a return on its investment in the leased property. Lease terms were structured to represent market-based terms.
ASC 840-40-25-14(a): The seller-lessee is required to pay the buyer-lessor at the end of the lease term for a decline in the fair value of the property below the estimated residual value on some basis other than excess wear and tear of the property levied on inspection of the property at the termination of the lease.	NO – Windstream is not required to pay CS&L for a decline in fair value of the property at the end of the lease term.
ASC 840-40-25-14(b): The seller-lessee provides nonrecourse financing to the buyer-lessor for any portion of the sales proceeds or provides recourse financing in which the only recourse is to the leased asset (or to the lease itself, i.e., the lease payments). A concern arises whenever (i) lease payments during the leaseback term are payable in a pattern that reflects substantial acceleration as compared to a straight-line payment pattern and (ii) acceleration is not justified by estimated increases in the cost of using the leased property.	NO – Windstream is not required to provide nonrecourse financing to CS&L.
ASC 840-40-25-14(c): The seller-lessee is not relieved of the obligation under any existing debt related to the property.	NO – Windstream does not have any debt obligations in the leased property after spin-off.
ASC 840-40-25-15(d): The seller-lessee provides collateral on behalf of the buyer-lessor other than the property directly involved in the sale-leaseback transaction, the seller-lessee or a related party to the seller-lessee guarantees the buyer-lessor's debt, or a related party to the seller-lessee guarantees a return of or on the buyer-lessor's investment.	NO – Windstream did not provide any collateral or other security in the Master Lease to CS&L nor guarantee any of CS&L's debt obligations after the spin-off.
ASC 840-40-25-15(e): The seller-lessee's rental payment is contingent on some predetermined or determinable level of future operations of the buyer-lessor.	NO – Windstream's rental payment is based on fixed dollar amount of $650.0 million for first 3 years, then subject to annual rent escalator of 0.5 percent.
ASC 840-40-25-17(a): The seller-lessee enters into a sale-leaseback transaction involving property improvements or integral equipment without leasing the underlying land to the buyer-lessor.	YES – Because title, and therefore, complete control of the easements, permits and pole attachment agreements did not pass directly to CS&L as part of the spin-off (Windstream is expressly prohibited from assigning the pole agreements to another entity and Windstream cannot transfer the easements, rights-of-way and permits in a manner that would be recognized by the governmental entity). To address this restriction, Windstream assigned all beneficial

	interest (but not title) in these arrangements to CS&L. As such, CS&L does not have a direct arrangement with the third-party associated with the easements, permits and pole agreements), Lessee has failed to convey all of the risks and rewards of ownership of the Transferred Assets to the Lessor.
Prohibited Continuing Involvement	**Analysis and Conclusions**
ASC 840-40-25-17(b): The buyer-lessor is obligated to share with the seller-lessee any portion of the appreciation of the property.	YES – Through its retained 19.6% interest in CS&L common stock, Windstream has the ability to share in any appreciation in the value of the Transferred Assets.
ASC 360-20-40-64 and ASC 840-40-25-17(c): Any other provision or circumstance that allows the seller-lessee to participate in any future profits of the buyer-lessor or the appreciation of the leased property, for example, a situation in which the seller-lessee owns or has an option to acquire any interest in the buyer-lessor.	YES – Through its retained 19.6% interest in CS&L common stock, Windstream has the ability to participate in future profits of CS&L and any appreciation in the value of the Transferred Assets.
ASC 360-20-40-42: Seller required to initiate or support operations or continue to operate the property at its own risk, or may be presumed to have such a risk, for an extended period, for a specified limited period, or until a specified level of operations has been obtained.	NO – Windstream is not required to support the operations of CS&L.
ASC 360-20-40-61: Sales contract or an accompanying agreement may require the seller to develop the property in the future, to construct facilities on the land, or to provide off-site improvements or amenities.	NO – Windstream is not obligated to develop or expand the Transferred Assets under terms of the Master Lease. The Company has concluded that its maintenance obligations are in line with a normal level of repairs and maintenance needed to prevent aging from normal wear and use of the assets rather than further developing or expanding it.

Conclusion – Issue 3

As noted in the table above, the provisions of the lease arrangement include several prohibited forms of continuing involvement by Windstream in the Transferred Assets and, as a result, the Transaction would not qualify as a sale-leaseback. Forms of continuing involvement include the restrictions placed on the Lessor with respect to the assets sold (i.e., Lessor cannot be acquired by a competitor of the Lessee), the failure to convey all of the risks and rewards of ownership of the Transferred Assets to the Lessor with respect to the easements, permits and pole attachment agreements, and Windstream's ability to participate in future profits of CS&L and any appreciation in the value of the Transferred Assets through its retained 19.6% interest in CS&L's common stock. Because the Transaction does not qualify for sale-leaseback accounting, further quantitative analysis of the significance of sub-leasing in determining whether the arrangement involves a normal leaseback and whether the Transaction includes integral equipment that was not transferred to CS&L was not performed.

Issue 4 – *If the Transaction does not qualify for sale-leaseback accounting, what is the appropriate accounting treatment?*

In accordance with ASC 840-40-25-11, if there is a prohibited form of continuing involvement (other than a normal leaseback) by the seller-lessee, then the transaction is required to be accounted for as a financing in accordance with the provisions of ASC 360-20. Under the financing method, the assets subject to the sale-leaseback remain on the balance sheet of the seller-lessee and continue to be depreciated as if the seller-lessee remained the legal owner. Sale proceeds (consideration) are recorded as a liability. Lease payments, less the portion considered to be interest expense, decrease the financing liability (ASC 840-40-55-63).

Initial Measurement Considerations

Spin-off/Leaseback Accounting Considerations

Given that the Transaction involves a spinoff-leaseback, there is no specific authoritative guidance that addresses the computation of the financing obligation. Typically, in a failed sale-leaseback accounted for as a financing, the liability is measured on the basis of consideration received; however, there is no specific accounting guidance with respect to measurement of the "proceeds" from a spin-off transaction. Because the Master Lease arrangement obligates Windstream to make payments of approximately $10.0 billion (on an undiscounted basis) over the initial 15-year lease term, management concluded that the most appropriate method for calculating the financing obligation would be based on the net present value of the future minimum lease payments.

In reaching this conclusion, management considered the following:

1. ASC 505-60-25, *Spinoffs and Reverse Spinoffs*, requires that spinoff transactions be accounted for at carrying value and as such, there should not be a gain or loss as a result of a spinoff-leaseback transaction. Accordingly, management concluded that using the fair value of the Transferred Assets as the basis for valuing the financing obligation would not be appropriate because it would be contrary to the underlying accounting recognition principles for spinoffs, which require that they be accounted for based on carrying value.

2. Prior to the spin-off, the distribution system assets were transferred to CS&L in exchange for CS&L common stock, a special cash dividend and CS&L debt securities. At the time of this exchange, both CS&L and Win Services were entities under common control because they were both wholly-owned subsidiaries of Windstream. Following the completion of the exchange, CS&L was then spun-off to Windstream shareholders and become an unrelated public entity at that time. As a result of the spin-off-leaseback, Windstream did not receive any additional consideration. As such, the consideration in the exchange transaction originated internally between two entities under common control (i.e. the spinor) and occurred prior to the spin-off-leaseback.

   Given that the spin-off of CS&L common stock to existing shareholders represents the re-distribution of existing value inherent in the entity and as such is not consideration, management considered whether the financing obligation should be recorded based on the tangible value of the cash payment received from CS&L of $1.035 billion and the $2.45 billion of CS&L debt securities. Because the resulting liability of approximately $3.5 billion would be significantly lower than the amount determined based on the present value of future minimum lease payments, as further discussed below, management concluded that using consideration from the exchange transaction as the basis for valuing the financing obligation would not be appropriate because it is neither reflective of the underlying economics of the Transaction nor directly received from the spin-off-leaseback.

Based on the above, management deemed the lease payments to be made by Windstream as representative of its financing obligation (i.e., lease payments equals financing cash flows). Accordingly, a financing obligation of approximately $5.1 billion equal to the present value of the financing cash flows to be made over the expected term of the financing using the Company's incremental borrowing rate (see discussion below) would be recorded as a liability with a corresponding offset to equity at the date of the spin-off.

Neither ASC 840-40 nor ASC 360-20 discuss the appropriate interest rate to use to amortize the liability arising from a failed sale-leaseback. The Company understands that prevailing practice is to use the lessee's incremental borrowing rate provided that use of such rate would not result in either negative amortization of the financing obligation or a built-in loss at the end of the lease (e.g., net book value in excess of the financing obligation). In the event of negative amortization or a built-in loss, an entity would adjust either its incremental borrowing rate or depreciation of the underlying assets to eliminate the adverse results. The method used to eliminate the built in loss is not a policy election and should instead be faithful to the underlying economics of the arrangement. ASC Master Glossary defines the lessee's incremental borrowing rate as: "*The rate that, at lease inception, the lessee would have incurred to borrow over a similar term the funds necessary to purchase the leased asset. This definition does not proscribe the lessee's use of a secured borrowing rate if that rate is determinable, reasonable and consistent with the financing that would have been used in the particular circumstances.*"

As the Master Lease contains (4) five-year renewals, the Company considered whether such renewals should also be included when determining the expected occupancy period for the property and the associated term of the related financing, given that the Transferred Assets are important to the Company's operations. "Economic compulsion" is

a qualitative assessment to determine if it is nearly certain that the lessee will renew the lease at each renewal option. Economic compulsion implies that the use of the asset is so critical to the tenant-lessee that the lessee is relatively insensitive to other factors surrounding the renewal option (i.e., market rents, economics of operating the property, other costs of renting the property, consideration of alternative properties, etc.). If the economic compulsion to continue to lease the property is so significant (i.e., non-renewal would have a material adverse impact on the lessee's operations due to the lack of readily available alternative), then it is reasonably assured that the lessee will exercise the renewal options. In such instances, the computation of the financing obligation would need to include the amount of the renewal payments.
In the absence of specific guidance on how to evaluate renewal options, the Company considered the definition of lease term in the ASC Master Glossary includes periods covered by *"bargain renewal options"* as well as periods *"for which failure to renew the lease imposes a penalty on the lessee in such amount that a renewal appears, at lease inception, to be reasonably assured."*

The Company has evaluated the renewal periods as follows:

- *Bargain renewals* - A bargain renewal option is defined in the ASC Master Glossary as a *"provision allowing the lessee, at his option, to renew the lease for a rental sufficiently lower than the fair rental of the property at the date the option becomes exercisable that exercise of the option appears, at lease inception, to be reasonably assured. Fair rental of a property in this context shall mean the expected rental for equivalent property under similar terms and conditions."* Management determined the renewal options would not be deemed to be bargain renewals because the exercise price of the renewal options are to be based on fair market rental value as determined by an independent third party appraisal firm agreed to by the Lessee and Lessor.

- *Economic penalties* – the Company considered if there is any economic compulsion for Windstream to exercise the renewal option that non-renewal would represent a *"penalty"*. A penalty might include considerations such as uniqueness of the Transferred Assets, availability of replacements, and ability to bear the costs of relocation, and a perceived decrement to the overall business. In the absence of economic compulsion to renew, management believes that there is no obligation other than that associated with the 15 year non-cancellable lease term.

Management considered the following factors that may indicate that Windstream could be economically compelled to renew the lease to avoid a penalty:

Windstream's Existing Revenue Streams

The Master Lease is structured as a single master lease covering 36 distinct market areas. Each market area has its own separate lease schedule and related real property. The lease schedules are non-divisible during the initial lease term, but may be renewed or not renewed separately[2]. Accordingly, Windstream will be able to strategically pick and choose specific leases to renew which corresponds to those market areas that the Company opts to retain its Regulatory Licenses and continue to operate. As a result, Windstream will have the ability to tailor its business strategy to the most profitable, growth potential market areas. If Windstream were to choose not to renew certain leases it would not necessarily mean we were exiting operations in that market. Windstream could alternatively lease network facilities from other carriers due to Federal Communications Commission ("FCC") regulations that permit the Company to access other carriers' networks and be charged a fair rate. Windstream is currently utilizing this option to serve customers in certain markets through its interconnection agreements with various carriers.

In addition, technological advancements including the development/deployment of alternative networks using other than fiber or copper cabling may be available in the future such that Windstream may choose not to renew existing leases that rely on older technology. Instead, Windstream may have the flexibility to access more advanced networks to provide services to its customers at the end of the lease. Given the following reasons, management does not believe it would incur an economic penalty for failing to renew the lease.

Win Services' Carrier of Last Resort Obligations ("COLR")

[2] Renewals for any or all of the market areas are permitted after year 15 except to the extent Windstream elects the Five Year Initial Term Extension, as discussed more fully elsewhere in this memorandum. Renewals subsequent to year 20 may be elected on a market area basis irrespective of the Five Year Initial Term Extension.

Certain of Win Services' ILEC subsidiaries have a responsibility to provide basic local telephony services to all residents in a specific geographic area in exchange for federal and state support to help fund the cost of providing such services. This responsibility rests solely with the LEC that owns the license to operate in the respective market area. The Master Lease requires upon non-renewal that an open market auction be conducted to sell the Regulatory Licenses to the highest bidder (must be a regulated entity). Within the wireline telecommunications sector, the sale of certain market areas by one regulated entity to another is normal and customary. Recent examples of such transactions include Frontier Communications Corporation's October 2014 acquisition from AT&T Inc. of wireline properties in Connecticut its pending acquisition to acquire wireline operations from Verizon Communications, Inc. in California, Florida and Texas. Upon the sale or transfer to another regulated entity of its Regulatory Licenses, Win Services would be relieved of its COLR obligations, and as such, management maintains there is no economic penalty for failure to renew the lease.

Performance Under the Management Agreement

Subsequent to the expiration of the lease term and prior to completion of the Auction, Windstream is required to operate the Transferred Assets under the Management Agreement. The Management Agreement does not represent a lease renewal as it does not give Windstream control over the Transferred Assets or an economic interest other than a market fee commensurate with the services being offered to the Lessor. All revenue generated by the Transferred Assets during the term of the Management Agreement will accrue to CS&L, which will hold all decision making rights associated with the given market area, including decisions with respect to pricing, maintenance and network upgrades, etc. within the context of the operation of a regulated telecommunications network. The Lessor may terminate the Management Agreement at its discretion subject to commercially reasonable notice periods. Additionally, no economic penalty exists in the Management Agreement as CS&L will pay Windstream a management fee equal to 110% of its operating costs (inclusive of the value of licenses and equipment owned by Windstream and used to operate the Transferred Assets owned by CS&L).

Five Year Initial Term Extension

The Master Lease contains the option for Windstream to extend the initial lease term from 15 to 20 years at any time during the first five years of the lease and thereby obligate CS&L to fund up to $50.0 million annually in capital improvements for up to a five-year period. The inclusion of this provision in the Master Lease was solely to provide Windstream with the financial flexibility to potentially obtain funding from CS&L to meet the Company's future capital expenditure requirements in conducting its business operations. As stipulated in the Master Lease, any capital expenditures funded by CS&L would result in an immediate increase in Windstream's rental payment calculated based on the amount of funds advanced by CS&L multiplied by a fixed rate of 8.125% during the first two years of the lease and a variable rate for funds advanced in years 3 through 7 of the lease based on a rate not to exceed 200 basis points above the average of CS&L's highest cost of debt's average implied yield over the preceding 60 trading days and its average implied dividend yield over the preceding 60 trading days.

Due to these pricing mechanisms, the incremental cost to Windstream in the form of higher rental payments to CS&L in electing the option to extend the initial term of the Master Lease would exceed Windstream's current cost to obtain financing to fund the cost of construction projects under its existing revolving line of credit or in the private placement or public debt markets (current interest rates range from 4.5% to 7.0%). In addition, Windstream has historically generated significant cash flows from operations ($1.6 billion on average over the three-year period ended December 31, 2014) to fund its capital expenditure requirements and expects to continue to do so in the foreseeable future. Finally, the FCC is working to establish rules for Connect America Fund ("CAF") Phase II that may offer Windstream access to additional federal funding to upgrade or expand its broadband service offering.

Given the cost of the funding to be provided by CS&L and the existence of these alternative sources of funding available to Windstream to finance future capital expenditures, management concluded that the associated cost in the form of increased rental payments may exceed the economic benefit to Windstream from receiving up to $250.0 million of funding from CS&L. As a result, Windstream would not be reasonably assured of extending the initial term from 15 to 20 years.

Based on evaluation of all of the above factors, management concluded that it is not reasonably assured that Windstream would exercise any of the renewal options under the lease. Accordingly, management concluded that

the appropriate occupancy period for the Transferred Assets and associated term of the financing arrangement would be equal to the non-cancellable lease term of 15 years.

Subsequent Measurement Considerations

Management next considered the amortization of the financing obligation during the initial 15 year term and any subsequent renewal periods assuming Windstream has continuing involvement in the Transferred Assets. For spin-off-leaseback transactions, there is no specific authoritative accounting guidance addressing the amortization of the financing obligation, and therefore, management evaluated the merits of three different accounting models as further discussed below. While management currently does not believe that the exercise of the renewal options for any of the market areas is reasonably assured, there remains the possibility that for certain market areas one or more of the renewal options could be exercised in the future. Accordingly, management's analysis of the different accounting models addresses the accounting ramifications of the potential exercise of a renewal option. For purposes of this analysis, Windstream's option to extend the initial term from 15 to 20 years exercisable in the first five years of the Master Lease previously discussed has been excluded from the accounting evaluation below because it is both not reasonably assured of exercise and its impact would not significantly affect the results of any of the three models.

1. Fully amortize the financing obligation and fully depreciate the Transferred Assets as of the end of the initial financing term.

   Under this method, since both the net book value of the Transferred Assets and the financing obligation would be fully amortized, there would be no gain or loss recognition by Windstream upon termination of the lease. As previously noted, based on the Company's current depreciable lives assigned to the Transferred Assets, their net book value at the end of the initial 15-year lease term is estimated to be approximately $240 million, which includes approximately $30.5 million in land. Accordingly, the prospective adjustment necessary to fully depreciate the Transferred Assets at the end of the initial financing term would result in an approximate $14 million incremental increase in annual depreciation over the 15-year period. Management believes the adjustment of the fixed asset useful life is appropriate because the remaining economic life of the assets to Windstream is directly dependent on the lease term. Windstream will derive no future economic value or benefit at the end of the lease as all rights and obligations will transfer to CS&L at that time. (See separate memo "Depreciation of Transferred Assets" for additional information regarding this issue.)

   This method results in a reasonable interest rate applicable to payments made during the initial financing term (approximately 10%). If Windstream were to exercise one or more of the renewal options, management believes that the substance of this extension is a new lease agreement between two independent entities. At the date renewal is elected, management would classify the lease in accordance with ASC 840-40 as either capital or operating since Windstream would at that point have no residual value attributable to the Transferred Assets, legal title of the Transferred Assets has passed to CS&L and no additional consideration will be exchanged between the two entities other than the lease payments which are determined on the basis of market conditions at the time the renewal is elected.

   This approach is not consistent with that applied to most sale-leaseback transactions. In most cases the application of the financing model would continue until all forms of prohibited continuing involvement are eliminated. However, in this case, management believes that the departure is necessary since this is the one method that produces a commercially reasonable rate of interest both during the initial lease term and for any subsequent renewals. Further, this model has the flexibility to permit the Company to accurately reflect the costs of continued use of the network either as a new financing if the arrangement is classified as a capital lease, or as rent expense to the extent it is classified as an operating lease. While neither of the options considered are without flaw, management deems this amortization method to be most reflective of the underlying economics of the Transaction when compared to the other two alternative methods discussed below and the most useful presentation for investors.

2. Amortize the financing obligation to an amount equal the estimated net book value of the Transferred Assets at the end of the initial financing term or any subsequent renewal period. (Net book value of the Transferred Assets is estimated to be approximately $240 million after 15 years).

Under this method, if Windstream were to notify CS&L that it would exercise one or more of its renewal options for one or more of the market areas two years in advance of the termination date as required under the lease, then Windstream would adjust the interest rate used to amortize the remaining financing obligation to equal the estimated net book value of the Transferred Assets at the end of each renewal period. Upon termination of the lease, Windstream would write-off the remaining unamortized financing obligation and residual net book value of the Transferred Assets. Since the asset and liability would equal one another, no gain or loss would result.

This approach is consistent with the accounting for a spin-off where no gain or loss should arise and would produce an interest rate that is commercially reasonable (approximately 12%[3]). While the use of this method results in a reasonable interest rate applied to payments made during the initial 15-year financing term (approximately 12%), use of this method results in an interest rate of approximately 84% applicable to payments made during the first renewal period and in excess of 100% in the second renewal period, because at the time the renewal election is required to be made, the unamortized liability will be low in relation to (a) the remaining payments due under the initial term plus (b) the payments required during the renewal period. As a result, substantially all of the required payments made during the renewal period(s) would be charged to interest expense. Not only does this method produce an unreasonable rate of interest, the lack of any basis to re-measure the asset or payment obligation when a renewal is elected understates Windstream's obligation to the Lessor. As a consequence, it shifts network operating costs (i.e., depreciation) out of operating income. Accordingly, management did not deem this amortization method to be reflective of the underlying economics of the Transaction or provide useful information to investors.

3. Amortize the financing obligation to an amount equal the estimated fair value of the Transferred Assets at the end of the initial financing term (and/or any subsequent renewal period). Management has estimated that the fair value of the Transferred Assets will be approximately $2.3 billion after 15 years, while the expected carrying value of the Transferred Assets is expected to be approximately $240 million.

   Under this method, if Windstream were to notify CS&L that it would exercise one or more of its renewal options for one or more of the market areas two years in advance of the termination date as required under the lease, then Windstream would adjust the interest rate used to amortize the remaining financing obligation to equal the estimated fair value of the Transferred Assets at the end of each renewal period. Upon termination of the lease, Windstream would write-off the remaining unamortized financing obligation and residual net book value of the Transferred Assets. Because the unamortized financing obligation is likely to exceed the net book value of the Transferred Assets, the write-off of these amounts would result in Windstream potentially recognizing a substantial pretax gain upon termination of the lease. Based on the estimated fair values and net book values of the Transferred Assets, the amount of the pretax gain would be approximately $2.0 billion assuming the lease ended after the 15-year non-cancellable lease term.

   The use of this method results in a reasonable interest rate applicable to payments made during the initial 15-year financing term (approximately 13%). The rate rises to an approximately 30% during the first renewal period. Although more consistent with the true borrowing costs inherent in the arrangement, this approach would reflect a liability that is more consistent with the fair value of the underlying assets in year 15 and beyond. Management believes that both the rate and potential for a substantial pre-tax gain upon termination of the lease are neither consistent with the underlying economics of the Transaction nor does it provide useful information to investors.

Conclusion – Issue 4

Windstream will account for the Transaction as a 15-year financing using its incremental borrowing rate estimated to be 10%, which is consistent with the borrowing rate that the Company would presently incur in a financing transaction with similar terms. The financing obligation, equal to the present value of the future minimum lease payments, will be amortized over the initial 15-year financing term using the interest method. In developing the three amortization models discussed above, the Company had not considered the fact that included in the Transferred Assets was land of approximately $30.5 million, which is not depreciable for financial accounting

[3] This rate is slightly higher than the incremental borrowing rate used to determine the present value of the financing obligation. Adjustment to the rate was required to eliminate a small built in loss that would have resulted from the use of Windstream's incremental borrowing rate.

purposes. Accordingly, the Company will use a hybrid of the first two amortization models discussed above in that the financing obligation will be amortized to an amount equal to the carrying value of the land at the end of the initial financing term or $30.5 million. In addition, Windstream will adjust its depreciation rates applicable to the Transferred Assets such that at the end of the initial financing term the assets, exclusive of land, will be fully depreciated. As a result, there will be no gain or loss recognized by Windstream upon termination of the Master Lease.

For computation of the financing obligation and related amortization schedule see Attachment 2 to this memo.

Issue 5 – *How should the effects of the Transaction, if any, be reflected in the standalone consolidated financial statements of Win Services and the Guarantor supplemental financial statements?*

Win Services and its guarantor subsidiaries are the sole obligors on its outstanding long-term debt obligations and, as a result, Win Services is required to file periodic reports with the Securities and Exchange Commission ("SEC"). Windstream is not a guarantor of nor subject to the restrictive covenants included in any of Win Services' debt agreements.

Conclusion – Issue 5

The Master Lease between Windstream and CS&L directly benefits Win Services and its subsidiaries, as Windstream is a holding company with no operations. In addition, Windstream is completely dependent upon Win Services' ability to distribute in the form of a cash dividend amounts necessary to fund the annual rental payments due under the Master Lease. Accordingly, the effects of the Transaction (i.e., recognition of financing obligation and related interest expense) should also be reflected in the standalone consolidated financial statements of Win Services. Similarly, in the guarantor supplemental financial statements, the effects of the Transaction should be presented within the respective columns pertaining to the individual guarantor and non-guarantor subsidiaries of Win Services that contributed the assets and will fund the lease payment to CS&L on the basis that each column represents a standalone set of financial statements prepared in accordance with U.S. GAAP.

Because the Master Lease does not specify or allocate the annual rent payment to each of the 36 market areas, management will allocate the long-term lease obligation and related interest expense to the respective market areas using a relative fair value approach. The fair value of the Transferred Assets included in each of the 36 market areas was determined by EY for purposes of supporting management's conclusions that the Master Lease represented a "true lease" for federal income tax purposes.

Issue 6 – *What are the required financial statement disclosures for the Transaction?*

For sale-leaseback transactions, the financial statements of a seller-lessee shall include a description of the terms of the sale-leaseback transaction, including future commitments, obligations, provisions, or circumstances that require or result in the seller-lessee's continuing involvement. (ASC 840-40-50-1) In addition, in accordance with ASC 840-40-50-2, the financial statements of a seller-lessee that has accounted for a sale-leaseback transaction by the deposit method or as a financing according to the guidance in this Subtopic also shall disclose both of the following:

a. The obligation for future minimum lease payments as of the date of the latest balance sheet presented in the aggregate and for each of the five succeeding fiscal years.

b. The total of minimum sublease rentals, if any, to be received in the future under non-cancelable subleases in the aggregate and for each of the five succeeding fiscal years.

In addition in SAB Topic 5J "*New Basis of Accounting Required in Certain Circumstances*", the SEC Staff concluded that regardless of whether the parent's debt, related interest expense and debt issue costs are reflected in the subsidiary's separate financial statements, the notes to the subsidiary's separate financial statements should include at a minimum the following disclosures:

- The relationship between the parent and subsidiary.
- A description of any arrangements that result in the subsidiary's guarantee or pledge of assets or stock that provides security for the parent's debt.

- The extent (in the aggregate and for each of the succeeding five years) to which the parent is dependent on the subsidiary's cash flows to service its debt and the method by which this will occur.

- The effect of such cash flows on the subsidiary's ability to pay dividends or other amounts to its shareholders.

Conclusion – Issue 6

For purposes of presentation within the Company's consolidated balance sheet, the financing obligation recorded as a result of accounting for the Transaction as a failed spin-leaseback will be captioned "Long-term lease obligation", with the applicable portion of the total obligation due within 12 months reported as "Current portion of long-term lease obligation".

The Company will also include the required disclosures in its consolidated financial statements following consummation of the Transaction. Attachment 3 to this memo includes the Company's draft financial statement disclosures.

The accounting conclusions of the Company as documented herein were discussed with the staff ("Staff") of the Securities and Exchange Commission ("SEC") through the preclearance process, which included the following materials: (a) submission letter to the Staff dated August 19, 2014, (b) discussion with the Staff on August 28, 2014 and (c) response letter to the Staff inquiries dated September 15, 2014.

On September 23, 2014, the Staff verbally communicated to management that the Staff did not object to the accounting conclusions of the Company that:

- the spin-off-leaseback transaction would not qualify for sale-leaseback accounting and, as a result, the transaction is required to be accounted for as a financing;

- the financing obligation recorded by the Company should be based on the net present value of the future minimum lease payments over the 15-year initial term discounted using the Company's incremental borrowing rate;

- a prospective adjustment should be made to fully depreciate the transferred real property at the end of the initial financing term; and

- the Company should recognize the difference between the proceeds received and the financing obligation as an equity transaction.

The Staff did not conclude on the Company's proposed classification of the lease arrangement if renewed at the end of the 15-year initial term.

EXHIBIT 6

2018 Windstream 10-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2018
or
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Exact name of registrant as specified in its charter	State or other jurisdiction of incorporation or organization	Commission File Number	I.R.S. Employer Identification No.
Windstream Holdings, Inc.	Delaware	001-32422	46-2847717
Windstream Services, LLC	Delaware	001-36093	20-0792300

4001 Rodney Parham Road
Little Rock, Arkansas 72212
(Address of principal executive offices) (Zip Code)

(501) 748-7000
(Registrants' telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock ($0.0001 par per share) (1)	NASDAQ Global Select Market (1)

Securities registered pursuant to Section 12(g) of the Act:

NONE (1)
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Windstream Holdings, Inc. ☐ YES ☒ NO
Windstream Services, LLC ☐ YES ☒ NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Windstream Holdings, Inc. ☐ YES ☒ NO
Windstream Services, LLC ☐ YES ☒ NO

In completing these acquisitions, we have increased our operating scale and scope giving us the ability to offer customers expanded products, services and enhanced enterprise solutions over an extensive national footprint now spanning approximately 150,000 fiber route miles. We also expect to achieve operating and capital expense synergies in integrating the operations of MASS, Broadview and EarthLink. For additional information regarding these acquisitions see Note 3 to the consolidated financial statements included in the Financial Supplement to this Annual Report on Form 10-K.

MATERIAL DISPOSITIONS

Sale of Consumer CLEC Business - On December 31, 2018, we completed the sale of substantially all of our consumer competitive local exchange carrier ("CLEC") business to an affiliate of Trive Capital Fund III LLP and nQue Technologies for $320.9 million in cash, net of a working capital adjustment. The consumer operations sold consisted solely of the former EarthLink consumer business that we acquired in February 2017.

Sale of Data Center Business - On December 18, 2015, we completed the sale of a substantial portion of our data center business to TierPoint LLC ("TierPoint") for $575.0 million in cash. In the transaction, TierPoint acquired 14 of Windstream's 27 data centers, including data centers located in Arkansas, Illinois, Massachusetts, North Carolina, Pennsylvania, and Tennessee. The remaining data centers retained by us are primarily shared colocation facilities. As part of the transaction, we established an ongoing reciprocal strategic partnership with TierPoint, allowing both companies to sell their respective products and services to each other's prospective customers through referrals.

Spin-off of Certain Network and Real Estate Assets - On April 24, 2015, we completed the spin-off of certain telecommunications network assets, including our fiber and copper networks and other real estate, into an independent, publicly traded real estate investment trust. The spin-off also included substantially all of our consumer CLEC business as of that time. The telecommunications network assets consisted of copper cable and fiber optic cable lines, telephone poles, underground conduits, concrete pads, attachment hardware (e.g., bolts and lashings), pedestals, guy wires, anchors, signal repeaters, and central office land and buildings, with a net book value of approximately $2.5 billion at the time of spin-off. We requested and received a private letter ruling from the Internal Revenue Service on the qualification of the spin-off as a tax-free transaction and the designation of the telecommunications network assets as real estate.

Pursuant to the plan of distribution and immediately prior to the effective time of the spin-off, we contributed the telecommunications network assets and the consumer CLEC business to Uniti formerly Communications Sales & Leasing, Inc., a wholly owned subsidiary of Windstream, in exchange for: (i) the issuance to Windstream of Uniti common stock of which 80.4 percent of the shares were distributed on a pro rata basis to Windstream's stockholders, (ii) cash payment to Windstream in the amount of $1.035 billion and (iii) the distribution by Uniti to Windstream of approximately $2.5 billion of Uniti debt securities. After giving effect to the interest in Uniti retained by Windstream, each Windstream Holdings shareholder received one share of Uniti for every five shares of Windstream Holdings common stock in the form of a tax-free dividend. On April 24, 2015, following the completion of the spin-off, we transferred the Uniti debt securities and cash to two investment banks, in exchange for approximately $2.5 billion of debt securities of Windstream Services held by the investment banks.

As of the spin-off date, excluding restricted shares held by Windstream employees and directors, Windstream retained a passive ownership interest in approximately 19.6 percent of the common stock of Uniti. In two separate transactions completed in June 2016, Windstream Services transferred all of its shares of Uniti common stock to its bank creditors in exchange for the retirement of $672.0 million of aggregate borrowings outstanding under its revolving line of credit and to satisfy transaction-related expenses.

MANAGEMENT

Staff at our headquarters and regional offices supervise, coordinate and assist subsidiaries in management activities including investor relations, acquisitions and dispositions, corporate planning, tax planning, cash and debt management, accounting, insurance, sales and marketing support, government affairs, legal matters, human resources and engineering services.

EMPLOYEES

At December 31, 2018, we had 11,945 employees, of which 1,340 employees are part of collective bargaining units. During 2018, we had no material work stoppages due to labor disputes with our unionized employees (see Item 1A, "Risk Factors").

Our failure to comply with the provisions of the master lease with Uniti could materially adversely affect our business, financial position, results of operations and liquidity.

We currently lease a significant portion of our telecommunications network assets, including our fiber and copper networks and other real estate, under the master lease with Uniti. The filing of the Chapter 11 Cases resulted in an event of default under the master lease. Upon an event of default, remedies available to Uniti include terminating the master lease and requiring us to transfer the business operations we conduct at the leased assets so terminated (with limited exceptions) to a successor tenant for fair market value pursuant to a process set forth in the master lease, dispossessing us from the leased assets, and/or collecting monetary damages for the breach (including rent acceleration), electing to leave the master lease in place and sue for rent and any other monetary damages, and seeking any and all other rights and remedies available under law or in equity. The exercise of such remedies could have a material adverse effect on our business, financial position, results of operations and liquidity. Due to the Chapter 11 Cases, however, Uniti's ability to exercise remedies under master lease was stayed as of the date of the Chapter 11 petition filing. See "Risks Related to Chapter 11 Reorganization".

If the spin-off, and certain related transactions, fails to qualify as a tax-free transaction for U.S. federal income tax purposes, we could be subject to significant tax liabilities and, in certain circumstances, we could be required to indemnify Uniti for material taxes pursuant to indemnification obligations that we entered into with Uniti.

We received a private letter ruling from the IRS (the "IRS Ruling") to the effect that, on the basis of certain facts presented and representations and assumptions, the spin-off will qualify as tax-free under Sections 355 and 368(a)(1)(D) of the Code. Although a private letter ruling generally is binding on the IRS, if the factual representations and assumptions made are untrue or incomplete in any material respect, we will not be able to rely on the IRS Ruling. In addition, the IRS Ruling does not address certain requirements for tax-free treatment of the spin-off under Sections 355 and 368(a)(1)(D) of the Code and our use of Uniti indebtedness and common stock to retire certain of our indebtedness (the "debt exchanges"). Accordingly, the spin-off was conditioned upon the receipt of a tax opinion from our tax counsel with respect to the requirements on which the IRS did not rule, which concluded that such requirements also should be satisfied. Any change in currently applicable law, which may or may not be retroactive, or the failure of any factual representation or assumption to be true, correct and complete in all material respects, could adversely affect the conclusions reached in the tax opinion. In addition, the tax opinion is not binding on the IRS or the courts, and the IRS and/or the courts may not agree with the tax opinion. However, if the spin-off or the debt exchanges failed to qualify as tax free for U.S. federal income tax purposes, we may incur significant tax liabilities that could materially affect our business, financial condition and results of operations.

While certain tax audits regarding the tax year 2015 have concluded, if the spin-off ultimately was determined to be taxable, then a shareholder that received shares of Uniti common stock in the spin-off would be treated as having received a distribution of property in an amount equal to the fair market value of such shares and could incur significant income tax liabilities. Such distribution would be taxable to such shareholder as a dividend to the extent of our current and accumulated earnings and profits (including earnings and profits resulting from the recognition of gain by us in the spin-off). Any amount that exceeded our earnings and profits would be treated first as a non-taxable return of capital to the extent of such shareholder's tax basis in its shares of our common stock with any remaining amount being taxed as a capital gain. In addition, if the spin-off were determined to be taxable, we would recognize taxable gain.

Under the terms of the tax matters agreement that we entered into with Uniti, Uniti is generally responsible for any taxes imposed on us that arise from the failure of the spin-off and the debt exchanges to qualify as tax-free for U.S. federal income tax purposes, within the meaning of Section 355 and Section 368(a)(1)(D) of the Code, as applicable, to the extent such failure to qualify is attributable to certain actions, events or transactions relating to Uniti's stock, indebtedness, assets or business, or a breach of the relevant representations or any covenants made by Uniti in the tax matters agreement, the materials submitted to the IRS in connection with the request for the IRS Ruling or the representations provided in connection with the tax opinion. Uniti's indemnification obligations to us are not limited by any maximum amount and such amounts could be substantial. If Uniti were required to indemnify us, Uniti may be subject to substantial liabilities and there can be no assurance that Uniti will be able to satisfy such indemnification obligations.

Key suppliers may experience financial difficulties that may affect our operations.

Windstream purchases a significant amount of equipment from key suppliers to maintain, upgrade and enhance our network facilities and operations. Should these suppliers experience financial difficulties, their issues could adversely affect our business through increased prices to source purchases through alternative vendors or unanticipated delays in the delivery of equipment and services purchased.

Adverse developments in our relationship with our employees could adversely affect our business, our results of operations and financial condition.

As of December 31, 2018, we had 1,340 employees, or approximately 11 percent of all of our employees, covered by collective bargaining agreements. Our relationship with these unions generally has been satisfactory.

We are currently party to 23 collective bargaining agreements and one National Pension Agreement with several unions, which expire at various times. Of our existing collective bargaining agreements, eight agreements covering approximately 500 employees are due to expire in 2019. In addition, the national pension agreement covers approximately 350 employees. This agreement expired in 2010 but has been extended indefinitely, subject to the right of Windstream or the unions to terminate the agreement with 30 days' notice. Historically, we have succeeded in negotiating new collective bargaining agreements without work stoppages; however, no assurances can be given that we will succeed in negotiating new collective bargaining agreements to replace the expiring ones without work stoppages. Increases in organizational activity or any future work stoppages could have a material adverse effect on our business, our results of operations and financial condition.

Item 1B. Unresolved Staff Comments

No reportable information under this item.

Item 2. Properties

Our property, plant and equipment consists primarily of land and buildings, office and warehouse facilities, central office equipment, software, outside plant and related equipment. Outside communications plant includes aerial and underground cable, conduit, poles and wires. Central office equipment includes digital switches and peripheral equipment. As such, our properties do not provide a basis for description by character or location of principal units. All of our property is considered to be in good working condition and suitable for its intended purpose.
Our gross investment in property, by category, as of December 31, 2018, was as follows:

(Millions)	Assets Owned by Windstream	Assets Leased from Uniti (a)	Total
Land	$ 24.4	$ 28.6	$ 53.0
Building and improvements	334.2	326.5	660.7
Central office equipment	7,074.1	0.2	7,074.3
Outside communications plant	2,036.8	6,250.8	8,287.6
Furniture, vehicles and other equipment	1,930.6	10.2	1,940.8
Construction in progress	403.6	-	403.6
Total	$ 11,803.7	$ 6,616.3	$ 18,420.0

(a) In connection with the spin-off, Windstream Holdings entered into a long-term triple-net master lease with Uniti to lease back the telecommunications network assets. For financial reporting purposes, the transaction was accounted for as a failed spin-leaseback. As a result, the net book value of the network assets transferred to Uniti continue to be reported in our consolidated balance sheet.

Certain of our properties are pledged as collateral to secure long-term debt obligations of Windstream Services. The obligations under Windstream Services' senior secured credit facility are secured by liens on all of the personal property assets and the related operations of our subsidiaries who are guarantors of the senior secured credit facility.

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WINDSTREAM HOLDINGS, INC.
SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF
THE REGISTRANT (PARENT COMPANY)

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
For the years ended December 31,

(Millions)	2018	2017	2016
Operating revenues:			
Leasing income from subsidiaries	$ 655.7	$ 653.5	$ 653.6
Total operating revenues	655.7	653.5	653.6
Costs and expenses:			
Selling, general and administrative	1.8	1.9	1.7
Depreciation expense	344.0	336.2	354.0
Total costs and expenses	345.8	338.1	355.7
Operating income	309.9	315.4	297.9
Interest expense on long-term lease obligation with Uniti	(467.0)	(484.9)	(500.8)
Loss before income taxes and equity in subsidiaries	(157.1)	(169.5)	(202.9)
Income tax expense (benefit)	799.9	374.7	(78.4)
Loss before equity in subsidiaries	(957.0)	(544.2)	(124.5)
Equity earnings (losses) from subsidiaries	234.0	(1,572.4)	(259.0)
Net loss	$ (723.0)	$ (2,116.6)	$ (383.5)
Comprehensive loss	$ (714.2)	$ (2,101.1)	$ (93.2)

See Notes to Condensed Financial Information (Parent Company) and Notes to Consolidated Financial Statements of Windstream Holdings, Inc. and Subsidiaries included in the Financial Supplement to this Annual Report on Form 10-K

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The following table summarizes our cash flow activities for the years ended December 31:

(Millions)	2018	2017	2016
Cash flows provided from (used in):			
Operating activities	$ 1,013.1	$ 974.6	$ 1,007.8
Investing activities	(554.2)	(983.2)	(990.0)
Financing activities	(141.3)	(7.1)	10.0
Increases (decreases) in cash, cash equivalents and restricted cash	$ 317.6	$ (15.7)	$ 27.8

Our cash, cash equivalents and restricted cash increased by $317.6 million to $361.0 million at December 31, 2018, from $43.4 million at December 31, 2017, as compared to a decrease of $15.7 million during 2017. Cash inflows during 2018 were primarily from operating activities, proceeds from the sale of our Consumer CLEC business and financing of fiber assets in Minnesota and incremental debt proceeds. These inflows were partially offset by cash outflows for capital expenditures, repayments of debt, payments under our capital and long-term lease obligations, and the acquisitions of MASS and ATC. Cash, cash equivalents and restricted cash at December 31, 2018, includes a short-term investment in an overnight money market fund of $310.0 million comprised of substantially all of the cash proceeds received from the sale of the consumer CLEC operations. On January 3, 2019, the short-term investment was liquidated, and the proceeds were used to reduce borrowings outstanding under Windstream Services' revolving line of credit.

Cash Flows - Operating Activities

Cash provided from operations is our primary source of funds. Cash flows from operating activities increased by $38.5 million in 2018 and decreased $33.2 million in 2017, as compared to the corresponding prior year period. The increase in 2018 primarily reflected the incremental cash flows generated from our 2018 and 2017 acquisitions, reductions from the prior year in merger, integration and other costs of $105.5 million mainly attributable to the mergers with EarthLink and Broadview and timing differences in the payment of trade accounts payable. These increases were partially offset by cash outlays related to our 2018 workforce reductions, decreases in consumer, small business and enterprise revenues, wholesale services, and switched access revenues due to customer losses from competition, declining demand for copper-based circuits to towers and the adverse effects of inter-carrier compensation reform, respectively. Higher cash interest payments of $30.8 million attributable to our 2018 and 2017 debt refinancing activities, as well as unfavorable timing differences in the collection of trade receivables also adversely impacted cash from operations in 2018.

The decrease in 2017 was primarily due to the adverse effects on our operating results from increased merger, integration and other costs of $123.6 million, primarily related to the mergers with EarthLink and Broadview, additional restructuring charges of $22.7 million primarily related to workforce reductions, and reductions in consumer and enterprise revenues, wholesale services, and switched access revenues due to customer losses from competition, declining demand for copper-based circuits to towers and the adverse effects of inter-carrier compensation reform, respectively, partially offset by favorable changes in working capital driven by improvement in the collection of trade receivables and timing difference in the payment of trade accounts payable. Additionally, cash flows from operating activities for 2017 include cash contributions to our qualified pension plan totaling $29.0 million to satisfy our 2017 and remaining 2016 funding requirements.

We utilized NOLs and other income tax initiatives to lower our cash income tax obligations for all years presented. As previously discussed, we expect the effects of the overall impact of the 2017 Tax Act will be generally favorable to us over the long-term by allowing us to extend the time frame we have to use our NOLs generated after December 31, 2017, and remain a minimal cash taxpayer for the foreseeable future.

Cash Flows - Investing Activities

Cash used in investing activities primarily includes investments in our network to upgrade and expand our service offerings as well as spending on strategic initiatives. Cash used in investing activities decreased $429.0 million in 2018 compared to 2017 primarily due to a decrease in our capital spending and proceeds from the sale of the Consumer CLEC business of $320.9 million. Cash used in investing in 2018 also reflected cash paid for the acquisitions of MASS and ATC of $46.9 million, net of cash acquired. Cash used in investing activities decreased $6.8 million in 2017 compared to 2016 primarily due to a reduction in our capital spending, partially offset by the net cash paid for the acquisition of Broadview and a payment of $9.4 million to settle an indemnification claim related to the December 2015 sale of substantially all of our data center business.

Capital expenditures were $820.2 million, $908.6 million and $989.8 million for 2018, 2017 and 2016, respectively. The majority of our capital spend during the past three years has been primarily directed toward consumer broadband upgrades of our network.

5. Long-term Debt and Lease Obligations, Continued:

Long-term Lease Obligations

Leaseback of Telecommunications Network Assets - On April 24, 2015, we completed the spin-off of certain telecommunications network assets, including our fiber and copper networks and other real estate, to Uniti. Following the spin-off transaction, Windstream Holdings entered into a long-term triple-net master lease with Uniti to lease back the telecommunications network assets. Under terms of the master lease, Windstream Holdings has the exclusive right to use the telecommunications network assets for an initial term of 15 years with up to four, five-year renewal options. Windstream Holdings is required to pay all property taxes, insurance, and repair or maintenance costs associated with the leased property. The master lease provides for an annual rent of $650.0 million paid in equal monthly installments in advance and is fixed for the first three years. Thereafter, rent will increase on an annual basis at a base rent escalator of 0.5 percent. Future lease payments due under the agreement reset to fair market rental rates upon Windstream Holdings' execution of the renewal options. During December 2015, we requested and Uniti agreed to fund $43.1 million of capital expenditures. As a result, the annual lease payment increased at a rate of 8.125 percent of the funds received from Uniti, or from $650.0 million to $653.5 million. Uniti also has the right, but not the obligation, upon Windstream's request, to fund additional capital expenditures of Windstream in an aggregate amount of up to $250.0 million for a maximum period of five years. Monthly rent paid by us to Uniti will increase in accordance with the master lease effective as of the date of the funding. If Uniti exercises this right, the lease payments under the master lease will be adjusted at a rate of 8.125 percent of the capital expenditures funded by Uniti during the first two years and at a floating rate based on Uniti's cost of capital thereafter. Additionally, if Uniti agrees to fund the entire $250.0 million, the initial term of the master lease will be increased from 15 years to 20 years and the number of renewal terms will be reduced from four renewal terms of five years each to three renewal terms of five years each.

Due to various forms of continuing involvement, including Windstream Services or its subsidiaries, retaining bare legal title (but not beneficial ownership) to the various easements, permits and pole attachments related to the telecommunications network assets, we accounted for the transaction as a failed spin-leaseback for financial reporting purposes. As a result, the net book value of the network assets transferred to Uniti continue to be reported in our consolidated balance sheet and all depreciable assets will be fully depreciated over the initial lease term of 15 years. Tenant capital improvements are depreciated over the shorter of the estimated useful life of the asset or the initial lease term.

At inception of the master lease, we recorded a long-term lease obligation of approximately $5.1 billion equal to the sum of the minimum future annual lease payments over the 15-year lease term discounted to the present value based on Windstream Services' incremental borrowing rate. Funding received from Uniti in December 2015 for capital expenditures was recorded as an increase to the long-term lease obligation. The effective interest rate on the long-term lease obligation is approximately 10.1 percent. As annual lease payments are made, a portion of the payment will decrease the long-term lease obligation with the balance of the payment charged to interest expense using the effective interest method.

As the master lease was entered into by Windstream Holdings for the direct benefit of Windstream Services and its subsidiaries, Windstream Services is also deemed to have continuing involvement due to retaining its regulatory obligations associated with operating the telecommunications network assets. Accordingly, the effects of the failed spin-leaseback transaction have also been reflected in the standalone consolidated financial statements of Windstream Services. Notwithstanding the foregoing accounting treatment, neither Windstream Services or its subsidiaries is a counterparty or obligor to the master lease agreement.

The filing of the Chapter 11 Cases resulted in an event of default under the master lease. Upon an event of default, remedies available to Uniti include terminating the master lease and requiring us to transfer the business operations we conduct on the leased assets so terminated (with limited exceptions) to a successor tenant for fair market value pursuant to a process set forth in the master lease, dispossessing us from the leased assets, and/or collecting monetary damages for the breach (including rent acceleration), electing to leave the master lease in place and sue for rent and any other monetary damages, and seeking any and all other rights and remedies available under law or in equity. The exercise of such remedies could have a material adverse effect on our business, financial position, results of operations and liquidity. Due to the Chapter 11 Cases, however, Uniti's ability to exercise remedies under master lease was stayed as of the date of the Chapter 11 petition filing.

5. Long-term Debt and Lease Obligations, Continued:

Leaseback of Real Estate Contributed to Pension Plan - During 2014, we contributed certain of our owned real property to the Windstream Pension Plan and then entered into agreements to leaseback the properties for continued use by our operating subsidiaries. The lease agreements include initial lease terms of 10 years for certain properties and 20 years for the remaining properties at an aggregate annual rent of approximately $6.0 million. The lease agreements provide for annual rent increases ranging from 2.0 percent to 3.0 percent over the initial lease term and may be renewed for up to three additional five-year terms. The properties are managed on behalf of the Windstream Pension Plan by an independent fiduciary. Due to various forms of continuing involvement, including Windstream Services' benefit from the future appreciation of the property, the transaction has been accounted for as a failed contribution-leaseback. Accordingly, the properties continue to be reported as assets of Windstream and depreciated over their remaining useful lives until termination of the lease agreement. We recorded a long-term lease obligation equal to the fair value of the properties at the date of contribution of $72.2 million. As a result of using the effective interest rate method, when lease payments are made to the Windstream Pension Plan, a portion of the payment is charged to interest expense and the remaining portion is recorded as an accretion to the long-term lease obligation.

A summary of the current and noncurrent portions of the long-term lease obligations was as follows:

	December 31, 2018			December 31, 2017		
(Millions)	Current	Noncurrent	Total	Current	Noncurrent	Total
Assets Subject to Leaseback:						
Telecommunications network assets (a)	$ 4,570.3	$ -	$ 4,570.3	$ 188.6	$ 4,570.3	$ 4,758.9
Real estate contributed to pension plan	-	72.8	72.8	-	73.0	73.0
Total	$ 4,570.3	$ 72.8	$ 4,643.1	$ 188.6	$ 4,643.3	$ 4,831.9

(a) Due to cross-default provisions contained within the master lease discussed above, the remaining obligations under the master lease also were accelerated. As a result, the long-term lease obligation has been classified as a current liability in the accompanying consolidated balance sheet as of December 31, 2018.

Undiscounted future minimum payments during the initial terms of the leases were as follows for the years ended December 31:

(Millions)	Leaseback of Telecommunications Network Assets	Leaseback of Real Estate Contributed to Pension Plan	Total
Year			
2019	$ 658.9	$ 6.5	$ 665.4
2020	662.2	6.7	668.9
2021	665.6	6.9	672.5
2022	668.9	7.1	676.0
2023	672.2	7.3	679.5
Thereafter	4,323.1	55.0	4,378.1
Total	$ 7,650.9	$ 89.5	$ 7,740.4

Capital Lease Obligations

We lease facilities and equipment for use in our operations. These facilities and equipment are included in outside communications plant in property, plant and equipment in the accompanying consolidated balance sheets. Lease agreements that include a bargain purchase option, transfer of ownership, contractual lease term equal to or greater than 75 percent of the remaining estimated economic life of the leased facilities or equipment or minimum lease payments equal to or greater than 90 percent of the fair value of the leased facilities or equipment are accounted for as capital leases in accordance with authoritative guidance for capital leases. These capital lease obligations are included in the accompanying consolidated balance sheets within other current liabilities and other liabilities. During 2018 and 2017, we acquired equipment under capital leases of $40.9 million and $79.1 million, respectively.

EXHIBIT 7

December 2014 Windstream 8-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 18, 2014 (December 18, 2014)

Exact name of registrant as specified in its charter	State or other jurisdiction of incorporation or organization	Commission File Number	I.R.S. Employer Identification No.
Windstream Holdings, Inc.	Delaware	001-32422	46-2847717
Windstream Corporation	Delaware	001-36093	20-0792300

4001 Rodney Parham Road
Little Rock, Arkansas **72212**
(Address of principal executive offices) **(Zip Code)**

Registrant's telephone number, including area code: (501) 748-7000

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure.

On December 18, 2014, Windstream Holdings, Inc. (Windstream) issued a press release announcing certain updates with respect to its previously-announced plans to spin off certain telecommunications network assets into an independent, publicly traded real estate investment trust (REIT). In addition, also on December 18, 2014, Windstream will make a presentation to investors and analysts with respect to the update on its spin off plans. A copy of the press release is attached hereto as Exhibit 99.1 and a copy of the investor presentation is attached hereto as Exhibit 99.2.

The information contained in this Item 7.01 to this Current Report on Form 8-K, including Exhibits 99.1 and 99.2, shall not be deemed "filed" with the Securities and Exchange Commission (SEC) nor incorporated by reference in any registration statement filed by Windstream under the Securities Act of 1933, as amended.

Item 8.01 Other Events.

Windstream intends to call a special meeting of its stockholders and seek stockholder approval of proposals on the following matters in advance of the contemplated spin off:

1. A proposal to amend Windstream's certificate of incorporation to effect a reclassification (reverse stock split) of Windstream's common stock, whereby each outstanding six (6) shares of common stock would be combined into and become one (1) share of common stock and to decrease the number of authorized shares of common stock and preferred stock proportionately;
2. A proposal to approve an amendment to the certificate of incorporation of Windstream's wholly-owned subsidiary, Windstream Corporation, to eliminate certain voting provisions in order to facilitate the spin off without incurring a large tax liability; and
3. A proposal to authorize the chairman of the special meeting to adjourn the special meeting if necessary or appropriate, in the discretion of the chairman, to obtain a quorum or to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve either of the foregoing matters.

Non-GAAP Financial Measures

The exhibits hereto contain certain non-GAAP financial measures, as defined under Regulation G of the rules and regulations of the SEC, including operating income before depreciation and amortization, or OIBDA. Non-GAAP financial measures used by Windstream may not be comparable to similarly titled measures used by other companies and should not be considered in isolation or as a substitute for measures of performance or liquidity prepared in accordance with GAAP. Windstream believes the presentation of supplemental measures of operating performance provides a meaningful comparison of our operating performance for the periods presented.

A reconciliation of the non-GAAP financial measures used in the exhibits hereto to the most directly comparable GAAP measure has been posted to Windstream's investor relations website at www.windstream.com/investors.

Cautionary Statement Regarding Forward Looking Statements

Windstream claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding the completion of the transaction, the expected benefits of the transaction, the expected financial attributes of the new Windstream and the REIT including the initial rent amount, the pro forma dividend and leverage ratio for each company, and the illustrative trading multiples and values for each company. Such statements are based on estimates, projections, beliefs and assumptions that Windstream believes are reasonable but are not guarantees of future events and results. Actual future events and results of Windstream may differ materially from those expressed in these forward-looking statements as a result of a number of important factors.

Factors that could cause actual results to differ materially from those contemplated in Windstream's forward-looking statements include, among others:

- risks related to the anticipated timing of the proposed separation, the expected tax treatment of the proposed transaction, the ability of each of Windstream (post-spin) and the new REIT to conduct and expand their respective businesses following the proposed spin off, the ability of Windstream to reduce its debt by the currently-anticipated amounts, and the diversion of management's attention from regular business concerns;
- our ability to receive, or delays in obtaining, the regulatory approvals and other conditions required to complete the spin off, and the risk that Windstream's board of directors could abandon the spin off or modify or change the terms of the spin off at any time and for any reason until the spin off is complete;
- our ability to obtain stockholder approval of an amendment to our subsidiary's certificate of incorporation that will facilitate the REIT spin off without incurring a large tax liability; and
- those additional factors under "Risk Factors" in Item 1A of Part I of Windstream's Annual Report on Form 10-K for the year ended December 31, 2013, and in subsequent filings with the SEC at www.sec.gov.

In addition to these factors, actual future performance, outcomes and results may differ materially because of more general factors including, among others, general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes.

Windstream undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause Windstream's actual results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties that may affect Windstream's future results included in other filings by Windstream with the SEC at www.sec.gov.

Participants in the Solicitation

Windstream and its directors and executive officers may be deemed to be participants in the solicitation of proxies from Windstream's stockholders with respect to the proposals for which stockholder approval is being sought in advance of the REIT spin off. Information about Windstream's directors and executive officers and their ownership of Windstream's common stock is set forth in Windstream's proxy statement on Schedule 14A filed with the SEC on March 25, 2014 and Windstream's Annual Report on Form 10-K for the year ended December 31, 2013. Information regarding the identity of the potential participants, and any direct or indirect interests they have in the proposals, by security holdings or otherwise, will be set forth in the proxy statement and other materials to be filed with SEC in connection with the proposals. Windstream's stockholders are advised to read the proxy statement when it becomes available because it will contain important information. The proxy statement will be mailed by Windstream to its stockholders, and investors will also be able to access the proxy statement and other relevant documents for free once filed with the SEC at www.sec.gov.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits.

The following exhibits are being furnished herewith:

Exhibit No.	Description
99.1	Press Release, dated December 18, 2014
99.2	Investor Presentation

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WINDSTREAM HOLDINGS, INC.

By: /s/ John P. Fletcher
Name: John P. Fletcher
Title: Executive Vice President and General Counsel

WINDSTREAM CORPORATION

By: /s/ John P. Fletcher
Name: John P. Fletcher
Title: Executive Vice President and General Counsel

Dated: December 18, 2014

[Signature Page to Form 8-K]

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, dated December 18, 2014
99.2	Investor Presentation

Exhibit 99.1

Windstream Provides Update on REIT Spinoff

Company to distribute 80.1% ownership in REIT to shareholders
Remaining 19.9% ownership in REIT used to retire additional Windstream debt
Company to hold special stockholder meeting in February 2015

Release date: Dec. 18, 2014

LITTLE ROCK, Ark. – Windstream (Nasdaq: WIN), a leading provider of advanced network communications, today provided an update on its planned real estate investment trust (REIT) spinoff. The company will hold a conference call at 7:30 a.m. CST today to review updates to the transaction.

Windstream announced it is refining the transaction structure in certain respects to benefit both Windstream and the REIT. Windstream now expects to retain 19.9 percent of the shares in the REIT and distribute the remaining 80.1 percent to Windstream stockholders. The retained shares will be sold opportunistically during a 12-month period following the spinoff, subject to market conditions, with the net proceeds used to retire debt.

“Given the importance of the REIT formation to Windstream’s future performance, the Board of Directors and I are intently focused on completing the spinoff, and it remains a strategic priority,” said President and CEO Tony Thomas. “This refined structure allows Windstream to reach our leverage goals faster to strengthen our competitive position, which we believe is appropriate and prudent given the fast changing telecom industry and rapidly evolving customer needs. By improving Windstream’s credit profile, the REIT benefits from having a financially stronger anchor tenant and retains the financial flexibility to grow and return capital to its shareholders.”

Special Meeting of Stockholders

Windstream also announced it will hold a special meeting of stockholders on February 20, 2015, in conjunction with the REIT spinoff to approve a 1-for-6 reverse stock split and an amendment to the certificate of incorporation of Windstream Corporation, a subsidiary of Windstream Holdings, that will facilitate the conversion of Windstream Corporation into a limited liability company (LLC).

Without the LLC conversion, Windstream would incur a tax liability of approximately $600 million to $800 million, based on current estimates, at Windstream Holdings that would be triggered upon execution of the spinoff.

In connection with the special meeting, Windstream will make available to its stockholders of record a proxy statement describing information related to the meeting and the proposals to be voted upon.

REIT Transaction Details

Windstream announced on July 29 plans to spin off certain telecommunications network assets into an independent, publicly traded REIT in order to accelerate network investments, provide enhanced services to customers and maximize shareholder value. The REIT will lease use of the assets to Windstream through a long-term triple-net exclusive lease with an initial estimated rent payment of $650 million per year. Windstream will operate and maintain the assets and deliver advanced communications and technology services to consumers and businesses. The REIT will focus on expanding and diversifying its assets and tenants through future acquisitions.

At the separation, the expected annual dividend per share in the aggregate for the two companies will be 70 cents per current Windstream share. Windstream plans to maintain its current dividend practice through the close of the transaction.

Under the refined structure, Windstream expects to reduce debt by approximately $4 billion in total.

The company has received a favorable private letter ruling from the Internal Revenue Service and has obtained a majority of the regulatory approvals required from state commissions.

Conference Call

Windstream will hold a conference call at 7:30 a.m. CST on Dec. 18 to review the revised ownership structure and the proposals for the special meeting of shareholders.

To Access the call:

Interested parties can access the call by dialing 1-877-374-3977, conference ID 52839526, ten minutes prior to the start time.

To Access the Call Replay:

A replay of the call will be available until midnight on Dec. 24. The replay can be accessed by dialing 1-855-859-2056, conference ID 52839526.

Webcast information:

The conference call also will be streamed live over the company's website at www.windstream.com/investors. A presentation related to the call will be posted on the site.

About Windstream

Windstream, a FORTUNE 500 and S&P 500 company, is a leading provider of advanced network communications and technology solutions, including cloud computing and managed services, to businesses nationwide. The company also offers broadband, phone and digital TV services to consumers primarily in rural areas. For more information, visit the company's online newsroom at news.windstream.com or follow on Twitter at @WindstreamNews.

Windstream claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding the completion of the transaction, the expected benefits of the transaction, the expected financial attributes of the new Windstream and the REIT including the initial rent amount, the pro forma dividend and leverage ratio for each company, and the illustrative trading multiples and values for each company. Such statements are based on estimates, projections, beliefs and assumptions that Windstream believes are reasonable but are not guarantees of future events and results. Actual future events and results of Windstream may differ materially from those expressed in these forward-looking statements as a result of a number of important factors.

Factors that could cause actual results to differ materially from those contemplated in Windstream's forward-looking statements include, among others:

- risks related to the anticipated timing of the proposed separation, the expected tax treatment of the proposed transaction, the ability of each of Windstream (post-spin) and the new REIT to conduct and expand their respective businesses following the proposed spinoff, the ability of Windstream to reduce its debt by the currently anticipated amounts, and the diversion of management's attention from regular business concerns;
- the company's ability to receive, or delays in obtaining, the regulatory approvals and other conditions required to complete the spinoff, and the

risk that Windstream's board of directors could abandon the spinoff or modify or change the terms of the spinoff at any time and for any reason until the spinoff is complete;

- the company's ability to obtain stockholder approval of an amendment to a company subsidiary's certificate of incorporation that will facilitate the REIT spinoff without incurring a large tax liability; and
- those additional factors under "Risk Factors" in Item 1A of Part I of Windstream's Annual Report on Form 10-K for the year ended December 31, 2013, and in subsequent filings with the Securities and Exchange Commission at www.sec.gov.

In addition to these factors, actual future performance, outcomes and results may differ materially because of more general factors including, among others, general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes.

Windstream undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause Windstream's actual results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties that may affect Windstream's future results included in other filings by Windstream with the Securities and Exchange Commission at www.sec.gov.

Participants in the Solicitation

Windstream and its directors and executive officers may be deemed to be participants in the solicitation of proxies from Windstream's stockholders with respect to the proposals for which stockholder approval is being sought in advance of the spinoff. Information about Windstream's directors and executive officers and their ownership of Windstream's common stock is set forth in Windstream's proxy statement on Schedule 14A filed with the SEC on March 25, 2014 and Windstream's Annual Report on Form 10-K for the year ended December 31, 2013. Information regarding the identity of the potential participants, and any direct or indirect interests they have in the proposals, by security holdings or otherwise, will be set forth in the proxy statement and other materials to be filed with SEC in connection with the proposals. Windstream's stockholders are advised to read the proxy statement when it becomes available because it will contain important information. The proxy statement will be mailed by Windstream to its stockholders, and investors will also be able to access the proxy statement and other relevant documents for free once filed with the Securities and Exchange Commission at www.sec.gov.

-end-

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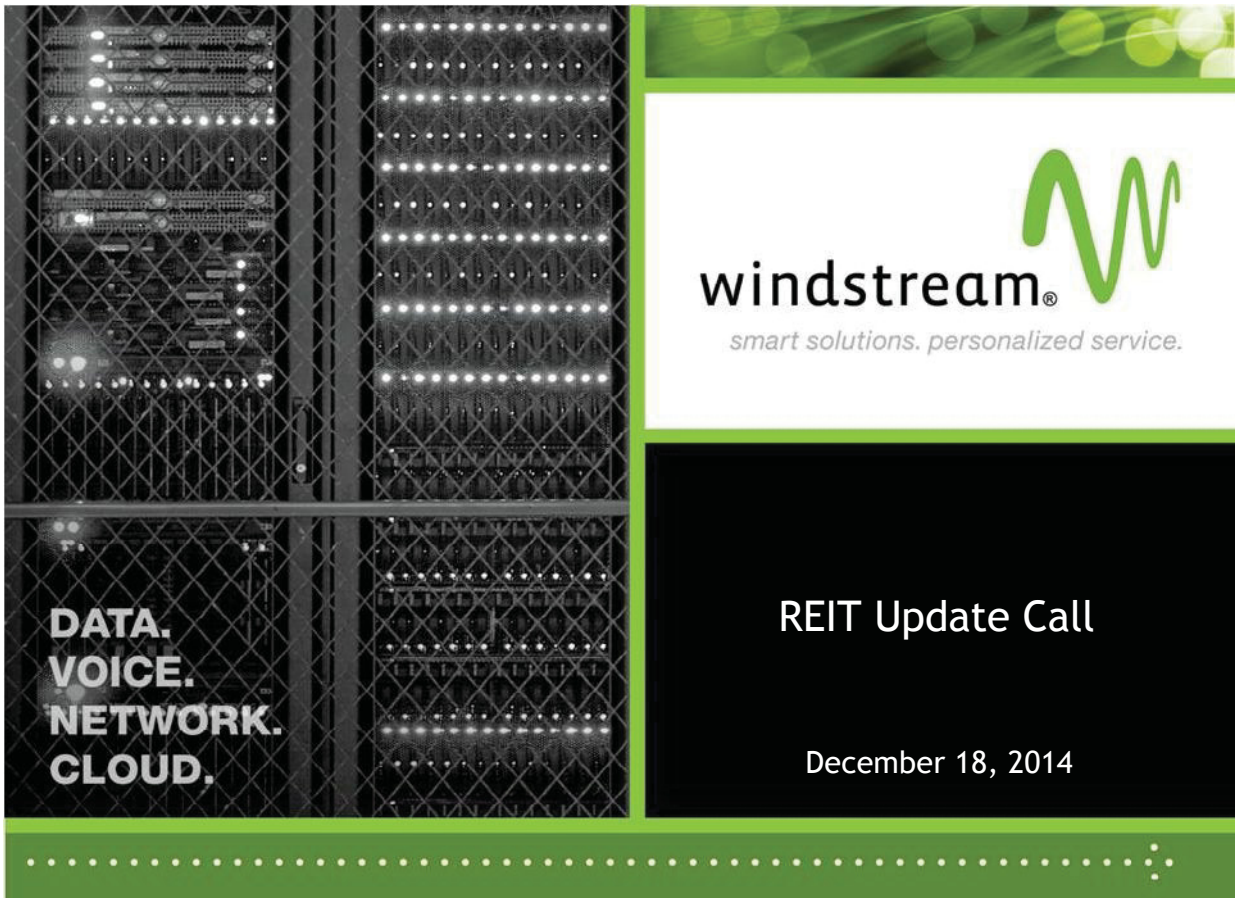
David Avery, 501-748-5876
david.avery@windstream.com

Investor Contact:
Mary Michaels, 501-748-7578
mary.michaels@windstream.com

Exhibit 99.2


DATA.
VOICE.
NETWORK.
CLOUD.
windstream®
smart solutions. personalized service.
REIT Update Call
December 18, 2014

Safe Harbor / Participants in the Proxy Solicitation

Windstream claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding the completion of the transaction, the expected benefits of the transaction, the expected financial attributes of the new Windstream and the REIT including the initial rent amount, the pro forma dividend and leverage ratio for each company, and the illustrative trading multiples and values for each company. Such statements are based on estimates, projections, beliefs, and assumptions that Windstream believes are reasonable but are not guarantees of future events and results. Actual future events and results of Windstream may differ materially from those expressed in these forward-looking statements as a result of a number of important factors.

Factors that could cause actual results to differ materially from those contemplated in Windstream's forward-looking statements include, among others: (i) risks related to the anticipated timing of the proposed separation, the expected tax treatment of the proposed transaction, the ability of each of Windstream (post-spin) and the new REIT to conduct and expand their respective businesses following the proposed spin off, the ability of Windstream to reduce its debt by the currently-anticipated amounts, and the diversion of management's attention from regular business concerns; (ii) our ability to receive, or delays in obtaining, the regulatory approvals required to complete the spin off, and the risk that Windstream's board of directors could abandon the spinoff or modify or change the terms of the spinoff at any time and for any reason until the spinoff is complete; and (iii) our ability to obtain stockholder approval of an amendment to our subsidiary's certificate of incorporation that will facilitate the REIT spin off without incurring a large tax liability; (iv) those additional factors under "Risk Factors" in Item 1A of Part I of Windstream's Annual Report on Form 10-K for the year ended December 31, 2013, and in subsequent filings with the Securities and Exchange Commission at www.sec.gov.

Windstream and its directors and executive officers may be deemed to be participants in the solicitation of proxies from Windstream's stockholders with respect to the proposals for which stockholder approval is being sought in advance of the REIT spin off. Information about Windstream's directors and executive officers and their ownership of Windstream's common stock is set forth in Windstream's proxy statement on Schedule 14A filed with the SEC on March 25, 2014 and Windstream's Annual Report on Form 10-K for the year ended December 31, 2013. Information regarding the identity of the potential participants, and any direct or indirect interests they have in the proposals, by security holdings or otherwise, will be set forth in the proxy statement and other materials to be filed with the SEC in connection with the proposals. Windstream's stockholders are advised to read the proxy statement when it becomes available because it will contain important information. The proxy statement will be mailed by Windstream to its stockholders, and investors will also be able to access the proxy statement and other relevant documents for free once filed with the SEC at www.sec.gov.

Today's Agenda

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Leadership

Tony Thomas

- President & CEO, Windstream
- Previously CFO of Windstream; most recently REIT CEO
- Over 20 years experience in the communications industry

Bob Gunderman

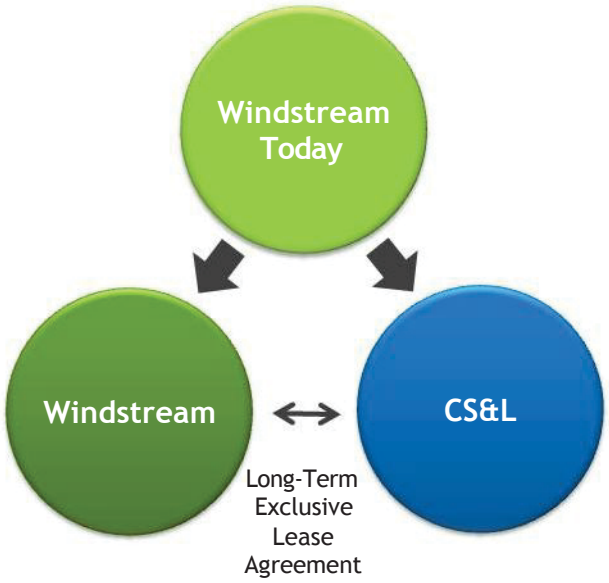
- CFO, Windstream
- Previously Windstream Treasurer
  - Interim CFO since Oct. 2014

Agenda

- Review of REIT spinoff
- Discussion of updates to the transaction
- Progress and timeline

REIT Spinoff from Windstream

Windstream is separating the business into two independent, publicly traded companies through a tax-free spinoff of selected network assets



- Windstream will spin off certain network assets into an independent, publicly traded real estate investment trust or REIT, named Communications Sales & Leasing ("CS&L)
- Windstream retains operational control of the network assets via a long-term "triple net" exclusive master lease agreement and will retain sole responsibility for meeting its existing regulatory obligations post transaction
- Windstream will retain the day-to-day role of providing advanced network communications services to businesses and consumers
- CS&L will become a new publicly traded real-estate investment trust that invests in telecom distribution system assets

Improving the Transaction Structure to Maximize Value

windstream

Updates to Structure

- **Ownership:**
  - Windstream will distribute ~80% of CS&L shares to WIN shareholders
  - Remaining ~20% of CS&L shares used to retire WIN debt opportunistically within 12 months of close
  - WIN will vote its REIT shares in accordance with the vote of the publicly held shares
- **Debt for Debt Exchange:**
  - Incremental $150M debt issued at CS&L used for additional debt pay down at Windstream

Benefits of New Structure

- **Debt reduction and flexibility:**

☑ Significantly improves WIN leverage with:
  - Addl. $150M in debt reduction and
  - Future debt pay down using CS&L stock of an estimated $850M to $1B, depending on CS&L valuation (1)

☑ CS&L retains flexibility to grow and return capital to shareholders

☑ ~20% retention provides WIN the opportunity to benefit from optimal CS&L value and enable both companies to retain financial flexibility

The revised structure improves Windstream's credit profile, resulting in a financially stronger anchor tenant for CS&L

(1) Assumes share price based on a OIBDA multiple of 12.5x- 13.9x at CS&L

Revised Transaction Structure Has Multiple Benefits

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	Windstream	CS&L
Lease Payment	▪ Unchanged	▪ Unchanged
Revenue	▪ Unchanged	▪ Unchanged
OIBDA	▪ Unchanged	▪ Unchanged
Free Cash Flow / AFFO	▪ Slightly enhanced by ~$150M less leverage ▪ Temporarily enhanced by benefit of REIT dividends until disposition	▪ Slightly lower AFFO due to ~$150M additional leverage – Results in modest change to payout ratio of less than 200 bps
Leverage	▪ Significantly enhanced due to future use of CS&L equity stake to pay down debt – Depending on REIT valuation, could result in lower net leverage of 0.6x - 0.7x compared to previous structure	▪ Slightly higher net leverage ratio of 0.2x
Dividend	▪ Unchanged at $.10 per share – Windstream benefits from temporarily higher free cash flow from REIT dividends until liquidation	▪ Unchanged - at $.60 per share (1) – Windstream shareholders receiving ~80% of CSL shares

Strategic benefits remain unchanged: Transaction improves Windstream's financial position and accelerates network investments, creates 2 focused businesses and maximizes value for shareholders

(1) Assumes a 1 for 1 exchange ratio

Revised Transaction Structure Has Multiple Benefits *(cont'd)*

windstream

(Dollars in Millions, Except per Share)

New Structure Improves WIN Leverage and Provides Increased Financial Flexibility

	12/31/14 Windstream	Windstream	CS&L	Illustrative Combined Value / % Change
FY15E Revenue [1]	$ 5,763	$ 5,763	$ 650	
FY15E Adjusted OIBDA[1]	2,064	1,414	630	
Assumed Adjusted OIBDA Multiple	6.8x	*Current ILEC Comp Average* 6.1x	*Current Triple-Net REIT Comp Average* 13.9x	
Indicative Enterprise Value	$ 13,967	$ 8,625	$ 8,757	
(-) Net Debt (as of 12/31/14E)[2]	(8,600)	(5,250)	(3,550)	
(+) Temporary Retained Ownership in CS&L[3]	---	1,036	---	
Indicative Equity Value	$ 5,367	$ 4,412	$ 5,207	*Value creation excludes 19.9% of CS&L's equity value retained by New Windstream*
Shares Outstanding	*603*	*603*	*603*	
Indicative Share Price	*Current* $ 8.90	$ 7.32	$ 8.64	**$ 14.23 / 59.9%**
Net Leverage	4.2x	3.7x	5.6x	
Net Leverage Incl. Temporary Retained Ownership in CS&L	---	3.0x	---	

CS&L Valuation Sensitivity and Resulting New Windstream Net Leverage

	Assuming a CS&L OIBDA Multiple of: 12.5x	13.9x
Windstream Retained Ownership in CS&L	$ 861	$ 1,036
Net Leverage Including CS&L Stake	3.1x	3.0x
Improvement from Base Case Net Leverage of 3.7x	*(0.6x)*	*(0.7x)*

Note: For illustrative purposes only and not intended to predict future share prices of New Windstream or CS&L. Assumes 12/31/14 transaction date for illustrative and pro forma purposes. CS&L's indicative share price and dividend per share assumes a 1:1 exchange ratio. Assumes $650M lease payment from Windstream to CS&L and pay down of ~$3.4B of debt at Windstream via the debt for debt exchange and cash payment. Assumes New WIN retains 19.9% interest in CS&L (~$1B in value). Excludes transfer of consumer CLEC business.

(1) FY15E Revenue and adjusted OIBDA equal to Wall St. consensus estimates.

(2) Excludes debt premium. FY14E debt estimated based on FCF and payout ratio guidance. Assumes Windstream incurs $200M in transaction expenses and financing fees at transaction closing.
(3) Assumes Windstream retains a 19.9% interest in CS&L. The retained ownership amount excludes transaction fees for the future liquidation of the equity interest and any prepayment penalties associated with the debt pay down.

Separation Creates Two Focused Businesses

windstream

Windstream

- Enterprise service provider with advanced capabilities
- Differentiated business model focusing on mid-size business market
- Roadmap to sustainable growth with 73% of revenue in growth segments
- Financial flexibility to invest in growth initiatives
- Strong and improving balance sheet

REIT

- Geographically diverse, high-quality assets
- Ability to grow and diversify both organically and through acquisition
- Capital structure supports shareholder dividends and financial flexibility to grow
- Sustainable and predictable free cash flow

Growth-focused enterprise telecom services provider

Yield-oriented REIT focused on growth and diversification

Windstream Strategic Priorities

Driving revenue and OIBDA growth

Strengthen
the core business

- Upgrade and expand network to provide best in class user experience
- Simplify systems environment and improve operational processes to gain efficiency and scale
- Deliver exceptional customer service

Invest
for profitable growth

- Success based fiber expansion to enhance revenue and expenses
- Enhance broadband capabilities and speeds
- Transition to IP network

Expand
capabilities

- Offer new services
- Partner with REIT to expand opportunities
- Strategic M&A

Communications Sales & Leasing Strategy and Overview

windstream

Well-positioned to grow funds from operations (FFO) per share

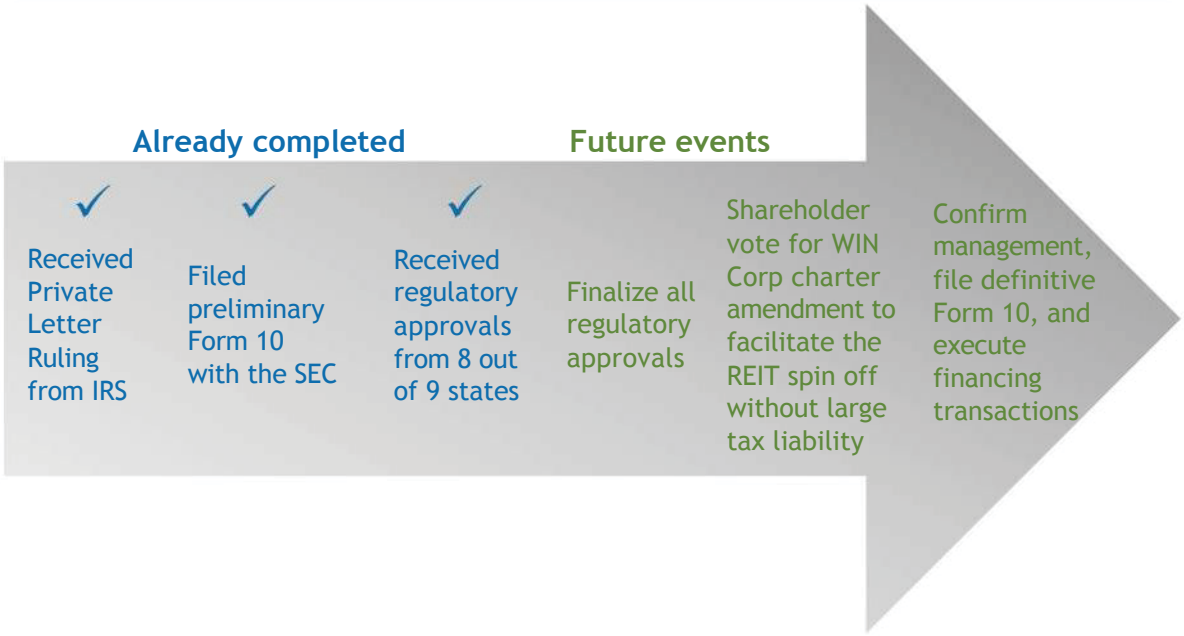
Strategy	▪ Invest in telecom distribution systems infrastructure, including fiber, copper, real estate, and other related fixed assets ▪ Grow FFO per share by partnering with tenants on success-based network expansion opportunities, strategic acquisitions of telecom infrastructure and growing lease revenue via rate escalations ▪ Return income to investors through regular dividend distributions
Operations	▪ Anchor tenant: Windstream ▪ Future customers: Other carriers and telecommunications services providers ▪ Growth strategy: Success-based capital investments, M&A and lease escalations ▪ Employees: ~25 ▪ Ticker: CSAL
CEO & Chairman	▪ Skip Frantz, Chairman ▪ CEO: Search underway
Financial Considerations	▪ Initial lease revenue: ~$650M (1) ▪ Expected pro forma net leverage: ~.65x ▪ Expected dividend: $.60 per share, assuming a 1 for 1 basis (2) ▪ The REIT will distribute at least 90% of its annual taxable income as dividends

(1) The REIT will also receive Windstream's residential CLEC business.
(2) The exchange ratio is expected to be .2 shares of CS&L for each share of WIN owned, subject to finalization. With a .2 exchange ratio, the CS&L dividend is expected to be $2.40 / share annually.

Transaction Timeline

windstream

Expect to close the REIT spinoff in the first half of 2015

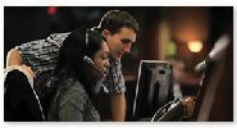


Transaction Benefits

windstream

Summary

- **Deleveraging:** Additional cash flow generated from this structure will accelerate WIN debt pay down, strengthening the balance sheet
- **Positioning both WIN and CS&L for growth:** Transaction better positions both companies to focus on growth through attractive expansion projects
- **Attractive dividend:** CS&L's strong and stable cash flow will support an attractive dividend
- **Strategic flexibility:** New capital structures provide increased strategic flexibility, allowing each company to optimize priorities and opportunities
- **Transaction unlocks meaningful value for shareholders**



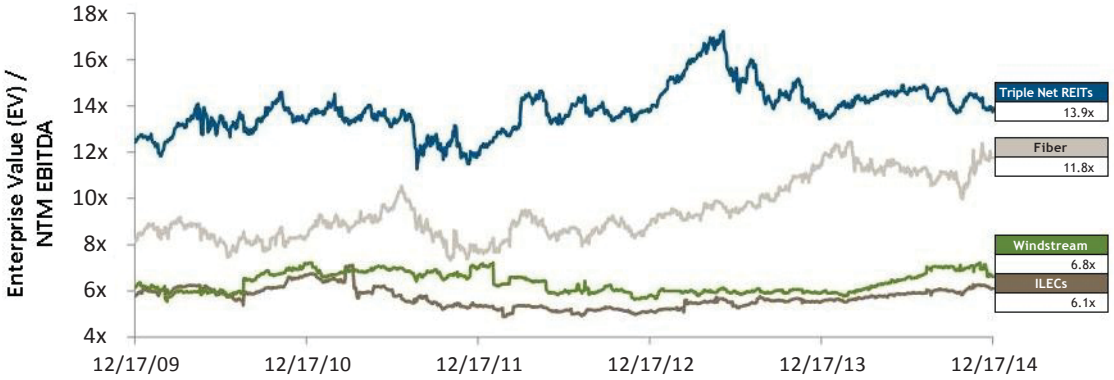
Appendix

Historical Valuation of REITs versus WIN Peers

windstream

Triple Net REITs have historically traded at significant premiums to WIN and its peers

Average During	Windstream	ILECs	Fiber	Triple Net REITs
Current Multiple:	6.8x	6.1x	11.8x	13.9x
Last 1 Year:	6.5x	5.9x	11.4x	14.3x
Last 2 Years:	6.2x	5.7x	10.6x	14.7x
Last 3 Years:	6.2x	5.5x	10.0x	14.3x
Last 5 Years:	6.4x	5.7x	9.4x	13.9x



Source: Factset.
Note: Triple Net REITs average EV / NTM EBITDA includes O, OHI, NNN, GLPI, EPR, LXP, MPW, NHI, SBRA, LTC and GTY.
Note: ILECs average EV / NTM EBITDA includes ALSK, HCOM, FRP, CNSL, CBB, WIN, FTR and CTL.
Note: Fiber average EV / NTM EBITDA includes CCOI, ZAYO and LVLT.

EXHIBIT 8

Separation and Distribution Agreement

Exhibit 2.1

SEPARATION AND DISTRIBUTION AGREEMENT

BY AND AMONG

WINDSTREAM HOLDINGS, INC.,

WINDSTREAM SERVICES, LLC

AND

COMMUNICATIONS SALES & LEASING, INC.

Dated March 26, 2015

ANNEXES

SCHEDULES

EXHIBITS

SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of March 26, 2015 (this "Agreement"), is by and among Windstream Holdings, Inc., a Delaware corporation ("WHI"), Windstream Services, LLC, a Delaware limited liability company ("Windstream"), and Communications Sales & Leasing, Inc., a Maryland corporation ("CS&L" and, together with WHI and Windstream, the "Parties").

W I T N E S S E T H:

WHEREAS, the board of directors of WHI has determined that it is advisable and in the best interests of WHI and its stockholders to separate Windstreams business into two companies in order to accelerate the transformation of its consumer and enterprise network and create additional value for shareholders, and to spin off certain assets into CS&L which will become an independent, publicly traded real estate investment trust;

WHEREAS, CS&L has been incorporated solely for these purposes and has not engaged in activities except in preparation for its corporate reorganization and the distribution of its stock;

WHEREAS, in furtherance of the foregoing, the board of directors of each of WHI, Windstream and CS&L have approved the transfer by Windstream and its Subsidiaries of the Assigned Assets (as hereinafter defined) to CS&L and its Subsidiaries in actual or constructive exchange for (i) the assumption or incurrence, as applicable, by CS&L and certain of its Subsidiaries of the Assumed Liabilities (as hereinafter defined), (ii) the issuance by CS&L to Windstream of all of the outstanding shares of the common stock, par value $0.0001 per share, of CS&L (the "CS&L Common Stock"), (iii) the transfer by CS&L, directly or indirectly, to Windstream of the Cash Payment (as hereinafter defined), and (iv) the transfer by CS&L, directly or indirectly, to Windstream of certain debt securities and loans under a term loan facility to be issued by CS&L or its Subsidiaries as part of the Financing Arrangements (as hereinafter defined), all as more fully described in this Agreement and the Transaction Agreements (together with certain related transactions, the "Reorganization");

WHEREAS, in advance of the Reorganization, WHI, Windstream and its Subsidiaries intend to undertake certain internal reorganization steps (the "Internal Reorganization");

WHEREAS, the board of directors of Windstream has determined that it is advisable and in the best interests of Windstream and its sole stockholder, WHI, to effect a distribution to WHI of shares of CS&L Common Stock in an amount equal to 80.1 percent of the outstanding CS&L Common Stock (the "Internal Distribution"), and the board of directors of WHI has determined that it is advisable and in the best interests of WHI and its stockholders to effect a distribution (the "External Distribution" and, together with the Internal Distribution, the "Distribution") to the holders of the outstanding shares of common stock, par value $0.0001 per share, of WHI (the "WHI Common Stock"), on a pro rata basis, of all shares of CS&L Common Stock received by WHI in the Internal Distribution so that, following the Distribution, WHI and CS&L will be two independent, publicly traded companies; and

WHEREAS, Windstream will temporarily retain a passive ownership interest in shares of CS&L Common Stock in an amount no more than 19.9 percent of the outstanding CS&L Common Stock, pending its opportunistic use of the CS&L Common Stock pursuant to the plan that includes the Reorganization and Distribution, subject to market conditions, to retire debt;

WHEREAS, the number of shares of CS&L Common Stock distributed pursuant to the Internal and External Distributions, and the number of shares of CS&L Common Stock temporarily retained by Windstream, shall each be calculated as of the record date of the Distribution in accordance with the formula set forth on Annex I hereto and shall be certified by an officer of Windstream;

WHEREAS, the Reorganization and the Distribution will, among other benefits, (i) provide WHI, Windstream and CS&L with increased flexibility to pursue the plan to expand Windstreams existing real estate platform and acquisition strategy, including alternatives that are unlikely to be available absent the Distribution; (ii) enable CS&L to issue equity on meaningfully more favorable terms in connection with investments and acquisitions, which management believes is critical to the success of the plan to expand Windstreams existing real estate platform; (iii) meaningfully enhance the ability of the extensive copper cable network and local and long-haul fiber optic cable network utilized in the provision of advanced network communications and technology solutions to businesses and consumers to raise capital by issuing equity on more favorable terms than would be possible, absent the Distribution, in the public markets to institutional investors that invest in real estate investment trusts ("REITs" or, individually, a "REIT"); (iv) reduce the actual or perceived competition for capital resources within the WHI Group (as defined below); (v) meaningfully enhance each of WHIs, Windstreams and CS&Ls ability to attract and retain qualified management; and (vi) allow the business of extensive copper cable network and local and long-haul fiber optic cable network utilized in the provision of advanced network communications and technology solutions to businesses and consumers to optimize its leverage and enhance the credit profile of the business of advanced network communications and technology solutions to businesses and consumers, providing the WHI Group with greater financial and strategic flexibility;

WHEREAS, it is the intention of the Parties that the Reorganization and the Distribution, together with certain related transactions, qualify as a reorganization within the meaning of Sections 355, 368(a)(1)(D), and 361 of the Code;

WHEREAS, WHI has received a private letter ruling from the IRS to the effect that, among other things, certain aspects of the Reorganization and the Distribution, together with certain related transactions, qualify as tax-free to WHI, Windstream and CS&L and the holders of WHI Common Stock for U.S. federal income tax purposes under Sections 355, 368(a)(1)(D) and 361 of the Code (the "Private Letter Ruling");

WHEREAS, this Agreement is intended to be, and is hereby adopted as, a "plan of reorganization" within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a); and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Reorganization and the Distribution and to set forth certain other agreements that will, following the Distribution, govern certain matters relating to the Reorganization and the Distribution and the relationship between WHI, Windstream and their Subsidiaries, on the one hand, and CS&L and its Subsidiaries, on the other hand.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1.1 Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings specified in this Section 1.1:

"Action" means any demand, action, claim, dispute, suit, countersuit, arbitration, inquiry, subpoena, proceeding or investigation of any nature (whether criminal, civil, legislative, administrative, regulatory, prosecutorial or otherwise) by or before any federal, state, local, foreign or international Governmental Authority or any arbitration or mediation tribunal.

"Affiliate" means, when used with respect to a specified Person, a Person that directly or indirectly, through one (1) or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition and the definitions of "CS&L Group" and "WHI Group," "control" (including with correlative meanings, "controlled by" and "under common control with"), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, from and after the Effective Time and for purposes of this Agreement and the other Transaction Agreements, no member of the CS&L Group shall be deemed to be an Affiliate of any member of the WHI Group, and no member of the WHI Group shall be deemed to be an Affiliate of any member of the CS&L Group.

"Agreement" has the meaning set forth in the Preamble.

"Amended and Restated Bylaws" has the meaning set forth in Section 3.1(f).

"Approvals or Notifications" means any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any third Person, including any Governmental Authority.

"Arbitrable Dispute" has the meaning set forth in Section 9.1(a).

"Articles of Amendment and Restatement" has the meaning set forth in Section 3.1(f).

"Assets" means all rights, properties or other assets, whether real, personal or mixed, tangible or intangible, of any kind, nature and description, whether accrued, contingent or otherwise, and wherever situated and whether or not carried or reflected, or required to be carried or reflected, on the books of any Person.

"Assigned Assets" has the meaning set forth in Section 2.2(a).

"Assigned Contracts" means any contract, agreement, arrangement, commitment or understanding listed or described on Schedule 1.1(a) (or any applicable licenses, leases, addenda and similar arrangements thereunder as described on Schedule 1.1(a)).

"Assignment Agreements" means, collectively, the Assignment, Conveyance and Assumption Agreement for Pole Agreements, the Assignment, Conveyance and Assumption Agreement for Permits, the Assignment, Conveyance and Assumption Agreement for Franchises, the Assignment, Conveyance and Assumption Agreement for Easements, the Assignment, Conveyance and Assumption Agreement for Tangible Assets and the Assignment, Conveyance and Assumption Agreement for Consumer CLEC Assets, each in substantially the form set forth in Exhibit I attached hereto with such conforming changes as are necessary to reflect the applicable State and parties.

"Assumed Liabilities" has the meaning set forth in Section 2.3(a).

"Audited Financial Statements" has the meaning set forth in Section 5.8(a).

"Cash Payment" has the meaning set forth in Section 3.2(j).

"Closing Balance Sheet" has the meaning set forth in Section 8.9(a).

"Closing Net Working Capital" has the meaning set forth in Section 8.9(a).

"Closing Statement" has the meaning set forth in Section 8.9(a).

"Code" means the Internal Revenue Code of 1986, as amended.

"Consumer CLEC Business" means the business of owning and operating a competitive local exchange carrier business offering voice, broadband, long distance and value-added services to consumer customers on a resale, non-facilities basis pursuant to one or more Wholesale Master Services arrangements.

"CPR" means the International Institute for Conflict Prevention & Resolution.

"CPR Arbitration Rules" has the meaning set forth in Section 9.2(a).

"CS&L" has the meaning set forth in the Preamble.

"CS&L Business" means (i) the business of owning and operating an extensive copper cable network and local and long-haul fiber optic cable network located in the Facilities and utilized in the provision of advanced network communications and technology solutions to businesses and consumers (but, for the avoidance of doubt, not the actual provision of advanced network communications and technology solutions to businesses and customers) and (ii) the Consumer CLEC Business.

"CS&L Common Stock" has the meaning set forth in the Recitals.

"CS&L Confidential Information" has the meaning set forth in Section 8.2(a).

"CS&L Group" means CS&L, each Subsidiary of CS&L and each other Person that is controlled directly or indirectly by CS&L, in each case immediately after the Effective Time; provided, however, that no director, officer, employee, agent or other representative of any of the foregoing who is a natural person shall be deemed to be a member of the CS&L Group.

"CS&L Indemnified Parties" has the meaning set forth in Section 7.3.

"Dispute" has the meaning set forth in Section 9.1(a).

"Distribution" has the meaning set forth in the Recitals.

"Distribution Agent" means Computershare Investor Services L.L.C.

"Distribution Date" means April 24, 2015, or such other time as determined by WHI in accordance with Section 3.3(b).

"Distribution Systems" has the meaning set forth in Section 2.2(a)(i)(C).

"Effective Time" means the time at which the External Distribution occurs on the Distribution Date, which shall be deemed to be 12:01 a.m., New York City Time, on the Distribution Date.

"Electronics" means any and all electronics used in connection with the Facilities that process, compress, modify and route signals along the Distribution Systems, including, but not limited to, digital subscriber line access multiplexers, digital loop carriers, routers, wave division multiplexers and switches.

"Employee Matters Agreement" means the Employee Matters Agreement in substantially the form attached hereto as Exhibit C, to be entered into by and among certain members of the WHI Group and certain members of the CS&L Group on or prior to the Distribution Date.

"Environmental Law" means any Law relating to pollution, protection or restoration of or prevention of harm to the environment or natural resources, including the use, handling, transportation, treatment, storage, disposal, release or discharge of Hazardous Materials or the protection of or prevention of harm to human health and safety.

"Environmental Permit" means any license, certificate, permit, registration, approval, authorization or consent that is required pursuant Environmental Laws.

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made.

"Excluded Assets" has the meaning set forth inSection 2.2(b).

"Excluded Liabilities" has the meaning set forth inSection 2.3(b).

"External Distribution" has the meaning set forth in the Recitals.

"Facilities" means those operational facilities categorized by geographic area set forth inSchedule 1.1(b) hereto and to be further generally described in a letter, dated on or around the Distribution Date, delivered by WHI and WIN and acknowledged by CS&L, which are the subject of the Master Lease and this Agreement.

"Financing Arrangements" has the meaning set forth inSection 3.2(j).

"Force Majeure" means, with respect to a Party, an event beyond the control of such Party (or any Person acting on its behalf), which by its nature could not reasonably have been foreseen by such Party (or such Person), or, if it could have reasonably been foreseen, was unavoidable, and includes acts of God, storms, floods, riots, fires, sabotage, civil commotion or civil unrest, interference by civil or military authorities, acts of war (declared or undeclared) or armed hostilities or other national or international calamity or one (1) or more acts of terrorism or failure of energy sources. Notwithstanding the foregoing, the receipt by a Party of an unsolicited takeover offer or other acquisition proposal, even if unforeseen or unavoidable, and such Partys response thereto shall not be deemed an event of Force Majeure.

"GAAP" means United States generally accepted accounting principles, consistently applied throughout the periods presented in accordance with WHIs historical policies and practices.

"Governmental Authority" means any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

"Group" means the WHI Group or the CS&L Group, as the context requires.

"Hazardous Materials" means any chemical, material, substance, waste, pollutant, emission, discharge, release or contaminant that could result in liability under, or that is prohibited, limited or regulated by or pursuant to, any Environmental Law, and any natural or artificial substance (whether solid, liquid or gas, noise, ion, vapor or electromagnetic) which could cause harm to human health or the environment, including petroleum, petroleum products

and byproducts, asbestos and asbestos-containing materials, urea formaldehyde foam insulation, electronic, medical or infectious wastes, polychlorinated biphenyls, radon gas, radioactive substances, chlorofluorocarbons and all other ozone-depleting substances.

"Improvements" has the meaning set forth in Section 2.2(a)(i)(B).

"Indemnified Party" has the meaning set forth in Section 7.6(a).

"Indemnifying Party" has the meaning set forth in Section 7.6(a).

"Indemnity Payment" has the meaning set forth in Section 7.6(a).

"Information" means information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memoranda and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, employee or business information or data.

"Information Statement" means the information statement, attached as an exhibit to the Registration Statement, and any related documentation to be provided to holders of WHI Common Stock in connection with the External Distribution, including any amendments or supplements thereto.

"Insurance Proceeds" means those monies (i) received by an insured from an insurance carrier, (ii) paid by an insurance carrier on behalf of the insured or (iii) received (including by way of set off) from any third Person in the nature of insurance, contribution or indemnification in respect of any Liability; in any such case net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

"Intellectual Property Matters Agreement" means the Intellectual Property Matters Agreement in substantially the form attached hereto as Exhibit D, to be entered into by and among certain members of the WHI Group and certain members of the CS&L Group on or prior to the Distribution Date.

"Interim Pro Forma Income Statements" has the meaning set forth in Section 5.8(b).

"Internal Distribution" has the meaning set forth in the Recitals.

"Internal Reorganization" has the meaning set forth in the Recitals.

"IRS" means the United States Internal Revenue Service.

"Land" has the meaning set forth in Section 2.2(a)(i)(A).

"Law" means any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

"Liabilities" means any and all debts, guarantees, liabilities, costs, expenses, interest and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any third Person product liability claim), demand, Action, whether asserted or unasserted, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking, or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

"Lien" means any pledge, claim, lien, mortgage, deed of trust, charge, restriction, control, easement, right of way, exception, reservation, lease, license, grant, covenant or condition, encumbrance or security interest of any kind or nature whatsoever.

"Listing Application" has the meaning set forth in Section 3.1(b).

"Master Lease" means the Master Lease Agreement to be entered into among WHI, CSL National, LP and the other entities listed on the schedules thereto as "Landlord" prior to or as of the Effective Time.

"Master Services Agreement" means the Master Services Agreement in substantially the form attached hereto as Exhibit G, to be entered into by and among certain members of the WHI Group and certain members of the CS&L Group on or prior to the Distribution Date.

"NASDAQ" means The NASDAQ Global Select Market.

"Net Working Capital" means (A) the sum of all accounts receivable balances (to be collected and retained by WHI Group), net of allowance for bad debt, relating to the CS&L Business less (B) the sum of all accrued interconnection costs and accrued payroll paid by the WHI Group relating to the CS&L Business, in each case computed in accordance with GAAP and in a manner consistent with the sample calculation set forth in Schedule 8.9 hereto and, to the extent not inconsistent therewith, all accounting principles, practices, methodologies and policies used in the preparation of the financial statements included in the Information Statement.

"Offering Memorandum" means any offering memorandum related to the Financing Arrangements.

"Parties" has the meaning set forth in the Preamble.

"Permitted Lien" means: (i) Liens securing Taxes, the payment of which is not delinquent, that may be paid without interest or penalties or the validity or amount of which is actively being contested in good faith by appropriate proceedings diligently pursued; (ii) zoning laws, building codes, rights-of ways and other land use laws and ordinances applicable to the Assigned Assets that are not violated by the existing structures or present uses thereof or the transfer of the Assigned Assets; (iii) carriers, warehousemens, materialmens, workmens, repairmens and mechanics liens, and other similar liens arising or incurred in the ordinary course of business that secure payment of obligations arising in the ordinary course of business not more than 60 days past due or which are being contested in good faith by appropriate proceedings diligently pursued; (iv) subleases, including but not limited to any rights to use through a dark fiber agreement, a dim fiber agreement, or a collocation agreement, and (v) easements, pole agreements, permits, rights-of-way, restrictions (including zoning restrictions), covenants, encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies on or with respect to any Facilities, not individually or in the aggregate materially interfering with the conduct of the business on the Facilities, taken as a whole.

"Person" means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, Governmental Authority or other entity.

"Plan of Reorganization" has the meaning set forth inSection 2.1(a).

"Private Letter Ruling" has the meaning set forth in the Recitals.

"Record Date" means April 10, 2015.

"Registration Statement" means the registration statement on Form 10 of CS&L with respect to the registration under the Exchange Act of the CS&L Common Stock, including any amendments or supplements thereto.

"REIT(s)" has the meaning set forth in the Recitals.

"Reorganization" has the meaning set forth in the Recitals.

"Representatives" has the meaning set forth inSection 8.2(a).

"Required Approvals" means those Approvals or Notifications set forth inSchedule 2.5(a).

"Reverse Transition Services Agreement" means the Reverse Transition Services Agreement in substantially the form attached hereto as Exhibit H, to be entered into by and among certain members of the WHI Group and certain members of the CS&L Group on or prior to the Distribution Date.

"RUS" means the Rural Utilities Service.

"RUS Stimulus Assets" means the assets that constitute collateral under the RUS grant and security agreements pursuant to which members of the WHI Group obtained grants pursuant to the American Recovery and Reinvestment Act of 2009.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations of the SEC thereunder, all as the same shall be in effect at the time that reference is made.

"Security Interest" means any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer, or other encumbrance of any other nature.

"Skadden" has the meaning set forth inSection 3.2(c).

"Software" means any and all (i) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (iii) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, and (iv) documentation, including user manuals and other training documentation, relating to any of the foregoing.

"Special Damages" has the meaning set forth inSection 7.9.

"Stockholders and Registration Rights Agreement" means the Stockholders and Registration Rights Agreement in substantially the form attached hereto as Exhibit F, to be entered into by and between Windstream and CS&L on or prior to the Distribution Date.

"Subsidiary" means, with respect to any Person, any corporation, limited liability company, joint venture or partnership of which such Person (i) beneficially owns, either directly or indirectly, more than fifty percent (50%) of (A) the total combined voting power of all classes of voting securities of such Person, (B) the total combined equity interests or (C) the capital or profit interests, in the case of a partnership, or (ii) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

"Tax" has the meaning set forth in the Tax Matters Agreement.

"Tax Matters Agreement" means the Tax Matters Agreement, in substantially the form attached hereto asExhibit B, to be entered into by and among certain members of the WHI Group and certain members of the CS&L Group on or prior to the Distribution Date.

"Tax Return" has the meaning set forth in the Tax Matters Agreement.

"Third Party Claim" has the meaning set forth inSection 7.7(a).

"Transaction Agreements" means this Agreement, the Master Lease, the Transition Services Agreement, the Tax Matters Agreement, the Employee Matters Agreement, the Intellectual Property Matters Agreement, the Wholesale Master Services Agreement, the Stockholders and Registration Rights Agreement, the Master Services Agreement, the Reverse Transition Services Agreement and the Transfer Agreements.

"Transactions" means, collectively, (i) the Internal Reorganization, (ii) the Reorganization, (iii) the Distribution and (iv) all other transactions contemplated by this Agreement or any other Transaction Agreement.

"Transfer Agreements" means the Assignment Agreements and any other document executed by WHI, Windstream, CS&L or their applicable Affiliates or Subsidiaries in connection with the transactions contemplated by Section 2.1(b) and Section 2.4(b).

"Transition Services Agreement" means the Transition Services Agreement in substantially the form attached hereto as Exhibit A, to be entered into by and among certain members of the WHI Group and certain members of the CS&L Group on or prior to the Distribution Date.

"WHI" has the meaning set forth in the Preamble.

"WHI Business" means the provision of advanced network communications and technology solutions to businesses and customers and any other businesses and operations conducted prior to the Effective Time by any member of the WHI Group that are not included in the CS&L Business.

"WHI Common Stock" has the meaning set forth in the Recitals.

"WHI Confidential Information" has the meaning set forth inSection 8.2(b).

"WHI Group" means WHI, each Subsidiary of WHI and each other Person that is controlled directly or indirectly by WHI, in each case immediately after the Effective Time; provided, however, that no director, officer, employee, agent or other representative of any of the foregoing who is a natural person shall be deemed a member of the WHI Group.

"WHI Indemnified Parties" has the meaning set forth inSection 7.2.

"Wholesale Master Services Agreement" means the Wholesale Master Services Agreement in substantially the form attached hereto as Exhibit E, to be entered into by and among certain members of the WHI Group and certain members of the CS&L Group on or prior to the Distribution Date.

"Windstream" has the meaning set forth in the Preamble.

ARTICLE II

THE REORGANIZATION

2.1 Transfer of Assets; Assumption of Liabilities.

(a) Prior to the Distribution, WHI, Windstream and CS&L shall complete the Internal Reorganization and the Reorganization in accordance with the plan and structure set forth on Schedule 2.1(a) (such plan and structure being referred to herein as the "Plan of Reorganization"). As part of the Plan of Reorganization, and without limiting the other steps set forth in the Plan of Reorganization:

(i) Windstream and CS&L shall or shall cause their Subsidiaries to execute the Assignment Agreements, pursuant to the terms of which, in the aggregate, Windstream and its Subsidiaries shall transfer, convey and deliver to CS&L and its Subsidiaries, and CS&L and its Subsidiaries shall accept from Windstream, the Assigned Assets (but not the Excluded Assets) and CS&L and its Subsidiaries shall accept, assume and agree faithfully to perform, discharge and fulfill all the Assumed Liabilities (but not the Excluded Liabilities) in accordance with their respective terms. From and after the execution of the Assignment Agreements, CS&L and its Subsidiaries shall be responsible for all Assumed Liabilities, regardless of when or where such Assumed Liabilities arose or arise or against whom such Assumed Liabilities are asserted, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the WHI Group or the CS&L Group, or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates; and

(ii) Contemporaneously with the execution of the Assignment Agreements, CS&L shall issue to Windstream the CS&L Common Stock and transfer, directly or indirectly, to Windstream the Cash Payment and those certain debt securities and loans to be issued by CS&L as part of the Financing Arrangements.

(b) In furtherance of the assignment, transfer, conveyance and delivery of the Assigned Assets and the assumption of the Assumed Liabilities in accordance with Section 2.1(a)(i) and the issuance by CS&L to Windstream of the CS&L Common Stock and the transfer by CS&L to Windstream of the Cash Payment and debt securities and loans in accordance with Section 2.1(a)(ii), on the date that such Assignment Agreements are signed (i) Windstream shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such additional bills of sale, quitclaim deeds, stock or equity powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment and other documents as and to the extent deemed by CS&L to be reasonably necessary to evidence the transfer, conveyance and assignment of the Assigned Assets to CS&L and its Subsidiaries, and (ii) CS&L shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such additional assumptions of contracts and other instruments of assumption, additional bills of sale, quitclaim deeds, stock or equity powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment and other documents as and to the extent deemed by Windstream to be reasonably necessary to evidence the valid and effective assumption of the Assumed Liabilities by CS&L and its Subsidiaries, the issuance by CS&L to Windstream of the CS&L Common Stock and the transfer to Windstream of those certain debt securities and loans reference in Section 2.1(a)(ii) above.

(c) If at any time or from time to time (whether prior to or after the Effective Time), any Party (or any member of such Partys respective Group), shall receive or otherwise possess any Asset or Liability that is allocated to any other Person pursuant to this Agreement or any other Transaction Agreement, such Party shall, as applicable, promptly transfer or accept, or cause to be transferred or accepted, such Asset or Liability, as the case may be, to the Person entitled to such Asset or responsible for such Liability, as the case may be. Prior to any such transfer, the Person receiving, possessing or responsible for such Asset or Liability shall be deemed to be holding such Asset or Liability, as the case may be, in trust for any such other Person.

(d) CS&L, on its own behalf and on behalf of each other member of the CS&L Group, hereby waives compliance by each and every member of the WHI Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer or sale of any or all of the Assigned Assets to any member of the CS&L Group.

2.2 Assigned Assets.

(a) For purposes of this Agreement, "Assigned Assets" shall mean (without duplication):

(i) All of the WIN Groups rights, title and interest in and to the following with respect to each of the Facilities:

(A) the real property or properties specifically listed in the letter contemplated in the definition of Facilities and all other real property or properties owned by the WIN Group in the geographical areas of the Facilities that are (i) the locations for central offices, remote switching locations, or other switching facilities and (ii) necessary for the use and operation of, or currently used in the operation of, the Distribution Systems associated with such Facilities (the "Land");

(B) all buildings, structures, and other improvements and fixtures of every kind now or hereafter located on the Land or connected thereto including, but not limited to, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site to the extent the WIN Group has obtained any interest in the same), parking areas and roadways appurtenant to such buildings and structures, including all HVAC systems and components, generators and fire suppression systems (the "Improvements");

(C) all fiber optic cable lines, copper cable lines, conduits, telephone poles, attachment hardware (including bolts and lashing), guy wires, anchors, pedestals, concrete pads, amplifiers and such other fixtures, and other items of property, including all components thereof (such as cross connect cabinets, windstream outside plant mini-cabinet mounting post (WOMP), fiber distribution hubs, fiber access terminals and first entry fiber splice cases), that are now or hereafter located in, on or used in connection with and permanently affixed to or otherwise incorporated into the Facilities, together with all replacements, modifications, alterations and additions thereto, up through and at the meeting and demarcation points described on Schedule 2.2(a)(i)(C) (the "Distribution Systems"); and

(D) all system maps and records for the Distribution Systems.

(ii) all Assigned Contracts;

(iii) all rights to the "Talk America" name and logo and related domains; and

(iv) any and all Assets owned or held immediately prior to the Effective Time by Windstream or any of its Subsidiaries that are used primarily in, or that primarily relate to, the CS&L Business (the intention of this clause (iv) is only to rectify any inadvertent omission of transfer or conveyance of any Assets that, had the Parties given specific consideration to such Asset as of the date hereof, would have otherwise been classified as an Assigned Asset; no Asset shall be deemed to be an Assigned Asset solely as a result of this clause (iv) if such Asset is within the category or type of Asset expressly covered by the terms of another Transaction Agreement unless the Party claiming entitlement to such Asset can establish that the omission of the transfer or conveyance of such Asset was inadvertent).

(b) For the purposes of this Agreement, "Excluded Assets" shall mean (without duplication), (i) any and all Assets of the WHI Group as of the Effective Time that are not expressly contemplated by this Agreement to be Assigned Assets and (ii) those Assets listed or described on Schedule 2.2(b).

2.3 Assumed Liabilities.

(a) For the purposes of this Agreement, "Assumed Liabilities" shall mean (without duplication):

(i) all Liabilities to the extent relating to, arising out of or resulting from any Assigned Assets, whether arising before, at or after the Effective Time; and

(ii) those Liabilities set forth on Schedule 2.3(a).

(b) For the purposes of this Agreement, "Excluded Liabilities" shall mean (without duplication), (i) any and all Liabilities of WHI, Windstream and their respective Subsidiaries as of the Effective Time that are not expressly contemplated by this Agreement to be Assumed Liabilities, and (ii) those Liabilities listed or described on Schedule 2.3(b).

2.4 Transfer of Assets and Assumption of Liabilities from and after the Effective Time.

(a) To the extent any Excluded Asset is transferred or assigned to, or any Excluded Liability is assumed by, a member of the CS&L Group at the Effective Time or is owned or held by a member of the CS&L Group after the Effective Time, and to the extent any Assigned Asset has not been transferred or assigned to, or any Assumed Liability has not been assumed by, a member of the CS&L Group at the Effective Time or is owned or held by a member of the WHI Group after the Effective Time, from and after the Effective Time:

(i) CS&L or WHI, as applicable, shall, and shall cause its applicable Subsidiaries to, promptly assign, transfer, convey and deliver to the other Party or certain of its Subsidiaries designated by such Party, and CS&L or WHI, or such Subsidiaries, as applicable, shall accept from WHI or CS&L and such applicable Subsidiaries, such Assets of WHI or CS&L; and

(ii) WHI or CS&L, as applicable, or certain Subsidiaries of WHI or CS&L designated by such Party, shall promptly accept, assume and agree faithfully to perform, discharge and fulfill all such Liabilities of WHI or CS&L in accordance with their respective terms.

(b) In furtherance of the assignment, transfer, conveyance and delivery of Assets and the assumption of Liabilities set forth in this Section 2.4, and without any additional consideration therefor: (A) the applicable Party shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such bills of sale, quitclaim deeds, stock or equity powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the transfer, conveyance and assignment of all of such Partys and its Subsidiaries right and interest in and to the applicable Assets to the other Party and its Subsidiaries, and (B) the applicable Party shall execute and deliver such assumptions of contracts and other instruments of assumption as and to the extent necessary to evidence the valid and effective assumption of the applicable Liabilities by such Party.

2.5 Approvals and Notifications.

(a) The Parties will use their commercially reasonable efforts to obtain all Required Approvals as soon as reasonably practicable; provided, however, that, except to the extent expressly provided in any of the other Transaction Agreements, neither WHI nor CS&L shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Required Approvals.

(b) If and to the extent that it is mutually determined by the Parties prior to the Distribution Date that the transfer or assignment of any Assets or assumption of any Liabilities would be violative, in any material respect, of an applicable Law notwithstanding the receipt of the Required Approvals then, unless the Parties mutually shall otherwise determine, the transfer or assignment of such Assets or the assumption of such Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all Approvals or Notifications necessary to resolve such violation of Law have been obtained or made; provided, however, that if such Approvals or Notifications are not obtained or made, in each case by the second (2nd) anniversary of the Distribution Date, then, unless the Parties mutually shall otherwise determine, all Assets and Liabilities that are held by any member of the WHI Group or the CS&L Group, as the case may be, will be retained by such Party indefinitely, and the Parties shall execute mutually acceptable documentation to such effect in accordance with applicable Law.

(c) If any transfer or assignment of any Assigned Asset or any assumption of any Assumed Liability intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Distribution Date, whether as a result of the provisions of Section 2.5(b) or for any other reason, then the Parties shall use reasonable best efforts to effect such transfer, assignment or assumption as promptly following the Distribution Date as shall be practicable. The member of the WHI Group retaining such Assigned Asset or such Assumed Liability, as the case may be, shall thereafter hold such Assigned Asset or Assumed Liability, as the case may be, for the use and benefit of the member of the CS&L Group entitled thereto (at the expense of the member of the CS&L Group entitled thereto) until such Assigned Asset or Assumed Liability is transferred to a member of the CS&L Group or until such Assigned Asset or Assumed Liability is retained by the member of the WHI Group pursuant to Section 2.5(b), whichever is sooner, and CS&L shall, or shall cause the applicable member of the CS&L Group to, pay or reimburse the Party retaining such Assumed Liability for all amounts paid or incurred in connection with the retention of such liability. In addition, for such period, the member of the WHI Group retaining such Assigned Asset or such Assumed Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Assigned Asset or Assumed Liability in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the CS&L Group to whom such Assigned Asset is to be transferred or assigned, or which will assume such Assumed Liability, as the case may be (including possession, use, risk of loss, potential for gain, and dominion, control and command over such Assigned Asset or Assumed Liability), in order to place such member of the CS&L Group in a substantially similar position as if such Assigned Asset or Assumed Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens relating to such Assigned Asset or Assumed Liability, as the case may be, including use, risk of loss, potential for gain, and dominion, control and command over such Assigned Asset or Assumed Liability, as the case may be, is to inure from and after the Effective Time to the CS&L Group. In furtherance of the foregoing, the Parties agree that, as of the Distribution Date, each member of the CS&L Group shall be deemed to have acquired complete and sole beneficial ownership over all of the Assigned Assets, together with all rights, powers and privileges incident thereto, and shall be deemed to have assumed in accordance with the terms of this Agreement all of the Assumed Liabilities, and all duties, obligations and responsibilities incident thereto, which such member is entitled to acquire or required to assume pursuant to the terms of this Agreement.

(d) With respect to Assigned Assets or Assigned Liabilities described in Section 2.5(c), each of WHI and CS&L shall, and shall cause the members of its respective Group to, (i) treat for all income Tax purposes, (A) any Assigned Asset retained by the WIN Group as having been transferred to and owned by the member of the CS&L Group entitled to such Assigned Asset not later than the Distribution Date and (B) any Assigned Liability retained by the WHI Group as a liability having been assumed and owned by the member of the CS&L Group intended to be subject to such Assumed Liabilities not later than the Distribution Date and (ii) neither report nor take any income Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by a change in applicable Tax Law or good faith resolution of a Tax Contest relating to income Taxes).

(e) If and when any violation of Law contemplated in Section 2.5(b) has been resolved, the transfer or assignment of the applicable Assigned Asset or the assumption of the applicable Assumed Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or the applicable Transaction Agreement.

(f) Any member of the WHI Group retaining an Assigned Asset or Assumed Liability due to the deferral of the transfer or assignment of such Assigned Asset or the deferral of the assumption of such Assumed Liability, as the case may be, shall not be obligated, in connection with the foregoing and unless required by the Master Lease or the Parties have executed documentation providing for such asset or liability to be retained by such Party pursuant to Section 2.5(b), to expend any money unless the necessary funds are advanced (or otherwise made available) by CS&L or the member of the CS&L Group entitled to the Assigned Asset or Assumed Liability, other than reasonable out-of-pocket expenses, attorneys fees and recording or similar fees, all of which shall be promptly reimbursed by CS&L or the member of the CS&L Group entitled to such Assigned Asset or Assumed Liability.

(g) To the extent any Assigned Asset intended to be subject to the Master Lease is retained by a member of the WHI Group, the rent payable under the Master Lease and the other obligations of the tenant under the Master Lease with respect to such Assigned Asset shall not be impacted by the retention of such Assigned Asset by a member of the WHI Group (and such rent and other obligations shall be determined as if such Assigned Asset had been transferred or assigned to CS&L or a member of the CS&L Group).

2.6 Responsibility for Assumed Liabilities Retained by WHI. If WHI or CS&L is unable to obtain, or to cause to be obtained, any consent, substitution, approval, amendment or release required to transfer an Assumed Liability to a member or members of the CS&L Group, then until the second (2nd) anniversary of the Effective Time, the applicable member of the WHI Group shall continue to be bound by such agreement, lease, license or other obligation or Liability and, unless not permitted by the terms thereof or by Law, CS&L shall, as agent or subcontractor for such member of the WHI Group, as the case may be, pay, perform and discharge fully all the obligations or other Liabilities of such member of the WHI Group that constitute Assumed Liabilities, as the case may be, thereunder from and after the Effective Time. CS&L shall indemnify each WHI Indemnified Party, and hold each of them harmless, against any Liabilities arising in connection therewith; provided, that pursuant hereto CS&L shall have no obligation to indemnify any WHI Indemnified Party that has engaged in any knowing and intentional violation of Law, breach of contract, tort, fraud or misrepresentation in connection therewith. WHI shall cause each member of the WHI Group without further consideration, to pay and remit, or cause to be paid or remitted, to CS&L, promptly all money, rights and other consideration received by it or any member of the WHI Group in respect of such performance (unless any such consideration is an Excluded Asset). If and when any such consent, substitution, approval, amendment or release shall be obtained or the obligations under such agreement, lease, license or other obligations or Liabilities shall otherwise become assignable or able to be novated, WHI shall promptly assign, or cause to be assigned, all its obligations and other Liabilities thereunder or any obligations of any member of the WHI Group to CS&L without payment of further consideration and CS&L shall, without the payment of any further consideration, assume such obligations in accordance with the terms of this Agreement and/or the applicable Transaction Agreement.

ARTICLE III

THE DISTRIBUTION

3.1 Actions on or Prior to the Distribution. Prior to the Distribution, the following shall occur:

(a) *Securities Filings*. Prior to the date of this Agreement, the Parties have caused the Registration Statement to be prepared and filed with the SEC and to become effective and have either caused the Information Statement to be mailed to the holders of record of WHI Common Stock as of the Record Date or posted the Information Statement online and caused a notice of the availability thereof to be mailed to the holders of record of WHI Common Stock as of the Record Date. The Parties shall cooperate in preparing, filing with the SEC and causing to become effective any registration statements or amendments or supplements thereto that are necessary or appropriate in order to effect the Transactions, or to reflect the establishment of, or amendments to, any employee benefit plans contemplated hereby. The Parties shall take all such action as may be necessary or appropriate under state and foreign securities or "blue sky" Laws in connection with the Transactions.

(b) *Listing*. Prior to the date of this Agreement, the Parties have caused an application for the listing on NASDAQ, of the CS&L Common Stock that will be issued to the holders of WHI Common Stock in the External Distribution (the "Listing Application") to be prepared and filed. The Parties shall use commercially reasonable efforts to have the Listing Application approved, subject to official notice of issuance, as soon as reasonably practicable following the date of this Agreement. WHI shall give NASDAQ notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(c) *Distribution Agent*. WHI shall enter into a distribution agent agreement with the Distribution Agent or otherwise provide instructions to the Distribution Agent regarding the Distribution.

(d) *Efforts*. To the extent that any Required Approval has not been obtained prior to the date of this Agreement, the Parties will use commercially reasonable efforts to obtain, or cause to be obtained, such Required Approval prior to the Effective Time. If any Approval or Notification other than a Required Approval has not been obtained from or made to any third Person prior to the Effective Time, the Parties shall use their reasonable best efforts to implement the applicable provisions of this Agreement to the fullest extent practicable and, if any provision of this Agreement cannot be implemented due to the absence of such Approval or Notification, the Parties shall negotiate in good faith to implement the provision in a mutually satisfactory manner.

(e) *Transaction Agreements*. Prior to the Effective Time, each Party shall execute and deliver, and shall cause each applicable member of its Group to execute and deliver, as applicable, the Transaction Agreements and such other written agreements, documents or instruments as the Parties may agree are reasonably necessary or desirable in connection with the Transactions.

(f) *Governance Matters.* On or prior to the Distribution Date, the Parties shall take all necessary actions to adopt the Articles of Amendment and Restatement of CS&L (the "Articles of Amendment and Restatement") and the Amended and Restated Bylaws of CS&L (the "Amended and Restated Bylaws"), each substantially in the forms filed by CS&L with the SEC as exhibits to the Registration Statement. On or prior to the Distribution Date, the Parties shall take all necessary action so that, as of the Distribution Date, the officers and directors of CS&L will be as set forth in the Information Statement, with such changes as may be reasonably acceptable to WHI.

3.2 Conditions Precedent to Distribution. In no event shall the Distribution occur unless each of the following conditions shall have been satisfied (or waived by WHI, in whole or in part, in its sole discretion):

(a) each of the other Transaction Agreements shall have been duly executed and delivered by the parties thereto;

(b) the Internal Reorganization and the Reorganization shall have been completed in accordance with the Plan of Reorganization;

(c) the Private Letter Ruling shall not have been revoked or modified in any material respect and WHI shall have received the opinions of Skadden, Arps, Slate, Meagher & Flom LLP ("Skadden"), in form and substance satisfactory to WHI, confirming, among other things, that certain aspects of the Reorganization and Distribution, together with certain related transactions, should qualify as tax-free to WHI, Windstream, CS&L and holders of WHI Common Stock for U.S. federal income tax purposes under Sections 355, 368(a)(1)(D) and 361 and related provisions of the Code;

(d) WHI and Windstream shall have received such solvency opinions and appraisals, each in such form and substance, as they shall deem necessary, appropriate or advisable in connection with the consummation of the Transactions;

(e) the Registration Statement shall have been declared effective by the SEC, with no stop order in effect with respect thereto, and no proceedings for such purpose shall be pending before, or threatened by, the SEC, and the Information Statement shall have been mailed to holders of WHI Common Stock as of the Record Date;

(f) all actions and filings necessary or appropriate under applicable federal, state or foreign securities or "blue sky" Laws and the rules and regulations thereunder shall have been taken and, where applicable, become effective or been accepted;

(g) the CS&L Common Stock to be delivered in the Distribution shall have been accepted for listing on NYSE or NASDAQ, subject to compliance with applicable listing requirements;

(h) no order, injunction or decree issued by any court of competent jurisdiction or other legal restraint or prohibition preventing consummation of the Distribution or any of the transactions related thereto, including the Internal Reorganization or the Reorganization, shall be threatened, pending or in effect;

(i) all Required Approvals shall have been obtained and be in full force and effect;

(j) (i) CS&L shall have entered into the financing transactions described in the Registration Statement or the Information Statement and contemplated to occur on or prior to the Distribution Date, and WHI and Windstream shall have entered into the financing transactions and credit agreement amendments to be entered into in connection with the Plan of Reorganization (collectively, the "Financing Arrangements") and the respective amendments thereunder shall have become effective and financings thereunder shall have been consummated and shall be in full force and effect, and (ii) CS&L shall have transferred to WHI or the applicable member of the WHI Group, no later than immediately prior to the Distribution, as contemplated by the Plan of Reorganization, (x) CS&L debt securities with a principal amount approximately equal to $2.35 billion, (y) an amount in cash that will not exceed the total adjusted basis of all of the Assigned Assets (the "Cash Payment"), and (z) all of the stock of CS&L;

(k) on or prior to the Distribution, the persons specified in the Information Statement shall have been duly elected as members of CS&Ls board of directors;

(l) WHI, Windstream and CS&L shall each have taken all necessary action that may be required to provide for the adoption by CS&L of the Articles of Amendment and Restatement and the Amended and Restated Bylaws, and CS&L shall have filed the Articles of Amendment and Restatement with the Maryland State Department of Assessments and Taxation;

(m) at or prior to the Effective Time, WHI, Windstream and CS&L shall have taken all actions as may be necessary to approve the stock-based employee benefit plans of CS&L in order to satisfy the applicable rules and regulations of NYSE or NASDAQ; and

(n) no other condition shall fail to be satisfied and no event or development shall have occurred or exist that, in the judgment of the board of directors of WHI, in its sole discretion, makes it inadvisable to effect the Transactions.

Notwithstanding Section 3.1(d) or any other provision hereof, each of the foregoing conditions is for the sole benefit of WHI and shall not give rise to or create any duty on the part of WHI or its board of directors to waive or not to waive any such condition or to effect the Internal Reorganization, the Reorganization and the Distribution, or in any way limit WHIs rights of termination set forth in this Agreement. Any determination made by WHI prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.2 shall be conclusive and binding on the Parties.

3.3 The Distribution.

(a) Subject to the terms and conditions set forth in this Agreement, includingSection 3.3(b), (i) on or prior to the Distribution Date, WHI shall deliver to the Distribution Agent for the benefit of holders of record of WHI Common Stock on the Record Date book-entry transfer authorizations for such number of the issued and outstanding shares of CS&L Common Stock necessary to effect the External Distribution, (ii) the External Distribution shall be effective at the Effective Time, and (iii) WHI shall instruct the Distribution Agent to distribute, on or as soon as practicable after the Effective Time, to each holder of record of WHI Common

Stock as of the Record Date, by means of a pro rata distribution, one (1) share of CS&L Common Stock, or such other number of shares of CS&L Common Stock as shall have been agreed to by the Parties and set forth in the Information Statement, for every one (1) share of WHI Common Stock so held. Following the Distribution Date, CS&L agrees to provide all book-entry transfer authorizations for shares of CS&L Common Stock that WHI or the Distribution Agent shall require in order to effect the External Distribution.

(b) NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, WHI SHALL, IN ITS SOLE AND ABSOLUTE DISCRETION, DETERMINE THE DISTRIBUTION DATE AND ALL TERMS OF THE DISTRIBUTION, INCLUDING THE FORM, STRUCTURE AND TERMS OF ANY TRANSACTIONS AND/OR OFFERINGS TO EFFECT THE DISTRIBUTION AND THE TIMING OF AND CONDITIONS TO THE CONSUMMATION THEREOF. IN ADDITION, WHI MAY AT ANY TIME AND FROM TIME TO TIME UNTIL THE COMPLETION OF THE DISTRIBUTION DECIDE TO ABANDON THE DISTRIBUTION OR MODIFY OR CHANGE THE TERMS OF THE DISTRIBUTION, INCLUDING BY ACCELERATING OR DELAYING THE TIMING OF THE CONSUMMATION OF ALL OR PART OF THE DISTRIBUTION.

(c) The Parties agree that this Agreement constitutes a "plan of reorganization" within the meaning of Treasury Regulations Sections 1.368-2(g) and 1.368-3(a).

ARTICLE IV

ACCESS TO INFORMATION

4.1 Agreement for Exchange of Information. After the Effective Time (or such earlier time as the Parties may agree) and until the fifth (5th) anniversary of the date of this Agreement, each of WHI and CS&L, on behalf of its respective Group, agrees to provide, or cause to be provided, to the other Group, as soon as reasonably practicable after written request therefor, any Information in the possession or under the control of such respective Group which the requesting Party reasonably needs; provided, however, that in the event that any Party determines that any such provision of Information could be commercially detrimental, violate any Law or agreement, or waive any attorney-client privilege, the Parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence.

4.2 Ownership of Information. Any Information owned by one Group that is provided to a requesting Party pursuant to Section 4.1 shall be deemed to remain the property of the providing Party, except where such Information is an Asset of the requesting Party pursuant to the provisions of this Agreement or any other Transaction Agreement. Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any Information requested or provided pursuant to Section 4.1.

4.3 Compensation for Providing Information. The Party requesting Information agrees to reimburse the other Party for the reasonable out-of-pocket costs and expenses, if any of creating, gathering and copying such Information to the extent that such costs are incurred in connection with such other Partys provision of Information in response to the requesting Party.

4.4 Record Retention.

(a) To facilitate the possible exchange of Information pursuant to this Article IV and other provisions of this Agreement after the Effective Time, the Parties agree to use their commercially reasonable efforts to retain all Information in their respective possession or control in accordance with the policies or ordinary course practices of WHI in effect on the Distribution Date (including any Information that is subject to a "Litigation Hold" issued by any Party prior to the Distribution Date) or such other policies or practices as may be reasonably adopted by the appropriate Party after the Effective Time.

(b) Except in accordance with its, or its applicable Subsidiaries, policies and ordinary course practices, no Party will destroy, or permit any of its Subsidiaries to destroy, any Information that would, in accordance with such policies or ordinary course practices, be archived or otherwise filed in a centralized filing system by such Party or its applicable Subsidiaries; in furtherance of the foregoing, no Party will destroy, or permit any of its Subsidiaries to destroy, any Information required to be retained by applicable Law.

(c) In the event of any Partys or any of its Subsidiaries inadvertent failure to comply with its applicable document retention policies as required under this Section 4.4, such Party shall be liable to the other Party solely for the amount of any monetary fines or penalties imposed or levied against such other Party by a Governmental Authority (which fines or penalties shall not include any Liabilities asserted in connection with the claims underlying the applicable Action, other than fines or penalties resulting from any claim of spoliation) as a result of such other Partys inability to produce Information caused by such inadvertent failure and, notwithstanding Sections 7.2 and 7.3, shall not be liable to such other Party for any other Liabilities.

4.5 Liability. No Party shall have any liability to any other Party in the event that any Information exchanged or provided pursuant to this Agreement which is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate in the absence of willful misconduct by the Party providing such Information.

4.6 Other Agreements Providing for Exchange of Information.

(a) The rights and obligations granted under this Article IV are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any other Transaction Agreement.

(b) Any Party that receives, pursuant to a request for Information in accordance with this Article IV, Information that is not relevant to its request shall (i) either destroy such Information or return it to the providing Party and (ii) deliver to the providing Party a certificate certifying that such Information was destroyed or returned, as the case may be, which certificate shall be signed by an officer of the requesting Party holding the title of vice president or above.

(c) When any Information provided by one Group to the other (other than Information provided pursuant to Section 4.4) is no longer needed for the purposes contemplated by this Agreement or any other Transaction Agreement or is no longer required to be retained by applicable Law, the receiving Party will promptly after request of the other Party either return to the other Party all Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon).

4.7 Production of Witnesses; Records; Cooperation.

(a) After the Effective Time, except in the case of an adversarial Action by one Party against another Party, each Party hereto shall use its commercially reasonable efforts to make available to each other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third Party Claim, the Indemnified Party shall use commercially reasonable efforts to make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such persons (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or the prosecution, evaluation or pursuit thereof, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be. The Indemnifying Party shall bear all reasonable out-of-pocket costs and expenses in connection therewith.

(c) For the avoidance of doubt, the provisions of this Section 4.7 are in furtherance of the provisions of Section 4.1 and shall not be deemed to in any way limit or otherwise modify the Parties rights and obligations under Section 4.1.

4.8 Conflicts; Privilege. Each of the Parties acknowledges that WHI and Windstream retained Skadden to act as counsel to the WHI Group in connection with the Transactions, Skadden has not acted as counsel for any other Person in connection with the Transactions, and no other Person has the status of a client of Skadden for conflict of interest or any other purposes in connection with such Transactions. Each of the Parties further acknowledges that after the Effective Time, Skadden may act as counsel to the WHI Group in connection with matters arising out of or related to this Agreement, the Transactions and the business activities of the WHI Group prior to the Effective Time, and that Skaddens prior representation of the WHI

Group shall not be deemed to be a disabling conflict with respect to such representation. Each of the Parties hereby waives any conflict of interest resulting from the foregoing. The Parties further agree that, as to all communications, whether written or electronic, among Skadden and any member of the WHI Group, and all of their files, attorney notes, drafts or other documents, that relate in any way to the Transactions, that predate the Effective Time and that are protected by the attorney-client privilege, the expectation of client confidence or any other rights to any evidentiary privilege, such protections belong to the WHI Group and may be controlled by the directors and officers of WHI and shall not pass to or be claimed by the CS&L Group. The Parties agree to take, and to cause their respective affiliates to take, all steps necessary to implement the intent of this Section 4.8. The Parties further agree that Skadden and its partners and employees are third party beneficiaries of this Section 4.8.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF WHI AND WINDSTREAM

Except as disclosed in any form, statement, document, schedule or report, together with any amendments thereto and exhibits or other information incorporated therein, filed with or furnished to the SEC by WHI or Windstream and publicly available on the EDGAR system prior to the date of this Agreement (excluding any disclosures set forth in any section thereof entitled "Risk Factors" or "Forward-Looking Statements" or any other disclosures included therein to the extent that they are predictive or forward-looking in nature), each of WHI and Windstream hereby represents and warrants to CS&L as follows:

5.1 Organization and Authority. WHI is a corporation and Windstream is a limited liability company, each duly organized, validly existing and in good standing under the Laws of the State of Delaware. Each of WHI and Windstream has all requisite power and authority to enter into this Agreement and to carry out the Transactions, and to own, lease or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Law, is, in all material respects, qualified to do business and in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary.

5.2 Due Authorization. The execution, delivery and performance of this Agreement by each of WHI and Windstream has been duly and validly authorized by all necessary action of WHI and Windstream, as applicable. This Agreement constitutes the legal, valid and binding obligation of each of WHI and Windstream, enforceable against each of WHI and Windstream in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Law relating to creditors rights and general principles of equity.

5.3 Consents and Approvals. Except for the Required Approvals:

(a) no material Approval or Notification is required to be obtained from or made to any Governmental Authority by WHI or Windstream in connection with the execution, delivery and performance of this Agreement or the consummation of the Transactions, and

(b) no Approval or Notification is required to be obtained from or made to any third Person (other than a Governmental Authority or under and applicable Law) by WHI or

Windstream in connection with the execution, delivery and performance of this Agreement or the consummation of the Transactions that, if not obtained, would reasonably be expected to result in a material adverse effect on the CS&L Business.

5.4 No Violation. None of the execution, delivery or performance of this Agreement, or the consummation of the Transactions does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a material breach of, or constitute a material default under or give to others any right of termination, acceleration, cancelation or other right under (a) the organizational documents of WHI or Windstream, (b) any material agreement, document or instrument to which WHI or Windstream is a party or by which WHI or Windstream (or their assets or properties) are bound or (c) any term or provision of any judgment, order, writ, injunction or decree binding on WHI or Windstream (or their assets or properties).

5.5 Litigation. Except as may be listed in a letter, dated on or around the Distribution Date, delivered by WHI and WIN and acknowledged by CS&L, there is no material Action, litigation, claim or other proceeding, either judicial or administrative (including, without limitation, any governmental action or proceeding), pending or, to WHIs or Windstreams knowledge, threatened in the last twelve months, against WHI, Windstream or their Subsidiaries with respect to any Assigned Asset or the CS&L Business. WHI, Windstream and their Subsidiaries are not bound by any material outstanding order, writ, injunction or decree of any Governmental Authority against or affecting all or any portion of the Assigned Assets or the CS&L Business.

5.6 Solvency. WHI and Windstream have been and will be solvent at all times prior to and immediately after giving effect to the Internal Reorganization, the Reorganization and the Distribution.

5.7 Ownership of Assigned Assets.

(a) Windstream or its Subsidiaries are, and as of immediately prior to the execution of the Assignment Agreements will be, the owner of the Assigned Assets and have the power and authority to transfer, sell, assign and convey to CS&L and its Subsidiaries the Assigned Assets free and clear of any Liens, except for Permitted Liens, and, upon delivery of the consideration for such Assigned Assets as provided in this Agreement, CS&L will, except for Permitted Liens and as set forth in Schedules 1.1(a) and 2.2(b), acquire good and valid title thereto, free and clear of any Liens. Except as provided for or contemplated by this Agreement, there are no rights, subscriptions, warrants, options, conversion rights, preemptive rights, agreements, instruments or understandings of any kind outstanding (a) relating to the Assigned Assets or (b) to purchase, transfer or to otherwise acquire, or to in any way encumber, any of the Assigned Assets.

(b) Windstream or its Subsidiaries have good and marketable title in fee simple to all Land included within the Assigned Assets, free and clear of all Liens, other than Permitted Liens. There is no existing or, to WHIs or Windstreams knowledge, proposed or threatened condemnation, eminent domain or similar proceeding, or private purchase in lieu of such a proceeding, in respect of all or any material portion of any Land included within the Assigned Assets.

5.8 No Undisclosed Liabilities; Absence of Certain Changes or Events. No material liabilities or obligations (whether direct or indirect, accrued, contingent or otherwise) have been incurred with respect to the CS&L Business other than such liabilities and obligations as have been disclosed prior to the date hereof. Since January 1, 2014, there has not been any effect, change, fact, event, occurrence or circumstance that, individually or in the aggregate, has had or would reasonably be expected to result in a material adverse effect on the CS&L Business.

5.9 Taxes. WHI, Windstream or their Subsidiaries have filed all material Tax Returns and material reports required to be filed by them (after giving effect to any filing extension properly granted by a Governmental Authority having authority to do so) with respect to the Assigned Assets and the CS&L Business and all such returns and reports are accurate and complete in all material respects, and have paid (or had paid on their behalf) all material Taxes as required to be paid by them. No material deficiencies for any Taxes have been proposed, asserted or assessed against any WHI, Windstream or their Subsidiaries with respect to the Assigned Assets or the CS&L Business, and no material requests for waivers of the time to assess any such Taxes are pending.

5.10 Compliance With Laws. The Assigned Assets have been maintained and operated, and on the date hereof are, in compliance in all material respects with all applicable Laws (including, without limitation, those currently relating to fire, life safety, health codes and sanitation, Americans with Disabilities Act, zoning and building laws) whether Federal, state or local, foreign, except for Environmental Laws which are addressed solely by Section 5.12.

5.11 Licenses and Permits. To WHIs and Windstreams knowledge, all material licenses, permits and certificates (including certificates of occupancy), required in connection with the ownership, construction, use, occupancy, management, leasing and operation of the Assigned Assets have been obtained, are, in all material respects, in full force and effect and in good standing.

5.12 Environmental Compliance. To WHIs and Windstreams knowledge, the Assigned Assets are currently being operated in compliance in all material respects with all applicable Environmental Laws and Environmental Permits. Neither WHI nor Windstream has received, and to WHIs and Windstreams knowledge none of their Subsidiaries has received, any written notice from any Governmental Authority or any other Person claiming that WHI, Windstream or any of their Subsidiaries are in material violation of, or has any material liability under, any Environmental Law or Environmental Permit with respect to the Assigned Assets or the CS&L Business. To WHIs and Windstreams knowledge, there has been no spill or release of any Hazardous Materials that would reasonably be likely to result in any material claim under any Environmental Laws or Environmental Permit with respect to the Assigned Assets or the CS&L Business.

5.13 Exclusive Representations. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS ARTICLE V, WHI, WINDSTREAM AND THEIR SUBSIDIARIES HAVE NOT MADE AND DO NOT HEREBY MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES, STATUTORY OR OTHERWISE, OF ANY NATURE, INCLUDING ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY IN CONNECTION WITH THE ASSIGNED ASSETS,

THE INTERNAL REORGANIZATION, THE REORGANIZATION, THE DISTRIBUTION OR THE TRANSACTIONS. Except as set forth in Article VI, WHI and Windstream acknowledge that no representation or warranty has been made by CS&L or its Subsidiaries with respect to the legal and tax consequences of the Internal Reorganization, the Reorganization, the Distribution or any other aspect of the Transactions and that they have not relied upon any other such representation or warranty.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF CS&L

Except as disclosed in the Registration Statement or the Information Statement, together with any amendments thereto and exhibits or other information incorporated therein, filed with or furnished to the SEC by CS&L and publicly available on the EDGAR system prior to the date of this Agreement (excluding any disclosures set forth in any section thereof entitled "Risk Factors" or "Forward-Looking Statements" or any other disclosures included therein to the extent that they are predictive or forward-looking in nature), CS&L hereby represents and warrants to WHI and Windstream as follows:

6.1 Organization and Authority. CS&L is a corporation duly organized, validly existing and in good standing under the Laws of the State of Maryland. CS&L has all requisite power and authority to enter into this Agreement and to carry out the Transactions, and to own, lease or operate its property and to carry on its business as presently conducted and, to the extent required under applicable Law, is, in all material respects, qualified to do business and in good standing in each jurisdiction in which the nature of its business or the character of its property make such qualification necessary.

6.2 Due Authorization. The execution, delivery and performance of this Agreement by CS&L has been duly and validly authorized by all necessary action of CS&L. This Agreement constitutes the legal, valid and binding obligation of CS&L, enforceable against CS&L in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium or other similar Law relating to creditors rights and general principles of equity.

6.3 Consents and Approvals. Except as shall have been satisfied on or prior to the Effective Time, no material consent, waiver, approval or authorization of, or filing with, any Person or Governmental Authority or under any applicable Law is required to be obtained by CS&L in connection with the execution, delivery and performance of this Agreement or the Transactions.

6.4 No Violation. None of the execution, delivery or performance of this Agreement, or the consummation of the Transactions, does or will, with or without the giving of notice, lapse of time, or both, violate, conflict with, result in a material breach of, or constitute a material default under or give to others any right of termination, acceleration, cancelation or other right under (a) the organizational documents of CS&L, (b) any agreement, document or instrument to which CS&L is a party or by which CS&L (or its assets or properties) is bound or (c) any term or provision of any judgment, order, writ, injunction, or decree binding on CS&L (or its assets or properties).

6.5 Validity of CS&L Common Stock. The shares of CS&L Common Stock to be issued to Windstream pursuant to this Agreement have been duly authorized by CS&L and, when issued against the consideration therefor, will be validly issued by CS&L, free and clear of all Liens created by CS&L.

6.6 Litigation. There are no actions, suits or proceedings pending or, to CS&Ls knowledge, threatened against CS&L that arise from, are based upon, or challenge the validity of this Agreement or the consummation of the Transactions or that seek to prevent the consummation of the Transactions and that, in each case, if adversely determined could adversely impact CS&Ls ability to consummate the Transactions.

6.7 Solvency. CS&L has been and will be solvent at all times prior to and immediately after giving effect to the Distribution.

6.8 Limited Activities. Except as described in the Information Statement, CS&L and its Subsidiaries have not engaged in any material business or incurred any material obligations.

6.9 Exclusive Representations. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS ARTICLE VI, CS&L AND ITS SUBSIDIARIES HAVE NOT MADE AND DO NOT HEREBY MAKE ANY EXPRESS OR IMPLIED REPRESENTATIONS AND WARRANTIES, STATUTORY OR OTHERWISE, OF ANY NATURE, INCLUDING ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY IN CONNECTION WITH THE INTERNAL REORGANIZATION, THE REORGANIZATION, THE DISTRIBUTION OR THE TRANSACTIONS. Except as set forth Article V, CS&L acknowledges that no representation or warranty has been made by WHI, Windstream or their Subsidiaries with respect to the Internal Reorganization, the Reorganization, the Distribution or any other aspect of the Transactions and that CS&L has not relied upon any other such representation or warranty.

ARTICLE VII

RELEASE AND INDEMNIFICATION

7.1 Release of Pre-Distribution Claims.

(a) Except as provided in Section 7.1(c), effective as of the Effective Time, CS&L does hereby, for itself and each other member of the CS&L Group, release and forever discharge WHI and the other members of the WHI Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the WHI Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, including in connection with the Transactions and all other activities to implement the Transactions.

(b) Except as provided in Section 7.1(c), effective as of the Effective Time, WHI does hereby, for itself and each other member of the WHI Group, release and forever discharge CS&L, the other members of the CS&L Group, their respective Affiliates, successors and assigns, and all Persons who at any time prior to the Effective Time have been directors, officers, agents or employees of any member of the CS&L Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at Law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of Law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time, including in connection with the Transactions and all other activities to implement the Transactions.

(c) Nothing contained in Section 7.1(a) or Section 7.1(b) shall impair any right of any Person to enforce this Agreement or any other Transaction Agreement, in each case in accordance with its terms. In addition, nothing contained in Section 7.1(a) or Section 7.1(b) shall release any member of a Group from:

(i) any Liability, contingent or otherwise, assumed by, or allocated to, such Person in accordance with this Agreement or any other Transaction Agreement;

(ii) any Liability that such Person may have with respect to indemnification or contribution pursuant to this Agreement or any other Transaction Agreement for claims brought by third Persons, which Liability shall be governed by the provisions of this Article IX and, if applicable, the appropriate provisions of such other Transaction Agreements; or

(iii) any Liability the release of which would result in the release of any Person other than an Indemnitee; provided, that the Parties agree not to bring suit, or permit any other member of their respective Group to bring suit, against any Indemnitee with respect to such Liability.

(d) CS&L shall not make, and shall not permit any member of the CS&L Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against WHI, Windstream or any member of the WHI Group, or any other Person released pursuant to Section 7.1(a), with respect to any Liabilities released pursuant to Section 7.1(a). WHI and Windstream shall not, and shall not permit any member of the WHI Group, to make any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against CS&L or any member of the CS&L Group, or any other Person released pursuant to Section 7.1(b), with respect to any Liabilities released pursuant to Section 7.1(b).

7.2 General Indemnification by CS&L. Except as provided in Section 7.6, CS&L shall, and shall cause the other members of the CS&L Group to, indemnify, defend and hold harmless each member of the WHI Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "WHI Indemnified Parties"), from and against:

(i) any Assumed Liability, including the failure of any member of the CS&L Group or any other Person to pay, perform or otherwise promptly discharge any Assumed Liabilities in accordance with their respective terms, whether prior to, at or after the Effective Time; and

(ii) any breach by any member of the CS&L Group of any covenant or other agreement (but not the inaccuracy of any representation or warranty) set forth in this Agreement or of any Transaction Agreements other than the Master Lease, subject to any limitations of liability provisions and other provisions applicable to any such breach set forth therein; and

in each case, without regard to when or where the loss, claim, accident, occurrence, event or happening giving rise to the Liability took place, or whether any such loss, claim, accident, occurrence, event or happening is known or unknown, or reported or unreported and regardless of whether such loss, claim, accident, occurrence, event or happening giving rise to the Loss existed prior to, on or after the Distribution Date or relates to, arises out of or results from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, on or after the Distribution Date.

7.3 General Indemnification by WHI and Windstream. Except as provided in Section 7.6, WHI and Windstream shall jointly and severally indemnify, defend and hold harmless each member of the CS&L Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the "CS&L Indemnified Parties"), from and against:

(i) any Excluded Liability, including the failure of any member of the WHI Group or any other Person to pay, perform or otherwise promptly discharge any Excluded Liabilities in accordance with their respective terms, whether prior to, at or after the Effective Time; and

(ii) any breach by any member of the WHI Group of any covenant or other agreement (but not the inaccuracy of any representation or warranty) set forth in this Agreement or of any of the Transaction Agreements other than the Master Lease, subject to any limitations of liability provisions and other provisions applicable to any such breach set forth therein;

in each case, without regard to when or where the loss, claim, accident, occurrence, event or happening giving rise to the Liability took place, or whether any such loss, claim, accident, occurrence, event or happening is known or unknown, or reported or unreported and regardless of whether such loss, claim, accident, occurrence, event or happening giving rise to the Loss existed prior to, on or after the Distribution Date or relates to, arises out of or results from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, on or after the Distribution Date.

7.4 Disclosure Indemnification. CS&L agrees to indemnify and hold harmless the WHI Indemnified Parties from and against any and all Liabilities arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration

Statement, Information Statement or Offering Memorandum or any amendment of any thereof other than information that relates solely to the WHI Business. WHI and Windstream agree to jointly and severally indemnify and hold harmless the CS&L Indemnified Parties from and against any and all Liabilities arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, Information Statement or Offering Memorandum or any amendment of any thereof that relates solely to the WHI Business.

7.5 Contribution. If the indemnification provided for in this Article VII is unavailable to, or insufficient to hold harmless, an indemnified Party under Section 7.4 hereof in respect of any Liabilities referred to therein, then each indemnifying Party shall contribute to the amount paid or payable by such indemnified Party as a result of such Liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying Party and the indemnified Party in connection with the actions which resulted in Liabilities as well as any other relevant equitable considerations. The relative fault of such indemnifying Party and indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying Party or indemnified Party, and the Parties relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. For the purposes of this Section 7.5, the information relating to WHI and Windstream after the Effective Time set forth in the Registration Statement, Information or Offering Memorandum shall be the only "information supplied by" WHI and Windstream and all other information shall be deemed "information supplied by" CS&L.

7.6 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) Any Liability subject to indemnification or contribution pursuant to this Article VII will be net of Insurance Proceeds that actually reduce the amount of the Liability or Loss, as applicable. Accordingly, the amount which any Party (an "Indemnifying Party") is required to pay to any Person entitled to indemnification under this Article VII (an "Indemnified Party") will be reduced by any Insurance Proceeds (net of expenses related to recovery of such Insurance Proceeds) theretofore actually recovered by or on behalf of the Indemnified Party in respect of the related Liability, as applicable. If an Indemnified Party receives a payment (an "Indemnity Payment") required by this Agreement from an Indemnifying Party in respect of any Liability and subsequently receives Insurance Proceeds, then the Indemnified Party will pay to the Indemnifying Party an amount equal to such Insurance Proceeds but not exceeding the amount of the Indemnity Payment paid by the Indemnifying Party in respect of such Liability.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification provisions hereof, have any subrogation rights with respect thereto. The Indemnified Party shall use its commercially reasonable efforts to seek to collect or recover any third-party Insurance Proceeds (other than Insurance Proceeds under an arrangement where future premiums are adjusted to reflect prior claims in excess of prior premiums) to which the Indemnified Party is entitled in connection with any Liability for which the Indemnified Party seeks indemnification pursuant to this Article VII; provided, that the Indemnified Partys inability to collect or recover any such Insurance Proceeds shall not limit the Indemnifying Partys obligations hereunder.

7.7 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnified Party receives written notice that a Person (including any Governmental Authority) that is not a member of the WHI Group or the CS&L Group has asserted any claim or commenced any Action (collectively, a "Third Party Claim") that may implicate an Indemnifying Partys obligation to indemnify pursuant to Sections 7.2, 7.3 or 7.4, or any other Section of this Agreement or any other Transaction Agreement, the Indemnified Party shall provide the Indemnifying Party written notice thereof as promptly as practicable (and no later than twenty (20) days or sooner, if the nature of the Third Party Claim so requires) after becoming aware of the Third Party Claim. Such notice shall describe the Third Party Claim in reasonable detail and include copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third Party Claim. Notwithstanding the foregoing, the failure of an Indemnified Party to provide notice in accordance with this Section 7.7(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually prejudiced by the Indemnified Partys failure to provide notice in accordance with this Section 7.7(a).

(b) Subject to this Section 7.7(b) and Section 7.7(c), an Indemnifying Party may elect to control the defense of (and seek to settle or compromise), at its own expense and with its own counsel, any Third Party Claim. Within thirty (30) days after the receipt of notice from an Indemnified Party in accordance with Section 7.7(a) (or sooner, if the nature of the Third Party Claim so requires), the Indemnifying Party shall notify the Indemnified Party whether the Indemnifying Party will assume responsibility for defending the Third Party Claim and shall specify any reservations or exceptions to its defense. After receiving notice of an Indemnifying Partys election to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, an Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the Indemnified Party shall be responsible for the fees and expenses of its counsel and, in any event, shall cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Partys expense, all witnesses, information and materials in such Indemnified Partys possession or under such Indemnified Partys control relating thereto as are reasonably required by the Indemnifying Party. If an Indemnifying Party has elected to assume the defense of a Third Party Claim, whether with or without any reservations or exceptions with respect to such defense, then such Indemnifying Party shall be solely liable for all fees and expenses incurred by it in connection with the defense of such Third Party Claim and shall not be entitled to seek any indemnification or reimbursement from the Indemnified Party for any such fees or expenses incurred during the course of its defense of such Third Party Claim, regardless of any subsequent decision by the Indemnifying Party to reject or otherwise abandon its assumption of such defense.

(c) Notwithstanding Section 7.7(b), if any Indemnified Party shall in good faith determine that there is an actual conflict of interest (whether legal, business or otherwise) if counsel for the Indemnifying Party represented both the Indemnified Party and Indemnifying Party, then the Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, and the Indemnifying Party shall bear the reasonable fees and expenses of one (1) separate counsel for all Indemnified Parties.

(d) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim, or fails to notify an Indemnified Party of its election within thirty (30) days after the receipt of notice from an Indemnified Party as provided in Section 7.7(b), the Indemnified Party may defend the Third Party Claim at the cost and expense of the Indemnifying Party. If the Indemnified Party is conducting the defense against any such Third Party Claim, the Indemnifying Party shall cooperate with the Indemnified Party in such defense and make available to the Indemnified Party, at the Indemnifying Partys expense, all witnesses, information and materials in such Indemnifying Partys possession or under such Indemnifying Partys control relating thereto as are reasonably required by the Indemnified Party.

(e) Without the prior written consent of any Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed, no Indemnified Party may settle or compromise, or seek to settle or compromise, any Third Party Claim; provided, however, in the event that the Indemnifying Party elects not to assume responsibility for defending a Third Party Claim or fails to notify the Indemnified Party of its election within thirty (30) days after the receipt of notice from the Indemnified Party as provided in Section 7.7(b), the Indemnified Party shall have the right to settle or compromise such Third Party Claim in its sole discretion. Without the prior written consent of any Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed, no Indemnifying Party shall consent to the entry of any judgment or enter into any settlement of any pending or threatened Third Party Claim for which the Indemnified Party is seeking or may seek indemnity pursuant to this Section 7.7 unless such judgment or settlement is solely for monetary damages, does not impose any expense or obligation on the Indemnified Party, does not involve any finding or determination of wrongdoing or violation of law by the Indemnified Party and provides for a full, unconditional and irrevocable release of that Indemnified Party from all liability in connection with the Third Party Claim.

7.8 Additional Matters.

(a) Indemnification or contribution payments in respect of any Liabilities for which an Indemnified Party is entitled to indemnification or contribution under this Article VII shall be paid by the Indemnifying Party to the Indemnified Party as such Liabilities are incurred upon demand by the Indemnified Party, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification or contribution payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such Liabilities. The indemnity and contribution agreements contained in this Article VII shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnified Party, (ii) the knowledge by the Indemnified Party of Liabilities for which it might be entitled to indemnification or contribution hereunder and (iii) any termination of this Agreement.

(b) Any claim for indemnification under this Agreement which does not result from a Third Party Claim shall be asserted by written notice given by the Indemnified Party to the applicable Indemnifying Party. Such Indemnifying Party shall have a period of thirty (30) days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such thirty (30)-day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not

respond within such thirty (30)-day period or rejects such claim in whole or in part, such Indemnified Party shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the other Transaction Agreements without prejudice to its continuing rights to pursue indemnification or contribution hereunder.

(c) If payment is made by or on behalf of any Indemnifying Party to any Indemnified Party in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnified Party shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the parties shall endeavor to substitute the Indemnifying Party for the named defendant if they conclude that substitution is desirable and practical. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this section, and the Indemnifying Party shall fully indemnify the named defendant against all costs of defending the Action (including court costs, sanctions imposed by a court, attorneys fees, experts fees and all other external expenses), the costs of any judgment or settlement, and the cost of any interest or penalties relating to any judgment or settlement.

(e) For all Tax purposes other than for purposes of Section 355(g) of the Code, WHI, Windstream and CS&L agree to treat (i) any payment required by this Agreement (other than payments with respect to interest accruing after the Effective Time) as either a contribution by Windstream to CS&L or a distribution by CS&L to Windstream, as the case may be, occurring immediately prior to the Effective Time or as a payment of an assumed or retained Liability, and (ii) any payment of interest as taxable or deductible, as the case may be, to the party entitled under this Agreement to retain such payment or required under this Agreement to make such payment, in either case except as otherwise required by applicable Law.

7.9 Remedies Cumulative; Limitations of Liability. The rights provided in this Article VII shall be cumulative and, subject to the provisions of Article IX, shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party. Notwithstanding the foregoing, neither CS&L or its Affiliates, on the one hand, nor WHI, Windstream or their Affiliates, on the other hand, shall be liable to the other for any special, indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages (collectively, "Special Damages") of the other arising in connection with the Transactions (provided, that any such liability with respect to a Third Party Claim shall be considered direct damages).

7.10 Survival of Indemnities. The rights and obligations of each of WHI and CS&L and their respective Indemnified Parties under this Article VII shall survive the sale or other transfer by any Party of any Assets or businesses or the assignment by it of any Liabilities.

ARTICLE VIII

OTHER AGREEMENTS

8.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties will cooperate with each other and use (and will cause their respective Subsidiaries and Affiliates to use) commercially reasonable efforts, prior to, on and after the Distribution Date, to take, or to cause to be taken, all actions, and to do, or to cause to be done, all things reasonably necessary on its part under applicable Law or contractual obligations to consummate and make effective the Transactions.

(b) Without limiting the foregoing, prior to, on and after the Distribution Date, each Party shall cooperate with the other Parties, and without any further consideration, but at the expense of the requesting Party from and after the Effective Time, to execute and deliver, or use its commercially reasonable efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to obtain or make any Required Approvals from or with any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, and to take all such other actions as such Party may reasonably be requested to take by any other Party hereto from time to time, consistent with the terms of this Agreement and the other Transaction Agreements, in order to effectuate the provisions and purposes of this Agreement and the other Transaction Agreements and the transfers of the Assigned Assets and the assignment and assumption of the Assumed Liabilities and the other Transactions. Without limiting the foregoing, each Party will, at the reasonable request, cost and expense of any other Party, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets allocated to such Party under this Agreement or any of the other Transaction Agreements, free and clear of any Security Interest except as contemplated by any of the Financing Arrangements or any Transaction Agreement.

(c) At or prior to the Effective Time, WHI and CS&L in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions that are reasonably necessary or desirable to be taken by WHI, CS&L or any of their respective Subsidiaries to effectuate the Transactions.

8.2 Confidentiality.

(a) From and after the Effective Time, subject to Section 8.2(c) and except as contemplated by or otherwise provided in this Agreement or any other Transaction Agreement, WHI and Windstream shall not, and shall cause their Affiliates and their officers, directors, employees, and other agents and representatives, including attorneys, agents, customers, suppliers, contractors, consultants and other representatives of any Person providing financing (collectively, "Representatives"), not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such Party or of its Affiliates who reasonably need to know such information in providing services to any member of the WHI Group, any CS&L Confidential Information. If any disclosures are made to any member of the

WHI Group in connection with any services provided to a member of the CS&L Group under this Agreement or any other Transaction Agreement, then the CS&L Confidential Information so disclosed shall be used only as required in connection with the receipt of such services. WHI and Windstream shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the CS&L Confidential Information by any of its Representatives as they currently use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 8.2(a), any Information, material or documents relating to the CS&L Business currently or formerly conducted, or proposed to be conducted, by any member of the CS&L Group furnished to, or in possession of, WHI or Windstream, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by WHI, Windstream, or their officers, directors and Affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "CS&L Confidential Information." CS&L Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by WHI or Windstream not otherwise permissible hereunder, (ii) WHI or Windstream can demonstrate was or became available to WHI or Windstream from a source other than CS&L or its Affiliates or (iii) is developed independently by WHI or Windstream without reference to the CS&L Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by WHI or Windstream to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, CS&L or any member of the CS&L Group with respect to such information.

(b) From and after the Effective Time, subject to Section 8.2(c) and except as contemplated by this Agreement or any other Transaction Agreement, CS&L shall not, and shall cause its Affiliates and their respective Representatives, not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person other than Representatives of such Party or of its Affiliates who reasonably need to know such information in providing services to CS&L or any member of the CS&L Group, any WHI Confidential Information. If any disclosures are made to any member of the CS&L Group in connection with any services provided to a member of the CS&L Group under this Agreement or any other Transaction Agreement, then the WHI Confidential Information so disclosed shall be used only as required in connection with the receipt of such services. The CS&L Group shall use the same degree of care to prevent and restrain the unauthorized use or disclosure of the WHI Confidential Information by any of their Representatives as they use for their own confidential information of a like nature, but in no event less than a reasonable standard of care. For purposes of this Section 8.2(b), any Information, material or documents relating to the businesses currently or formerly conducted, or proposed to be conducted, by WHI, Windstream or any of their Affiliates (other than any member of the CS&L Group) furnished to, or in possession of, any member of the CS&L Group, irrespective of the form of communication, and all notes, analyses, compilations, forecasts, data, translations, studies, memoranda or other documents prepared by CS&L, any member of the CS&L Group or their respective officers, directors and Affiliates, that contain or otherwise reflect such information, material or documents is hereinafter referred to as "WHI Confidential Information." WHI Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is or becomes generally available to the public, other than as a result of a disclosure by any member of the CS&L Group not otherwise permissible hereunder, (ii) CS&L can demonstrate was or became available to CS&L from a

source other than WHI, Windstream and their respective Affiliates or (iii) is developed independently by such member of the CS&L Group without reference to the WHI Confidential Information; provided, however, that, in the case of clause (ii), the source of such information was not known by CS&L to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, WHI, Windstream or their Affiliates with respect to such information.

(c) If WHI, Windstream or their Affiliates, on the one hand, or CS&L or its Affiliates, on the other hand, are requested or required (by oral question, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process) by any Governmental Authority or pursuant to applicable Law to disclose or provide any CS&L Confidential Information or WHI Confidential Information (other than with respect to any such information furnished pursuant to the provisions of Article IV of this Agreement), as applicable, the Person receiving such request or demand shall use commercially reasonable efforts to provide the other Party with written notice of such request or demand as promptly as practicable under the circumstances so that such other Party shall have an opportunity to seek an appropriate protective order. The Party receiving such request or demand agrees to take, and cause its representatives to take, at the requesting Partys expense, all other reasonable steps necessary to obtain confidential treatment by the recipient. Subject to the foregoing, the Party that received such request or demand may thereafter disclose or provide any CS&L Confidential Information or WHI Confidential Information, as the case may be, to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

(d) Each of WHI, Windstream and CS&L acknowledges that it and the other members of its Group may have in their possession confidential or proprietary information of third Persons that was received under confidentiality or non-disclosure agreements with such third Person prior to the Distribution Date. WHI, Windstream and CS&L each agrees that it will hold, and will cause the other members of its Group and their respective Representatives to hold, in strict confidence the confidential and proprietary information of third Persons to which it or any other member of its respective Group has access, in accordance with the terms of any agreements entered into prior to the Distribution Date between or among one (1) or more members of the applicable Partys Group and such third Persons to the extent disclosed to such Party.

8.3 Allocation of Costs and Expenses. All costs and expenses incurred and directly related to the Transactions shall: (i) to the extent incurred and payable on or prior to the Distribution Date, be paid by WHI; and (ii) to the extent arising and payable following the Distribution Date, be paid by the Party incurring such cost or expense.

8.4 Litigation; Cooperation.

(a) WHI and Windstream agree that at all times from and after the Effective Time if a Third Party Claim relating primarily to the WHI Business is commenced naming both WHI or Windstream (or any member of the WHI Group), on the one hand, and CS&L (or any member of the CS&L Group), on the other hand, as defendants thereto, then WHI and Windstream shall use its commercially reasonable efforts to cause CS&L (and any member of the CS&L Group) to be removed from such Third Party Claim; provided, that, if WHI and

Windstream are unable to cause CS&L (and any member of the CS&L Group) to be removed from such Third Party Claim, WHI and Windstream, on the one hand, and CS&L, on the other hand, shall cooperate and consult to the extent necessary or advisable with respect to such Third Party Claim.

(b) CS&L agrees that at all times from and after the Effective Time if a Third Party Claim relating primarily to the CS&L Business is commenced naming both WHI or Windstream (or any member of the WHI Group), on the one hand, and CS&L (or any member of the CS&L Group), on the other hand, as defendants thereto, then CS&L shall use its commercially reasonable efforts to cause WHI and Windstream (and any member of the WHI Group) to be removed from such Third Party Claim; provided, that, if CS&L is unable to cause WHI and Windstream (and any member of the WHI Group) to be removed from such Third Party Claim, WHI and Windstream, on the one hand, and CS&L, on the other hand, shall cooperate and consult to the extent necessary or advisable with respect to such Third Party Claim.

(c) The Parties agree that at all times from and after the Effective Time if a Third Party Claim which does not relate primarily to the CS&L Business or the WHI Business is commenced naming both WHI or Windstream (or any member of the WHI Group), on the one hand, and CS&L (or any member of the CS&L Group), on the other hand, as defendants thereto, then WHI and Windstream, on the one hand, and CS&L, on the other hand, shall cooperate fully with each other, maintain a joint defense (in a manner that would preserve for both the WHI Group and the CS&L Group any attorney-client privilege, joint defense or other privilege with respect thereto) and consult each other to the extent necessary or advisable with respect to such Third Party Claim.

8.5 Tax Matters. WHI and CS&L shall enter into the Tax Matters Agreement on or prior to the Distribution Date. To the extent that any representations, warranties, covenants or agreements between the Parties with respect to Taxes or other Tax matters are set forth in the Tax Matters Agreement, such Taxes and other Tax matters shall be governed exclusively by the Tax Matters Agreement and not by this Agreement.

8.6 Employment Matters. WHI and CS&L shall enter into the Employee Matters Agreement on or prior to the Distribution Date. To the extent that any representations, warranties, covenants or agreements between the Parties with respect to employment matters are set forth in the Employee Matters Agreement, such employment matters shall be governed exclusively by the Employee Matters Agreement and not by this Agreement.

8.7 Intellectual Property Matters. WHI and CS&L shall enter into the Intellectual Property Matters Agreement on or prior to the Distribution Date. To the extent that any representations, warranties, covenants or agreements between the Parties with respect to intellectual property matters are set forth in the Intellectual Property Matters Agreement, such intellectual property matters shall be governed exclusively by the Intellectual Property Matters Agreement and not by this Agreement.

8.8 Agreements Among CS&L and its Subsidiaries. CS&L and its certain of its Subsidiaries shall enter into an employee and cost sharing agreement contemporaneous with the Distribution on the Distribution Date in such form as CS&L and such Subsidiaries shall deem to be necessary, appropriate or advisable.

8.9 Net Working Capital Payment.

(a) Within thirty (30) days after the Distribution Date, WHI shall cause to be prepared and delivered to CS&L a combined balance sheet of the CS&L Business as of 12:01 a.m. on the Distribution Date (the "Closing Balance Sheet") and a statement derived from the Closing Balance Sheet (the "Closing Statement") setting forth the Net Working Capital of the CS&L Business as of 12:01 a.m. on the Distribution Date ("Closing Net Working Capital"). The Closing Balance Sheet and Closing Statement shall be prepared in accordance with GAAP and the sample calculation set forth in Schedule 8.9 hereto and, to the extent not inconsistent therewith, all accounting principles, practices, methodologies and policies used in the preparation of the financial statements included in the Information Statement.

(b) Following the Distribution Date, each of WHI and CS&L shall give the other party and its representatives access at all reasonable times to the properties, books, records, working papers and personnel of the CS&L Business to the extent required to prepare and review the Closing Balance Sheet and the Closing Statement. CS&L shall have thirty (30) days following the delivery of the Closing Balance Sheet and the Closing Statement during which to notify WHI of any dispute of any item contained in the Closing Statement, which notice shall set forth in reasonable detail the nature and amount of any such dispute. If CS&L fails to notify WHI of any such dispute within such thirty (30) day period, the Closing Statement delivered to CS&L shall be deemed to be final, conclusive and binding on the parties hereto. In the event that CS&L shall so notify WHI of a dispute within such thirty (30) day period, WHI and CS&L shall cooperate in good faith to resolve such dispute as promptly as practicable.

(c) If WHI and CS&L do not resolve any such disputed item within thirty (30) days after the delivery by CS&L of its notice of dispute, such disputed item shall be resolved by an internationally recognized accounting firm mutually selected and agreed upon by WHI and CS&L. In connection therewith, the accounting firm shall address only items disputed by the parties and may not assign an amount to any disputed item greater than the greatest amount for such item that is claimed by a party or less than the lowest amount for such item that is claimed by a party. The accounting firm shall make its determinations with respect to any such disputed item as promptly as practicable and such determination shall be final, conclusive and binding on the parties and shall be enforceable in any court of competent jurisdiction and may be entered as a judgment in any such court. Any expenses relating to the engagement of the accounting firm shall be shared equally between WHI and CS&L. The Closing Statement, as modified by resolution of any disputed items by the accounting firm, shall be final, conclusive and binding on the parties hereto.

(d) If the Closing Net Working Capital as set forth in the final, binding and conclusive Closing Statement (as modified by the accounting firm, if applicable) exceeds $0, then WHI shall pay to CS&L an amount equal to the Closing Net Working Capital. If the Closing Net Working Capital as set forth in the final, binding and conclusive Closing Statement (as modified by the accounting firm, if applicable) is less than $0, then CS&L shall pay to WHI an amount equal to the Closing Net Working Capital. Any payment to be made pursuant to this

Section 8.9(d) shall be made as promptly as practicable by wire transfer of immediately available funds, together with interest thereon from the Distribution Date through the date such payment is made, at the prime rate as reported as of the date of such payment by *The Wall Street Journal*.

ARTICLE IX

DISPUTE RESOLUTION

9.1 General Provisions.

(a) Any dispute, controversy or claim arising out of or relating to this Agreement or the other Transaction Agreements (other than the Master Lease), or the validity, interpretation, breach or termination thereof in which the amount in controversy (a "Dispute"), shall be resolved in accordance with the procedures set forth in this Section 9.1 and (i) if the amount in controversy in such Dispute is less than $5 million (an "Arbitrable Dispute"), via arbitration in accordance with Section 9.2, and (ii) if the amount in controversy in such Dispute equals or exceeds $5 million, via litigation in accordance with Section 10.2. Such provisions shall be the sole and exclusive procedures for the resolution of any Dispute unless otherwise specified in the applicable Transaction Agreement or in this Agreement.

(b) The Parties agree to cause their respective senior executives to exercise reasonable efforts to resolve any Dispute amicably for a period of thirty (30) days from the date all Parties have been made aware of the Dispute; provided, however, that if any Party reasonably determines that the resolution of such Dispute will require interim injunctive relief, such period shall be reduced to two (2) business days.

(c) THE PARTIES EXPRESSLY WAIVE AND FOREGO ANY RIGHT TO (I) SPECIAL DAMAGES (PROVIDED, THAT LIABILITY FOR ANY SUCH SPECIAL DAMAGES WITH RESPECT TO ANY THIRD PARTY CLAIM SHALL BE CONSIDERED DIRECT DAMAGES) AND (II) TRIAL BY JURY.

(d) The specific procedures set forth in this Article IX including the time limits referenced therein, may be modified by agreement of both of the Parties in writing.

(e) All applicable statutes of limitations and defenses based upon the passage of time shall be tolled while the procedures specified in this Article IX are pending. The Parties will take any necessary or appropriate action required to effectuate such tolling.

9.2 Arbitration.

(a) In the event of any Arbitrable Dispute, any Party may (i) pursuant to its rights under Section 10.10, submit a request for interim injunctive relief to the arbitral tribunal appointed pursuant to Section 9.2(b) (provided, that, if the tribunal shall not have been constituted, any Party may seek interim relief either before a special arbitrator, as provided for in Rule 14 of the CPR Arbitration Rules, or before any court of competent jurisdiction) if, in the reasonable opinion of such Party, such interim injunctive relief is necessary to preserve its rights pending resolution of the Arbitrable Dispute, and (ii) submit such Arbitrable Dispute to be finally resolved by binding arbitration, in each case, pursuant to the CPR Rules for Non-Administered Arbitration as then in effect (the "CPR Arbitration Rules").

(b) The neutral organization for purposes of the CPR Arbitration Rules will be the CPR. The arbitral tribunal will be composed of one arbitrator to be mutually agreed by the Parties or, if the Parties are unable to agree on an arbitrator, the arbitrator will be appointed by CPR from a list of eight (8) proposed neutrals submitted by the CPR each of whom shall have at least ten (10) years experience in arbitrating commercial disputes. WHI and Windstream, on the one hand, and CS&L, on the other hand, may each strike no more than three (3) neutrals from the list submitted by CPR.

(c) Arbitration will take place in Little Rock, Arkansas. Along with the arbitrator appointed, the Parties will agree to a mutually convenient date and time to conduct the arbitration, but in no event will the hearing(s) be scheduled less than six (6) months from submission of the Arbitrable Dispute to arbitration unless the Parties agree otherwise in writing; provided, that, if injunctive or other interim relief contemplated by Section 9.2(d) below is requested, the hearing(s) will be expedited in accordance with any order entered by the court, tribunal or special arbitrator adjudicating that request.

(d) The arbitral tribunal will have the right to award, on an interim basis, or include in the final award, any relief which it deems proper in the circumstances, including money damages (with interest on unpaid amounts from the due date), injunctive relief (including specific performance) and attorneys fees and costs; provided, that the arbitral tribunal will not award any relief not specifically requested by the Parties and, in any event, will not award Special Damages. Upon constitution of the arbitral tribunal following any grant of interim relief by a special arbitrator or court pursuant to Sections 9.2(a) and 10.10, the tribunal may affirm or disaffirm that relief, and the Parties will seek modification or rescission of the order entered by the special arbitrator or court as necessary to accord with the tribunals decision.

(e) The Parties agree to be bound by the provisions of Rule 13 of the Federal Rules of Civil Procedure with respect to compulsory counterclaims (as the same may be amended from time to time); provided, that any such compulsory counterclaim shall be filed within thirty (30) days of the filing of the original claim.

(f) So long as any Party has a timely claim to assert, the agreement to arbitrate Arbitrable Disputes set forth in this Section 9.2 will continue in full force and effect subsequent to, and notwithstanding the completion, expiration or termination of, this Agreement.

(g) A Party obtaining an order of interim injunctive relief may enter judgment upon such award in any court of competent jurisdiction. The final award in an arbitration pursuant to this Article IX shall be conclusive and binding upon the Parties, and a Party obtaining a final award may enter judgment upon such award in any court of competent jurisdiction.

(h) It is the intent of the Parties that the agreement to arbitrate Arbitrable Disputes set forth in this Section 9.2 shall be interpreted and applied broadly such that all reasonable doubts as to arbitrability of a Arbitrable Dispute shall be decided in favor of arbitration.

(i) If a Dispute includes both arbitrable and nonarbitrable claims, counterclaims or defenses, the Parties shall arbitrate all such arbitrable claims, counterclaims or defenses and shall concurrently litigate, subject to and in accordance with Section 10.2, all such nonarbitrable claims, counterclaims or defenses.

(j) The Parties agree that any Dispute submitted to arbitration shall be governed by, and construed and interpreted in accordance with, Section 10.2 and, except as otherwise provided in this Article IX or mutually agreed to in writing by the Parties, the Federal Arbitration Act, 9 U.S.C. §§ 1 et seq., shall govern any arbitration between the Parties pursuant to this Section 9.2.

(k) Each Party shall bear (i) its own fees, costs and expenses and shall bear an equal share of the expenses of the arbitration, including the fees, costs and expenses of the arbitrator; provided, in the case of any Arbitrable Disputes relating to the Parties rights and obligations with respect to indemnification under Article VII, the substantially prevailing Party shall be entitled to reimbursement by the other Party of its reasonable out-of-pocket fees and expenses (including attorneys fees) incurred in connection with the arbitration.

(l) Commencing with a request contemplated by Section 9.2(a) above,, all communications among the Parties or their representatives in connection with the attempted resolution of any Arbitrable Dispute shall be deemed to have been delivered in furtherance of a Arbitrable Dispute settlement and shall be exempt from discovery and production, and shall not be admissible into evidence for any reason (whether as an admission or otherwise), in any arbitral or other proceeding for the resolution of any Arbitrable Dispute.

ARTICLE X

MISCELLANEOUS

10.1 No Survival of Representations and Warranties; Survival of Covenants. The representations and warranties of the Parties set forth in this Agreement shall not survive the Effective Time, and shall cease to have any force or effect immediately upon the Effective Time. Except as expressly set forth in any other Transaction Agreement, the covenants and other agreements contained in this Agreement and each other Transaction Agreement, and liability for the breach of any obligations thereunder, shall survive each of the Internal Reorganization, the Reorganization and the Distribution and shall remain in full force and effect in accordance with their terms.

10.2 Governing Law; Jurisdiction. This Agreement and, unless expressly provided therein, each other Transaction Agreement, shall be governed by and construed and interpreted in accordance with the State of Delaware irrespective of the choice of Laws principles of the State of Delaware. In addition, with respect to this Agreement (other than Arbitrable Disputes governed by Section 9.2) and, unless expressly provided therein, each other Transaction Agreement, the Parties agree that any legal action or proceeding shall be brought or determined exclusively in a state or federal court located within the County of New Castle in the State of Delaware.

10.3 Force Majeure. No Party (or any Person acting on its behalf) shall have any liability or responsibility for failure to fulfill any obligation (other than a payment obligation) under this Agreement or, unless otherwise expressly provided therein, any other Transaction Agreement, so long as and to the extent to which the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. A Party claiming the benefit of this provision shall, as soon as reasonably practicable after the occurrence of any such event, (i) notify the other Parties of the nature and extent of any such Force Majeure condition and (ii) use due diligence to remove any such causes and resume performance under this Agreement as soon as feasible.

10.4 Notices. All notices, requests, claims, demands and other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the other Transaction Agreements shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.4):

If to WHI or a member of the WHI Group, to:

c/o Windstream Holdings, Inc.
4001 Rodney Parham Road
Little Rock, Arkansas 72212
Attention: Chief Executive Officer

with copies to:

c/o Windstream Holdings, Inc.
4001 Rodney Parham Road
Little Rock, Arkansas 72212
Attention: General Counsel

and

Skadden Arps Slate Meagher & Flom LLP
One Rodney Square
920 N. King Street
Wilmington, Delaware 19801
Attention: Robert B. Pincus, Esq.

if to CS&L:

Communications Sales & Leasing, Inc.
10802 Executive Center Drive
Benton Building Suite 300
Little Rock, AR 72211
Attention: Chief Executive Officer

10.5 Termination. Notwithstanding any provision to the contrary, this Agreement may be terminated and the Transactions abandoned at any time prior to the Effective Time by and in the sole discretion of WHI, without the prior approval of any Person, including CS&L or Windstream. In the event of such termination, this Agreement shall become void and no Party, or any of its officers and directors shall have any liability to any Person by reason of this Agreement. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties.

10.6 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the Transactions be consummated as originally contemplated to the greatest extent possible.

10.7 Entire Agreement. Except as otherwise expressly provided in this Agreement, this Agreement (including the Schedules and Exhibits hereto and, to the extent referred to herein, the other Transaction Agreements) constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior agreements and undertakings, both written and oral, between or on behalf of the Parties hereto with respect to the subject matter of this Agreement.

10.8 Assignment; No Third-Party Beneficiaries. This Agreement shall not be assigned by any Party without the prior written consent of the other Parties hereto. Except as provided in Section 4.8 with respect to Skadden and its partners and employees or Article VII with respect to Indemnified Parties, this Agreement is for the sole benefit of the Parties to this Agreement and members of their respective Group and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

10.9 Public Announcements. From and after the Effective Time, the Parties agree that they shall make no public statement that would be inconsistent with any of the representations or assumptions underlying the Private Letter Ruling or that would otherwise in any manner compromise or undermine the tax treatment of any of the Transactions without the prior written consent of the other Parties, except as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system.

10.10 Specific Performance. Subject to the provisions of Article IX, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any other Transaction Agreement, the party or parties who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief (on

an interim or permanent basis) of its rights under this Agreement or such Transaction Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The parties agree that the remedies at law for any breach or threatened breach, including monetary damages, may be inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the parties to this Agreement.

10.11 Amendment. No provision of this Agreement may be amended or modified except by a written instrument signed by all the Parties. No waiver by any Party of any provision of this Agreement shall be effective unless explicitly set forth in writing and executed by the Party so waiving. The waiver by any Party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

10.12 Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (i) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other gender as the context requires, (ii) references to the terms Article, Section, paragraph, clause, Exhibit and Schedule are references to the Articles, Sections, paragraphs, clauses, Exhibits and Schedules of this Agreement unless otherwise specified, (iii) the terms "hereof," "herein," "hereby," "hereto," and derivative or similar words refer to this entire Agreement, including the Schedules and Exhibits hereto, (iv) references to "$" shall mean U.S. dollars, (v) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation," unless otherwise specified, (vi) the word "or" shall not be exclusive, (vii) references to "written" or "in writing" include in electronic form, (viii) provisions shall apply, when appropriate, to successive events and transactions, (ix) the table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement, (x) the Parties have each participated in the negotiation and drafting of this Agreement and, if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or burdening any Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement, and (xi) a reference to any Person includes such Persons successors and permitted assigns.

10.13 Counterparts. This Agreement may be executed in two (2) or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

[*The remainder of this page is intentionally left blank.*]

IN WITNESS WHEREOF, the Parties hereto have caused this Separation and Distribution Agreement to be executed on the date first written above by their respective duly authorized officers.

WINDSTREAM HOLDINGS, INC.

By: /s/ Tony Thomas
Name: Tony Thomas
Title: President & Chief Executive Officer

WINDSTREAM SERVICES, LLC

By: /s/ Tony Thomas
Name: Tony Thomas
Title: President & Chief Executive Officer

COMMUNICATIONS SALES & LEASING, INC.

By: /s/ Kenneth A. Gunderman
Name: Kenneth A Gunderman
Title: President & Chief Executive Officer

ANNEX I

Stock Calculation

The determination of the shares of CS&L Common Stock to be distributed or retained in the Distribution, respectively, by Windstream shall be calculated in accordance with the following formula:

"D" represents the number of shares of CS&L Common Stock to be temporarily retained by Windstream following the distribution, and D equals (B minus A minus C minus E), where:

"A" represents the number of shares of CS&L Common Stock to be distributed in the Internal Distribution and the External Distribution, and A is calculated by dividing X by 5, where X equals the number of common shares of WHI on the record date of the Distribution.

B represents the fully diluted (pro forma to give effect to the Distribution and Reorganization) outstanding shares of CS&L Common Stock, and B is calculated by dividing the summation of A and E by 80.1.

C represents the number of CSL Restricted Shares to be issued to Retained Employees in accordance with the Employee Matters Agreement, and C is calculated by multiplying .2 times Y, where Y is equal to the number of WHI Restricted Shares issued to Retained Employees outstanding on the record date of the Distribution.

For the purpose of clarification, C does not include any CSL Stock Units to be issued in accordance with the Employee Matters Agreement, and C also does not include any CSL Restricted Shares to be issued to Transferred Employees

E represents the number of CSL Restricted Shares to be issued to Transferred Employees in accordance with the Employee Matters Agreement, and E is calculated by multiplying .2 times Z, where Z is equal to the number of WHI Restricted Shares issued to Transferred Employees outstanding on the record date of the Distribution

Example Calculation (As of March 9, 2015):

X = 602,176,979

A = 120,435,396

D = 29,364,946

B = 150,366,271

C = 557,942

Y = 2,789,709

E = 7,987

Z = 39,937

SCHEDULE 1.1(a)

Assigned Contracts

(1) All of the WIN Groups rights (other than its legal title) in and to the following:

(a) all easements (whether express or prescriptive) or other rights-of-way real estate interests providing members of the WIN Group with the right to access and use the real property where the Distribution Systems are installed or located;

(b) all permits, franchises, licenses, or similar agreements granted by Governmental Authorities providing members of the WIN Group with the right to access and use public rights of way where the Distribution Systems are installed or located, including permits from highway departments and state and county agencies, franchise and rights-of-way license agreements with local governments, and permits from the Bureau of Land Management; and

(c) all pole attachment agreements, railroad crossing agreements, leases of conduits,, and similar agreements with third parties providing members of the WIN Group with the right to access and use telephone or utility poles, conduits or similar facilities where the Distribution Systems are installed or located.

(2) All of the WIN Groups rights in and to all contracts with customers of the Consumer CLEC Business.

SCHEDULE 1.1(b)

List of Facilities

AL-CLEC	1	Alabama CLEC
AL-ILEC	2	Alabama ILEC
AR-CLEC	3	Arkansas CLEC
AR-ILEC	4	Arkansas ILEC
CENTRAL-CLEC	5	Central US CLEC (Includes properties in KS, ND,MT & WY)
EAST-CLEC	6	Eastern US CLEC (Includes properties in CT, DC, MA, ME, NH, RI & VT)
FL-CLEC	7	Florida CLEC
FL-ILEC	8	Florida ILEC
GA-CLEC	9	Georgia CLEC
GA-ILEC	10	Georgia ILEC
IA-CLEC	11	Iowa CLEC
IA-ILEC	12	Iowa ILEC
IL-CLEC	13	Illinios CLEC
IN-CLEC	14	Indiana CLEC
KY-CLEC	15	Kentucky CLEC
KY-ILEC	16	Kentucky ILEC
MI-CLEC	17	Michigan CLEC
MO-CLEC	18	Missouri CLEC
MO-ILEC	19	Missouri ILEC
MS-CLEC	20	Mississippi CLEC
MS-ILEC	21	Mississippi ILEC
NC-CLEC	22	North Carolina CLEC
NC-ILEC	23	North Carolina ILEC
NM-Combined	24	New Mexico ILEC & CLEC
OH-CLEC	25	Ohio CLEC
OH-ILEC	26	Ohio ILEC
OK-CLEC	27	Oklahoma CLEC
OK-ILEC	28	Oklahoma ILEC
PA-CLEC	29	Pennsylvania CLEC
TN-CLEC	30	Tennessee CLEC
TX-CLEC	31	Texas CLEC
TX-ILEC	32	Texas ILEC
VA-CLEC	33	Virginia CLEC
WEST-CLEC	34	Western US CLEC (Includes properties in AZ, ID, NV, OR & WA)
WI-CLEC	35	Wisconsin CLEC
WV-CLEC	36	West Virginia CLEC

SCHEDULE 2.1(a)

Plan of Reorganization

Internal Reorganization

Prior to the Distribution, Windstream will have taken the following steps. Following these steps, all of the assets related to the CS&L Business (other than as noted in clause (b) below) will be treated as owned directly by Windstream for U.S. federal income tax purposes.

(a) CSL National, LP will create a new limited liability company called CSL North Carolina Realty GP, LLC to be the general partner of two Delaware limited partnerships. CSL National, LP will contribute 0.1% of its interest in CSL North Carolina System, LLC into CSL North Carolina Realty GP, LLC. Following the 0.1% contribution, CSL North Carolina System, LLC will convert into CSL North Carolina System, LP under Delaware law. CSL National, LP and CSL North Carolina Realty GP, LLC will form CSL North Carolina Realty, LP to hold non-ILEC assets located in North Carolina.

(b) CSL National, LP will create a new limited liability company called CSL Tennessee Realty Partner, LLC to serve as a partner in a new partnership which will own non-ILEC assets located in Tennessee. CSL Tennessee Realty Partner, LLC will elect to initially be regarded as a corporation.[1] CSL National, LP and CSL Tennessee Realty Partner, LLC form a new partnership under Delaware law called CSL Tennessee Realty, LLC to own non-ILEC assets located in Tennessee.

(c) Create Windstream Missouri, Inc. under Delaware law as a subsidiary of Windstream Corporation. Windstream Missouri, Inc. (a Missouri corporation) will merge with and into Windstream Missouri, Inc. (a Delaware corporation), with Windstream Missouri, Inc. (a Delaware corporation) surviving. Immediately thereafter, Windstream Missouri, Inc. (a Delaware corporation) will convert under Delaware law into a limited liability company (Windstream Missouri, LLC).

(d) Each of Windstream Western Reserve, Inc. (an Ohio corporation) and Windstream Ohio, Inc. (an Ohio corporation) will convert under Ohio law into a limited liability company (Windstream Western Reserve, LLC and Windstream Ohio, LLC, respectively).

(e) Windstream Florida Inc. (a Florida corporation) will convert under Florida law into a limited liability company (Windstream Florida, LLC).

(f) Each of Texas Windstream, Inc. (a Texas corporation) and Windstream Sugar Land, Inc. (a Texas corporation) will convert under Texas law into a limited liability company (Texas Windstream, LLC and Windstream Sugar Land, LLC, respectively).

(g) Windstream Concord Telephone, Inc. (a North Carolina corporation) will convert under North Carolina law into a limited liability company (Windstream Concord Telephone, LLC).

(h) Windstream Communications Inc. (a Delaware corporation) will convert under Delaware law into a limited liability company (Windstream Communications, LLC).

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1 When Communications Sales & Leasing, Inc. makes its REIT election, CSL Tennessee Realty Partner, LLC will elect to be considered a Taxable REIT Subsidiary (TRS).

(i) Each of Windstream NuVox Arkansas, Inc. (a Delaware corporation), Windstream NuVox Illinois, Inc. (a Delaware corporation), Windstream NuVox Indiana, Inc. (a Delaware corporation), Windstream NuVox Kansas, Inc. (a Delaware corporation), Windstream NuVox Missouri, Inc. (a Delaware corporation), Windstream NuVox Ohio, Inc. (a Delaware corporation) and Windstream NuVox Oklahoma, Inc. (a Delaware corporation) will convert into a limited liability company under Delaware law (Windstream NuVox Arkansas, LLC, Windstream NuVox Illinois, LLC, Windstream NuVox Indiana, LLC, Windstream NuVox Kansas, LLC, Windstream NuVox Ohio, LLC, and Windstream NuVox Oklahoma, LLC, respectively).

(j) Windstream NuVox, Inc. (a Delaware corporation) will convert under Delaware law into a limited liability company (Windstream NuVox, LLC).

(k) D&E Communications, Inc. (a Delaware corporation) will convert under Delaware law into a limited liability company (D&E Communications, LLC) and, subsequently, D&E Networks, Inc. (a Pennsylvania corporation) will distribute assets related to the CS&L Business to D&E Communications, LLC.

(l) Windstream D&E Systems, Inc. (a Delaware corporation) will convert under Delaware law into a limited liability company (Windstream D&E Systems, LLC).

(m) Windstream Lexcom Communications, Inc. (a North Carolina corporation) will convert under North Carolina law into a limited liability company (Windstream Lexcom Communications, LLC).

(n) Windstream Iowa Communications, Inc. (a Delaware corporation) will convert under Delaware law into a limited liability company (Windstream Iowa Communications, LLC).

(o) Windstream Montezuma, Inc. (an Iowa corporation) will convert under Iowa law into a limited liability company (Windstream Montezuma, LLC).

(p) Windstream Iowa-Comm, Inc. (an Iowa corporation) will convert under Iowa law into a limited liability company (Windstream Iowa-Comm, LLC).

(q) Windstream KDL Inc. (a Kentucky corporation) will convert under Kentucky law into a limited liability company (Windstream KDL, LLC).

(r) Windstream NTI, Inc. (a Wisconsin corporation) will convert under Wisconsin law into a limited liability company (Windstream NTI, LLC).

(s) Windstream Norlight, Inc. (a Kentucky corporation) will convert under Kentucky law into a limited liability company (Windstream Norlight, LLC).

(t) PAETEC Holding Corp. (a Delaware corporation) will convert under Delaware law into a limited liability company (PAETEC Holding, LLC).

(u) PAETEC Corp. (a Delaware corporation) will convert under Delaware law into a limited liability company (PAETEC, LLC).

(v) PaeTec Communications Inc.(a Delaware corporation) and Cavalier Telephone Corporation (a Delaware corporation) will each convert under Delaware law into a limited liability company (PaeTec Communications, LLC and Windstream Cavalier, LLC, respectively).

(w) PaeTec Communications of Virginia, Inc. (a Virginia corporation) will convert under Virginia law in a limited liability company (PaeTec Communications of Virginia, LLC).

(x) TC Services Holdings Co., Inc. (a Pennsylvania corporation) and NT Corporation (a Delaware corporation) will each merge with and into Talk America, Inc. (a Pennsylvania corporation).

(y) Network Telephone Corporation (a Florida corporation) will convert under Florida law into a limited liability company (Network Telephone, LLC).

(z) Talk America, Inc. (a Pennsylvania corporation) will merge with and into Windstream Talk America, Inc. (a Delaware corporation), a newly-formed Delaware corporation, which will convert under Delaware law into a limited liability company (Talk America, LLC).

(aa) The Other Phone Company, Inc. (a Florida corporation) will convert under Florida law into a limited liability company (The Other Phone Company, LLC).

(bb) Intellifiber Networks, Inc. (a Virginia corporation) will convert under Virginia law into a limited liability company (Intellifiber Networks, LLC).

(cc) LDMI Telecommunications, Inc. (a Michigan corporation) will convert under Michigan law into a limited liability company (LDMI Telecommunications, LLC).

(dd) Windstream KDL-VA, Inc. (a Virginia corporation) will convert under Virginia law into a limited liability company (Windstream KDL-VA, LLC).

(ee) Nashville Data Link, Inc. (a Tennessee corporation) will convert under Tennessee law into a limited liability company (Nashville Data Link, LLC).

(ff) Norlight Telecommunications of Virginia, Inc., (a Virginia corporation) will convert under Virginia law into a limited liability company (Norlight Telecommunications of Virginia, LLC).

(gg) Cinergy Communications Company of Virginia (a Virginia corporation) will convert under Virginia law into a limited liability company (Cinergy Communications of Virginia, LLC).

(hh) Talk America of Virginia, Inc. (a Virginia corporation) will convert under Virginia law into a limited liability company (Talk America of Virginia, LLC).

(ii) Windstream will form a wholly-owned subsidiary called Windstream Finance Corp. under Delaware law.

Reorganization

(i) One or more investment banks (the "Investment Banks") will solicit non-binding orders from third-party investors for debt securities and loans under a term loan facility to be issued by CS&L in the amount of approximately $2.35 billion (the "CS&L Securities").

(ii) At least fourteen days prior to the closing date of the Distributions, each Investment Bank, acting as principal for its own account, will acquire in the marketplace some or all of the revolving loans, term A loans, term B loans and certain notes (the "Exchange Debt").

(iii) No sooner than five days after acquiring the Exchange Debt, Windstream expects that the Investment Banks will enter into an exchange agreement with Windstream pursuant to which the parties will agree to exchange an amount of Exchange Debt for up to a currently estimated aggregate $2.35 billion face amount of CS&L Securities, less a specified spread (the "Debt Exchange"). The exchange ratio for the Debt Exchange will be negotiated between Windstream and the Investment Banks, bargaining at arms length, no earlier than the time they enter into the exchange agreement. Each Investment Bank will expect to obtain binding commitments at such time from third-party investors who will agree to purchase the CS&L Securities from each Investment Bank following the Debt Exchange.

(iv) As and to the extent set forth in the Separation and Distribution Agreement to which this Schedule is attached, Windstream will contribute all of the assets and liabilities comprising the CS&L Business to CS&L (the "Contribution").

(v) CS&L will borrow an amount of cash from third-parties (the "CS&L Cash").

(vi) In exchange for the assets and liabilities transferred to CS&L in the Contribution, Windstream will receive all of the common stock of CS&L, the CS&L Cash and the CS&L Securities.

(vii) Following the Contribution, CS&L will contribute the Consumer CLEC Business to Talk America Services, LLC in exchange for the equity of Talk America Services, LLC.

(viii) CS&L and the Investment Banks will consummate the Debt Exchange. The Investment Banks intend to complete the sale of the CS&L Securities they receive in the Debt Exchange to public investors immediately thereafter.

SCHEDULE 2.2(a)(i)(C)

Distribution System Demarcation Points

Meet Point	Distribution System	Excluded Assets (Retained)
Central Office, Remote Office or Hut	Fiber distribution panel and every connection thereto which is connected on the outside plant side of such fiber distribution panel; all copper cable splice cases and vaults in which it is contained; all conduit installed for any cabling purposes on any Improvements.	All copper and fiber jumper cables between the fiber distribution panel or cable value, and the Equipment and racking located in the Central office Building, Remote Office Building or Hut.
Pad or WOMP mounted Equipment	WOMP or pad and the splice tray which houses fiber splices.	Cabinet mounted on the WOMP or pad, all Electronics inside such cabinet, and the cable or fiber jumpers inside the cabinet from the splice tray to electronics.
Business Demarcation	All fiber/copper to customer demarcation point.	Any equipment at the customer demarcation point.
Consumer Network Interface Device	All fiber/copper leading up to the Network Interface Device (i.e. customer demarcation point)	Network Interface Device

SCHEDULE 2.2(b)

Specifically Excluded Assets

(1) Any and all title to any Assigned Contract referenced in item (1) of Schedule 1.1(a).

(2) Any and all right, title or interest in or to any RUS Stimulus Assets.

(3) All assets related to (a) Minnesota, Nebraska, Pennsylvania, New York and South Carolina ILECs and (b) California, Colorado, Delaware, Louisiana, Maryland, Minnesota, Nebraska, New Jersey, New York, South Carolina, South Dakota, and Utah CLECs.

(4) Abandoned, decommissioned and retired assets that are no longer used as part of the Distribution Systems (e.g., buried lead cable).

(5) Any and all right, title, and interest in the following assets related to the Consumer CLEC Business:

(a) Interconnection agreements between members of the WHI Group and other telecommunications carriers pursuant to which members of the WHI Group obtain access to network elements, facilities and services in order to operate the CLEC Consumer Business, including unbundled network elements, special access circuits and entrance facilities, and other facilities leased or obtained from the telecommunications carriers providing the underlying services;

(b) Any assets in the excluded Facilities described in section 2.2(b)(4) above used in the CLEC Consumer Business;

(c) any Electronics used in the CLEC Consumer Business including digital access carriers; and

(d) any authorizations, licenses or permits used in or required to operate the CLEC Consumer Business including certificates to operate as a Competitive Local Exchange Carrier and numbering resources and industry standard codes such as ACNAs, CICs and OCNs.

(6) Any and all right, title and interest in cable television systems.

(7) Any and all right, title and interest in communication towers that are not located on a central office site.

(8) Office furniture, batteries or cooling systems used in connection with any Equipment which is an Excluded Asset.

(9) Any and all IRUs.

(10) The following Internet domain names:

bowlinggreen.net
bridgewater.net
carol.net
ccol.net
ceinetworks.com
connections-etc.net
cottoninternet.net
crosspaths.net
ctc.net
dejazzd.com
dejazzdfone.com
dejazzdphone.com
dejazzdphone.net
dejazzdphone.org
dejazzed.com
door.net
en-tel.net
evansville.com
evansville.net
ezmailbox.net
fast.net
fastraxs.net
fbx.com
fbx.net
fdn.com
gibsoncounty.net
glade.net
henderson.net
hopkinsville.net
hubofthe.net
iowatelecom.net
izoom.net
jazzd.com
jazzdphone.com
kdlnetworks.net
kentuckylakes.net
ktc.com
lakedalelink.net
lexcominc.net
lkdllink.net
lookingglass.net
lucasco.net
madisonville.com
mcleodusa.net
midsouth.net
midtech.net
midusa.net
navix.net
netaxs.com
netreach.net
norlight.net
nsatel.net
nuvox.net
odsy.net
one.net
op.net
owensboro.net
paducah.com
pcpartner.net
pcstx.net
pennyrile.net
purchasearea.net
roswell.net
sherbtel.net
slinknet.com
superlink.net
swindiana.com
swindiana.net
titlecast.com
titlecast.net
trailnet.com
trivergent.net
txcom.net
txkinet.com
txk.net
uslec.net
valornet.com
valortelecom.com
vincennes.net
westex.net
wh-link.net
willinet.net
windstreambusiness.net
windstream.net
zumatel.net
cavtel.net
talkamerica.net
visi.net
newsouth.net

SCHEDULE 2.3(a)

Assumed Liabilities

None.

SCHEDULE 2.3(b)

Excluded Liabilities

Liability arising under any Action listed in the letter referenced in Section 5.5.

Liability for any and all abatement and removal of asbestos located at the Facilities as of the Distribution Date.

Liability for any and all removal of Halon fire suppression equipment located at the Facilities as of the Distribution Date.

Liability for any asset retirement obligations with respect to poles located at the Facilities as of the Distribution Date.

SCHEDULE 2.5(a)

Required Approvals

1. State Public Service Commission approval is required for the transfer of the Land, Improvements and Distribution Systems in the following states:[2]

   1.1. Alabama

   1.2. Arizona

   1.3. Georgia

   1.4. Indiana

   1.5. Kentucky

   1.6. North Carolina

   1.7. Ohio

   1.8. Pennsylvania

   1.9. West Virginia

2. A member of the CS&L Group must obtain a certificate of public convenience and necessity (or similar Authorization) as a competitive local exchange carrier and interexchange carrier to operate the Consumer CLEC Business in every state except Alaska and Hawaii.

3. The Form 10 Registration Statement must be declared effective by the Securities and Exchange Commission.

4. An Amendment to the Fifth Amended and Restated Credit Agreement, dated as of January 23, 2013 as amended, of Windstream Corporation, is required in order to effect the Transactions.

5. Pro forma notice of the Transactions must be filed with the Federal Communications Commission within 30 days after the Effective Time of the Transactions.

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[2] In the event that any such Public Service Commission approval has not been obtained prior to the Distribution Date, the Parties will reasonably cooperate to either remove such approval as a Required Approval or to obtain such Required Approval within six months following the Distribution Date.

SCHEDULE 8.9

Sample Net Working Capital Calculation

WIN / CS&L Working Capital Settlement

Based on balance sheet as of September 30, 2014

Receivable balances collected and retained by WIN:	
Accounts receivable, net of allowance for bad debt	$2,368
Liabilities to be paid by WIN on behalf of CS&L:	
Accrued interconnection costs	(738)
Accrued payroll	(29)
Net working capital (payment to CS&L)	$1,601

EXHIBITS A THROUGH H

See exhibits to Registration Statement on Form 10 (File No. 001-36708) of Communications Sales & Leasing, Inc.

EXHIBIT I-1

Form of Assignment Agreement for Pole Agreements

ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT
(CSL Alabama Pole Agreements)

This ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT (CSL Alabama Pole Agreements), dated as of , 2015 (this "Agreement"), is entered into by and among Windstream Holdings, Inc., a Delaware corporation ("WHI"), Windstream Services, LLC, a Delaware limited liability company ("Windstream"), certain subsidiaries of WHI and Windstream as set forth on Appendix A hereto ("Windstream Subsidiaries"), Communications Sales & Leasing, Inc., a Maryland corporation ("CSL"), and CSL Alabama System, LLC, a Delaware limited liability company ("CSL Subsidiary" and, together with WHI, Windstream, CSL, and Windstream Subsidiaries, the "Parties"). Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings assigned to such terms in the Separation and Distribution Agreement (as defined herein).

W I T N E S S E T H:

WHEREAS, WHI, Windstream and CSL have entered into that certain Separation and Distribution Agreement, dated as of , 2015 (the "Separation and Distribution Agreement"), and WHI and CSL National, LP, a Delaware limited partnership, have entered into that certain Master Lease, dated as of , 2015 (the "Master Lease"); and

WHEREAS, (i) WHI and Windstream, pursuant to certain Assigned Contracts, have pole attachment agreements, railroad crossing agreements, leases of conduits, and similar agreements with third parties in the State of Alabama, and (ii) the Windstream Subsidiaries, pursuant to certain Assigned Contracts, have pole attachment agreements, railroad crossing agreements, leases of conduits, and similar agreements with third parties in the State of Alabama and elsewhere, in each case providing members of the WIN Group with the right to access and use telephone and utility poles, conduits and similar facilities where the Distribution Systems are installed or located (the "Pole Agreements").

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants set forth herein, and intending to be legally bound:

1. Assignment and Assumption.

(a) Subject to Section 1(c) of this Agreement, WHI, Windstream and the Windstream Subsidiaries (collectively "Assignors") hereby assign, convey, transfer and deliver to CSL Subsidiary, all of Assignors rights to the Pole Agreements, including, without limitation, the Pole Agreements set forth on Appendix B hereto.

(b) CSL Subsidiary hereby accepts the foregoing assignment, conveyance, transfer and delivery and hereby undertakes, assumes and agrees to pay (and indemnify Assignors against), perform and discharge in accordance with their terms, all Liabilities arising out of or relating to the Pole Agreements.

(c) The Parties hereby declare their intent that Assignors retain and reserve bare legal ownership of the Pole Agreements as nominees and trustees for the benefit of CSL Subsidiary. Assignors hereby acknowledge they hold such ownership solely in trust for the benefit of CSL Subsidiary and its successors and assigns. Assignors and CSL Subsidiary agree that CSL Subsidiary shall hereby be deemed to have acquired complete and sole beneficial ownership over all of the Pole Agreements, together with all rights, powers and privileges incident thereto. Further, from and after the date hereof, CSL Subsidiary shall be entitled to all revenues with respect to the Pole Agreements, bear all risk of loss with respect to the Pole Agreements and have the right to direct Assignors, as nominees and trustees, to take all necessary, appropriate or advisable actions with respect to the Pole Agreements, including transferring the Pole Agreements on behalf of CSL Subsidiary. Assignors and CSL Subsidiary hereby agree that CSL Subsidiary shall be treated as the owner of the Pole Agreements for all U.S. federal and other income tax purposes, and Assignors and CSL Subsidiary will not take any position inconsistent with such treatment.

2. Effectiveness. This Agreement shall become effective on the date hereof.

3. Right to Acquire Legal Ownership. CSL Subsidiary shall have the right to acquire legal ownership of the Pole Agreements in consideration for an aggregate payment by CSL Subsidiary to Assignors of $1.00 at such time, if any, after the date hereof as CSL Subsidiary has both (1) obtained all requisite certificates, consents, approvals, licenses and permits necessary to hold legal ownership of the Pole Agreements and (2) paid all related transfer taxes and other costs and expenses related to the transfer.

4. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

5. Transfer of Assets; Assumption of Liabilities. The Parties hereby agree that if, as a result of this Agreement, any Party (or any member of such Partys respective Group) shall receive or otherwise possess any Asset or Liability that is allocated to any other Person pursuant to the Separation and Distribution Agreement, this Agreement or any other Transfer Agreement, such Party shall, as applicable, promptly transfer or accept, or cause to be transferred or accepted, such Asset or Liability, as the case may be, to the Person entitled to such Asset or responsible for such Liability, as the case may be. Prior to any such transfer, the Person receiving, possessing or responsible for such Asset or Liability shall be deemed to be holding such Asset or Liability, as the case may be, in trust for any other such Person.

6. Conflicting Terms. In the event of a conflict between the terms of this Agreement (including any and all attachments hereto and amendments hereof) and the terms of the Separation and Distribution Agreement (including any and all attachments thereto and amendments thereof) or the Master Lease (including any and all attachments thereto and amendments thereof), the terms of the Separation and Distribution Agreement or the Master Lease, as applicable, shall control.

7. Modification. This Agreement may not be modified except by a writing signed by the Parties.

8. Counterparts. This Agreement may be executed in two (2) or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

9. Governing Law; Enforcement. This Agreement shall be governed by and construed in accordance with the laws of the State of [Alabama] (without reference to choice of law principles applicable therein) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies. Any dispute arising under this Agreement shall be resolved in the manner set forth in the Separation and Distribution Agreement.

10. Entire Agreement; No Representations. This Agreement, together with the Separation and Distribution Agreement and the Master Lease, contains the entire understanding of the Parties with respect to the subject matter contained herein and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings and communications of the Parties, oral or written, respecting the subject matter hereof. Except as expressly provided in the Separation and Distribution Agreement and the Master Lease, Assignors make no representations or warranties, express or implied, with respect to the Pole Agreements.

11. Reorganization. For U.S. federal income tax purposes, the Parties intend to treat the assignment of the Pole Agreements pursuant to this Agreement as a contribution of such Pole Agreements by WHI to CSL in connection with the Reorganization.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

WHI:

WINDSTREAM HOLDINGS, INC.

By: _____

Name: _____

Title: _____

WINDSTREAM:

WINDSTREAM SERVICES, LLC

By: _____

Name: _____

Title: _____

WINDSTREAM SUBSIDIARIES:

(each as listed on Appendix A)

By: _____

Name: _____

Title: _____

CSL:

COMMUNICATIONS SALES & LEASING, INC.

By: _____

Name: _____

Title: _____

CSL SUBSIDIARY:

CSL ALABAMA SYSTEM, LLC

By: _____

Name: _____

Title: _____

EXHIBIT I-2

Form of Assignment Agreement for Permits

ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT
(CSL Alabama Permits)

This ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT (CSL Alabama Permits), dated as of , 2015 (this "Agreement"), is entered into by and among Windstream Holdings, Inc., a Delaware corporation ("WHI"), Windstream Services, LLC, a Delaware limited liability company ("Windstream"), certain subsidiaries of WHI and Windstream as set forth on Appendix A hereto ("Windstream Subsidiaries"), Communications Sales & Leasing, Inc., a Maryland corporation ("CSL"), and CSL Alabama System, LLC, a Delaware limited liability company ("CSL Subsidiary" and, together with WHI, Windstream, CSL, and Windstream Subsidiaries, the "Parties"). Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings assigned to such terms in the Separation and Distribution Agreement (as defined herein).

W I T N E S S E T H:

WHEREAS, WHI, Windstream and CSL have entered into that certain Separation and Distribution Agreement, dated as of , 2015 (the "Separation and Distribution Agreement"), and WHI and CSL National, LP, a Delaware limited partnership, have entered into that certain Master Lease, dated as of , 2015 (the "Master Lease"); and

WHEREAS, (i) WHI and Windstream, pursuant to certain Assigned Contracts, have permits, licenses and other similar agreements (including but not limited to permits from highway departments and state and county agencies, and rights-of-way license agreements with local governments, and permits from the Bureau of Land Management) granted by Governmental Authorities in the State of Alabama, and (ii) the Windstream Subsidiaries, pursuant to certain Assigned Contracts, have permits, licenses and other similar agreements (including but not limited to permits from highway departments and state and county agencies, and rights-of-way license agreements with local governments, and permits from the Bureau of Land Management) granted by Governmental Authorities in the State of Alabama and elsewhere, in each case providing members of the WIN Group with the right to access and use public rights of way where the Distribution Systems are installed or located (the "Permits").

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants set forth herein, and intending to be legally bound:

1. Assignment and Assumption.

(a) Subject to Section 1(c) of this Agreement, WHI, Windstream and the Windstream Subsidiaries (collectively "Assignors") hereby assign, convey, transfer and deliver to CSL Subsidiary, all of Assignors rights to the Permits, including, without limitation, the Permits set forth on Appendix B hereto.

(b) CSL Subsidiary hereby accepts the foregoing assignment, conveyance, transfer and delivery and hereby undertakes, assumes and agrees to pay (and indemnify Assignors against), perform and discharge in accordance with their terms, all Liabilities arising out of or relating to the Permits.

(c) The Parties hereby declare their intent that Assignors retain and reserve bare legal ownership of the Permits as nominees and trustees for the benefit of CSL Subsidiary. Assignors hereby acknowledge they hold such ownership solely in trust for the benefit of CSL Subsidiary and its successors and assigns. Assignors and CSL Subsidiary agree that CSL Subsidiary shall hereby be deemed to have acquired complete and sole beneficial ownership over all of the Permits, together with all rights, powers and privileges incident thereto. Further, from and after the date hereof, CSL Subsidiary shall be entitled to all revenues with respect to the Permits, bear all risk of loss with respect to the Permits and have the right to direct Assignors, as nominees and trustees, to take all necessary, appropriate or advisable actions with respect to the Permits, including transferring the Permits on behalf of CSL Subsidiary. Assignors and CSL Subsidiary hereby agree that CSL Subsidiary shall be treated as the owner of the Permits for all U.S. federal and other income tax purposes, and Assignors and CSL Subsidiary will not take any position inconsistent with such treatment.

2. Effectiveness. This Agreement shall become effective on the date hereof.

3. Right to Acquire Legal Ownership. CSL Subsidiary shall have the right to acquire legal ownership of the Permits in consideration for an aggregate payment by CSL Subsidiary to Assignors of $1.00 at such time, if any, after the date hereof as CSL Subsidiary has both (1) obtained all requisite certificates, consents, approvals, licenses and permits necessary to hold legal ownership of the Permits and (2) paid all related transfer taxes and other costs and expenses related to the transfer.

4. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

5. Transfer of Assets; Assumption of Liabilities. The Parties hereby agree that if, as a result of this Agreement, any Party (or any member of such Partys respective Group) shall receive or otherwise possess any Asset or Liability that is allocated to any other Person pursuant to the Separation and Distribution Agreement, this Agreement or any other Transfer Agreement, such Party shall, as applicable, promptly transfer or accept, or cause to be transferred or accepted, such Asset or Liability, as the case may be, to the Person entitled to such Asset or responsible for such Liability, as the case may be. Prior to any such transfer, the Person receiving, possessing or responsible for such Asset or Liability shall be deemed to be holding such Asset or Liability, as the case may be, in trust for any other such Person.

6. Conflicting Terms. In the event of a conflict between the terms of this Agreement (including any and all attachments hereto and amendments hereof) and the terms of the Separation and Distribution Agreement (including any and all attachments thereto and amendments

thereof) or the Master Lease (including any and all attachments thereto and amendments thereof), the terms of the Separation and Distribution Agreement or the Master Lease, as applicable, shall control.

7. Modification. This Agreement may not be modified except by a writing signed by the Parties.

8. Counterparts. This Agreement may be executed in two (2) or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

9. Governing Law; Enforcement. This Agreement shall be governed by and construed in accordance with the laws of the State of [Alabama] (without reference to choice of law principles applicable therein) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies. Any dispute arising under this Agreement shall be resolved in the manner set forth in the Separation and Distribution Agreement.

10. Entire Agreement; No Representations. This Agreement, together with the Separation and Distribution Agreement and the Master Lease, contains the entire understanding of the Parties with respect to the subject matter contained herein and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings and communications of the Parties, oral or written, respecting the subject matter hereof. Except as expressly provided in the Separation and Distribution Agreement and the Master Lease, Assignors make no representations or warranties, express or implied, with respect to the Permits.

11. Reorganization. For U.S. federal income tax purposes, the Parties intend to treat the assignment of the Permits pursuant to this Agreement as a contribution of such Permits by WHI to CSL in connection with the Reorganization.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

WHI:

WINDSTREAM HOLDINGS, INC.

By: _____

Name: _____

Title: _____

WINDSTREAM:

WINDSTREAM SERVICES, LLC

By: _____

Name: _____

Title: _____

WINDSTREAM SUBSIDIARIES:

(each as listed on Appendix A)

By: _____

Name: _____

Title: _____

CSL:

COMMUNICATIONS SALES & LEASING, INC.

By: _____

Name: _____

Title: _____

CSL SUBSIDIARY:

CSL ALABAMA SYSTEM, LLC

By: _____

Name: _____

Title: _____

EXHIBIT I-3

Form of Assignment Agreement for Franchises

ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT
(CSL Alabama Franchises)

This ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT (CSL Alabama Franchises), dated as of , 2015 (this "Agreement"), is entered into by and among Windstream Holdings, Inc., a Delaware corporation ("WHI"), Windstream Services, LLC, a Delaware limited liability company ("Windstream"), certain subsidiaries of WHI and Windstream as set forth on Appendix A hereto ("Windstream Subsidiaries"), Communications Sales & Leasing, Inc., a Maryland corporation ("CSL"), and CSL Alabama System, LLC, a Delaware limited liability company ("CSL Subsidiary" and, together with WHI, Windstream, CSL, and Windstream Subsidiaries, the "Parties"). Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings assigned to such terms in the Separation and Distribution Agreement (as defined herein).

W I T N E S S E T H:

WHEREAS, WHI, Windstream and CSL have entered into that certain Separation and Distribution Agreement, dated as of , 2015 (the "Separation and Distribution Agreement"), and WHI and CSL National, LP, a Delaware limited partnership, have entered into that certain Master Lease, dated as of , 2015 (the "Master Lease"); and

WHEREAS, (i) WHI and Windstream, pursuant to certain Assigned Contracts, have franchises granted by Governmental Authorities in the State of Alabama, and (ii) the Windstream Subsidiaries, pursuant to certain Assigned Contracts, have franchises granted by Governmental Authorities in the State of Alabama and elsewhere, in each case providing members of the WIN Group with the right to access and use public rights of way where the Distribution Systems are installed or located (the "Franchises").

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants set forth herein, and intending to be legally bound:

1. Assignment and Assumption.

(a) Subject to Section 1(c) of this Agreement, WHI, Windstream and the Windstream Subsidiaries (collectively "Assignors") hereby assign, convey, transfer and deliver to CSL Subsidiary, all of Assignors rights to the Franchises, including, without limitation, the Franchises set forth on Appendix B hereto.

(b) CSL Subsidiary hereby accepts the foregoing assignment, conveyance, transfer and delivery and hereby undertakes, assumes and agrees to pay (and indemnify Assignors against), perform and discharge in accordance with their terms, all Liabilities arising out of or relating to the Franchises.

(c) The Parties hereby declare their intent that Assignors retain and reserve bare legal ownership of the Franchises as nominees and trustees for the benefit of CSL Subsidiary. Assignors hereby acknowledge they hold such ownership solely in trust for the benefit of CSL Subsidiary and its successors and assigns. Assignors and CSL Subsidiary agree that CSL Subsidiary shall hereby be deemed to have acquired complete and sole beneficial ownership over all of the Franchises, together with all rights, powers and privileges incident thereto. Further, from and after the date hereof, CSL Subsidiary shall be entitled to all revenues with respect to the Franchises, bear all risk of loss with respect to the Franchises and have the right to direct Assignors, as nominees and trustees, to take all necessary, appropriate or advisable actions with respect to the Franchises, including transferring the Franchises on behalf of CSL Subsidiary. Assignors and CSL Subsidiary hereby agree that CSL Subsidiary shall be treated as the owner of the Franchises for all U.S. federal and other income tax purposes, and Assignors and CSL Subsidiary will not take any position inconsistent with such treatment.

2. Effectiveness. This Agreement shall become effective on the date hereof.

3. Right to Acquire Legal Ownership. CSL Subsidiary shall have the right to acquire legal ownership of the Franchises in consideration for an aggregate payment by CSL Subsidiary to Assignors of $1.00 at such time, if any, after the date hereof as CSL Subsidiary has both (1) obtained all requisite certificates, consents, approvals, licenses and permits necessary to hold legal ownership of the Franchises and (2) paid all related transfer taxes and other costs and expenses related to the transfer.

4. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

5. Transfer of Assets; Assumption of Liabilities. The Parties hereby agree that if, as a result of this Agreement, any Party (or any member of such Partys respective Group) shall receive or otherwise possess any Asset or Liability that is allocated to any other Person pursuant to the Separation and Distribution Agreement, this Agreement or any other Transfer Agreement, such Party shall, as applicable, promptly transfer or accept, or cause to be transferred or accepted, such Asset or Liability, as the case may be, to the Person entitled to such Asset or responsible for such Liability, as the case may be. Prior to any such transfer, the Person receiving, possessing or responsible for such Asset or Liability shall be deemed to be holding such Asset or Liability, as the case may be, in trust for any other such Person.

6. Conflicting Terms. In the event of a conflict between the terms of this Agreement (including any and all attachments hereto and amendments hereof) and the terms of the Separation and Distribution Agreement (including any and all attachments thereto and amendments thereof) or the Master Lease (including any and all attachments thereto and amendments thereof), the terms of the Separation and Distribution Agreement or the Master Lease, as applicable, shall control.

7. Modification. This Agreement may not be modified except by a writing signed by the Parties.

8. Counterparts. This Agreement may be executed in two (2) or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

9. Governing Law; Enforcement. This Agreement shall be governed by and construed in accordance with the laws of the State of [Alabama] (without reference to choice of law principles applicable therein) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies. Any dispute arising under this Agreement shall be resolved in the manner set forth in the Separation and Distribution Agreement.

10. Entire Agreement; No Representations. This Agreement, together with the Separation and Distribution Agreement and the Master Lease, contains the entire understanding of the Parties with respect to the subject matter contained herein and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings and communications of the Parties, oral or written, respecting the subject matter hereof. Except as expressly provided in the Separation and Distribution Agreement and the Master Lease, Assignors make no representations or warranties, express or implied, with respect to the Franchises.

11. Reorganization. For U.S. federal income tax purposes, the Parties intend to treat the assignment of the Franchises pursuant to this Agreement as a contribution of such Franchises by WHI to CSL in connection with the Reorganization.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

WHI:

WINDSTREAM HOLDINGS, INC.

By: _____

Name: _____

Title: _____

WINDSTREAM:

WINDSTREAM SERVICES, LLC

By: _____

Name: _____

Title: _____

WINDSTREAM SUBSIDIARIES:

(each as listed on Appendix A)

By: _____

Name: _____

Title: _____

CSL:

COMMUNICATIONS SALES & LEASING, INC.

By: _____

Name: _____

Title: _____

CSL SUBSIDIARY:

CSL ALABAMA SYSTEM, LLC

By: _____

Name: _____

Title: _____

EXHIBIT I-4

Form of Assignment Agreement for Easements

ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT
(CSL Alabama Easements)

This ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT (CSL Alabama Easements), dated as of , 2015 (this "Agreement"), is entered into by and among Windstream Holdings, Inc., a Delaware corporation ("WHI"), Windstream Services, LLC, a Delaware limited liability company ("Windstream"), certain subsidiaries of WHI and Windstream as set forth on Appendix A hereto ("Windstream Subsidiaries"), Communications Sales & Leasing, Inc., a Maryland corporation ("CSL"), and CSL Alabama System, LLC, a Delaware limited liability company ("CSL Subsidiary" and, together with WHI, Windstream, CSL, and Windstream Subsidiaries, the "Parties"). Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings assigned to such terms in the Separation and Distribution Agreement (as defined herein).

W I T N E S S E T H:

WHEREAS, WHI, Windstream and CSL have entered into that certain Separation and Distribution Agreement, dated as of , 2015 (the "Separation and Distribution Agreement"), and WHI and CSL National, LP, a Delaware limited partnership, have entered into that certain Master Lease, dated as of , 2015 (the "Master Lease"); and

WHEREAS, (i) WHI and Windstream, pursuant to certain Assigned Contracts, have easements (both express and prescriptive) and other rights-of-way real estate interests in the State of Alabama, and (ii) the Windstream Subsidiaries, pursuant to certain Assigned Contracts, have easements (both express and prescriptive) and other rights-of-way real estate interests in the State of Alabama and elsewhere, in each case providing members of the WIN Group with the right to access and use the real property where the Distribution Systems are installed or located (the "Easements").

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants set forth herein, and intending to be legally bound:

1. Assignment and Assumption.

(a) Subject to Section 1(c) of this Agreement, WHI, Windstream and the Windstream Subsidiaries (collectively "Assignors") hereby assign, convey, transfer and deliver to CSL Subsidiary, all of Assignors rights to the Easements, including, without limitation, the Easements set forth on Appendix B hereto.

(b) CSL Subsidiary hereby accepts the foregoing assignment, conveyance, transfer and delivery and hereby undertakes, assumes and agrees to pay (and indemnify Assignors against), perform and discharge in accordance with their terms, all Liabilities arising out of or relating to the Easements.

(c) The Parties hereby declare their intent that Assignors retain and reserve bare legal title to the Easements as nominees and trustees for the benefit of CSL Subsidiary. Assignors hereby acknowledge they hold such title solely in trust for the benefit of CSL Subsidiary and its successors and assigns. Assignors and CSL Subsidiary agree that CSL Subsidiary shall hereby be deemed to have acquired complete and sole beneficial title over all of the Easements, together with all rights, powers and privileges incident thereto. Further, from and after the date hereof, CSL Subsidiary shall be entitled to all revenues with respect to the Easements, bear all risk of loss with respect to the Easements and have the right to direct Assignors, as nominees and trustees, to take all necessary, appropriate or advisable actions with respect to the Easements, including transferring the Easements on behalf of CSL Subsidiary. Assignors and CSL Subsidiary hereby agree that CSL Subsidiary shall be treated as the owner of the Easements for all U.S. federal and other income tax purposes, and Assignors and CSL Subsidiary will not take any position inconsistent with such treatment.

2. Effectiveness. This Agreement shall become effective on the date hereof.

3. Right to Acquire Legal Title. CSL Subsidiary shall have the right to acquire legal title to the Easements in consideration for an aggregate payment by CSL Subsidiary to Assignors of $1.00 at such time, if any, after the date hereof as CSL Subsidiary has both (1) obtained all requisite certificates, consents, approvals, licenses and permits necessary to hold legal title to the Easements and (2) paid all related transfer taxes and other costs and expenses related to the transfer.

4. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

5. Transfer of Assets; Assumption of Liabilities. The Parties hereby agree that if, as a result of this Agreement, any Party (or any member of such Partys respective Group) shall receive or otherwise possess any Asset or Liability that is allocated to any other Person pursuant to the Separation and Distribution Agreement, this Agreement or any other Transfer Agreement, such Party shall, as applicable, promptly transfer or accept, or cause to be transferred or accepted, such Asset or Liability, as the case may be, to the Person entitled to such Asset or responsible for such Liability, as the case may be. Prior to any such transfer, the Person receiving, possessing or responsible for such Asset or Liability shall be deemed to be holding such Asset or Liability, as the case may be, in trust for any other such Person.

6. Conflicting Terms. In the event of a conflict between the terms of this Agreement (including any and all attachments hereto and amendments hereof) and the terms of the Separation and Distribution Agreement (including any and all attachments thereto and amendments thereof) or the Master Lease (including any and all attachments thereto and amendments thereof), the terms of the Separation and Distribution Agreement or the Master Lease, as applicable, shall control.

7. Modification. This Agreement may not be modified except by a writing signed by the Parties.

8. Counterparts. This Agreement may be executed in two (2) or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

9. Governing Law; Enforcement. This Agreement shall be governed by and construed in accordance with the laws of the State of [Alabama] (without reference to choice of law principles applicable therein) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies. Any dispute arising under this Agreement shall be resolved in the manner set forth in the Separation and Distribution Agreement.

10. Entire Agreement; No Representations. This Agreement, together with the Separation and Distribution Agreement and the Master Lease, contains the entire understanding of the Parties with respect to the subject matter contained herein and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings and communications of the Parties, oral or written, respecting the subject matter hereof. Except as expressly provided in the Separation and Distribution Agreement and the Master Lease, Assignors make no representations or warranties, express or implied, with respect to the Easements.

11. Reorganization. For U.S. federal income tax purposes, the Parties intend to treat the assignment of the Easements pursuant to this Agreement as a contribution of such Easements by WHI to CSL in connection with the Reorganization.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

WHI:

WINDSTREAM HOLDINGS, INC.

By: _____

Name: _____

Title: _____

WINDSTREAM:

WINDSTREAM SERVICES, LLC

By: _____

Name: _____

Title: _____

WINDSTREAM SUBSIDIARIES:

(each as listed on Appendix A)

By: _____

Name: _____

Title: _____

CSL:

COMMUNICATIONS SALES & LEASING, INC.

By: _____

Name: _____

Title: _____

CSL SUBSIDIARY:

CSL ALABAMA SYSTEM, LLC

By: _____

Name: _____

Title: _____

EXHIBIT I-5

Form of Assignment Agreement for Tangible Assets

ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT
(CSL Alabama Tangible Assets)

This ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT (CSL Alabama Tangible Assets), dated as of , 2015 (this "Agreement"), is entered into by and among Windstream Holdings, Inc., a Delaware corporation ("WHI"), Windstream Services, LLC, a Delaware limited liability company ("Windstream"), Windstream Alabama, LLC, an Alabama limited liability company ("Windstream Subsidiary"), Communications Sales & Leasing, Inc., a Maryland corporation ("CSL"), and CSL Alabama System, LLC, a Delaware limited liability company ("CSL Subsidiary" and, together with WHI, Windstream, Windstream Subsidiary, and CSL the "Parties"). Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings assigned to such terms in the Separation and Distribution Agreement (as defined herein).

W I T N E S S E T H:

WHEREAS, WHI, Windstream and CSL have entered into that certain Separation and Distribution Agreement, dated , 2015 (the "Separation and Distribution Agreement"), and WHI and CSL National, LP have entered into that certain Master Lease, dated as of , 2015 (the "Master Lease"); and

WHEREAS, Windstream Subsidiary has certain copper and fiber cable and other tangible assets, as more particularly described on Appendix A hereto, located in the State of Alabama and elsewhere (the "Tangible Assets").

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants set forth herein, and intending to be legally bound:

1. Assignment and Assumption.

(a) Windstream Subsidiary hereby assigns, conveys, transfers and delivers to CSL Subsidiary, all of Windstream Subsidiarys right, title and interest in and to the Tangible Assets.

(b) CSL Subsidiary hereby accepts the foregoing assignment, conveyance, transfer and delivery and hereby undertakes, assumes and agrees to pay (and indemnify Windstream Subsidiary against), perform and discharge in accordance with their terms, all Liabilities arising out of or relating to the Tangible Assets.

2. Effectiveness. This Agreement shall become effective on the date hereof.

3. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

4. Transfer of Assets; Assumption of Liabilities. The Parties hereby agree that if, as a result of this Agreement, any Party (or any member of such Partys respective Group) shall receive or otherwise possess any Asset or Liability that is allocated to any other Person pursuant to the Separation and Distribution Agreement, this Agreement or any other Transfer Agreement, such Party shall, as applicable, promptly transfer or accept, or cause to be transferred or accepted, such Asset or Liability, as the case may be, to the Person entitled to such Asset or responsible for such Liability, as the case may be. Prior to any such transfer, the Person receiving, possessing or responsible for such Asset or Liability shall be deemed to be holding such Asset or Liability, as the case may be, in trust for any other such Person.

5. Conflicting Terms. In the event of a conflict between the terms of this Agreement (including any and all attachments hereto and amendments hereof) and the terms of the Separation and Distribution Agreement (including any and all attachments thereto and amendments thereof) or the Master Lease (including any and all attachments thereto and amendments thereof), the terms of the Separation and Distribution Agreement or the Master Lease, as applicable, shall control.

6. Modification. This Agreement may not be modified except by a writing signed by the Parties.

7. Counterparts. This Agreement may be executed in two (2) or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

8. Governing Law; Enforcement. This Agreement shall be governed by and construed in accordance with the laws of the State of [Alabama] (without reference to choice of law principles applicable therein) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies. Any dispute arising under this Agreement shall be resolved in the manner set forth in the Separation and Distribution Agreement.

9. Entire Agreement; No Representations. This Agreement, together with the Separation and Distribution Agreement and the Master Lease, contains the entire understanding of the Parties with respect to the subject matter contained herein and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings and communications of the Parties, oral or written, respecting the subject matter hereof. Except as expressly provided in the Separation and Distribution Agreement and the Master Lease, Windstream Subsidiary makes no representations or warranties, express or implied, with respect to the Tangible Assets.

10. Reorganization. For U.S. federal income tax purposes, the Parties intend to treat the assignment of the Tangible Assets pursuant to this Agreement as a contribution of such Tangible Assets by WHI to CSL in connection with the Reorganization.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

WHI:

WINDSTREAM HOLDINGS, INC.

By: _____

Name: _____

Title: _____

WINDSTREAM:

WINDSTREAM SERVICES, LLC

By: _____

Name: _____

Title: _____

WINDSTREAM SUBSIDIARY:

WINDSTREAM ALABAMA, LLC

By: _____

Name: _____

Title: _____

CSL:

COMMUNICATIONS SALES & LEASING, INC.

By: _____

Name: _____

Title: _____

CSL SUBSIDIARY:

CSL ALABAMA SYSTEM, LLC

By: _____

Name: _____

Title: _____

EXHIBIT I-6

Form of Assignment Agreement for Consumer CLEC Assets

ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT
(Consumer CLEC Assets)

This ASSIGNMENT, CONVEYANCE AND ASSUMPTION AGREEMENT (Consumer CLEC Assets), dated as of , 2015 (this "Agreement"), is entered into by and among Windstream Holdings, Inc., a Delaware corporation ("WHI"), Windstream Services, LLC, a Delaware limited liability company ("Windstream"), certain subsidiaries of WHI and Windstream as set forth on Appendix A hereto ("Windstream Subsidiaries"), and Communications Sales & Leasing, Inc., a Maryland corporation ("CSL", and together with WHI, Windstream and Windstream Subsidiaries, the "Parties"). Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meanings assigned to such terms in the Separation and Distribution Agreement (as defined herein).

W I T N E S S E T H:

WHEREAS, WHI, Windstream and CSL have entered into that certain Separation and Distribution Agreement, dated , 2015 (the "Separation and Distribution Agreement"), and WHI and CSL National, LP have entered into that certain Master Lease, dated as of , 2015 (the "Master Lease"); and

WHEREAS, the Windstream Subsidiaries have certain rights in and to contracts with customers of the Consumer CLEC Business (collectively, the "Consumer CLEC Assets").

NOW THEREFORE, for and in consideration of the premises and the mutual promises and covenants set forth herein, and intending to be legally bound:

1. Assignment and Assumption.

(a) The Windstream Subsidiaries hereby assign, convey, transfer and deliver to CSL, all of the Windstream Subsidiaries right, title and interest in and to the Consumer CLEC Assets.

(b) CSL hereby accepts the foregoing assignment, conveyance, transfer and delivery and hereby undertakes, assumes and agrees to pay (and indemnify the Windstream Subsidiaries against), perform and discharge in accordance with their terms, all Liabilities arising out of or relating to the Consumer CLEC Assets.

2. Effectiveness. This Agreement shall become effective on the date hereof.

3. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

4. Transfer of Assets; Assumption of Liabilities. The Parties hereby agree that if, as a result of this Agreement, any Party (or any member of such Partys respective Group) shall receive or otherwise possess any Asset or Liability that is allocated to any other Person pursuant to the Separation and Distribution Agreement, this Agreement or any other Transfer Agreement, such Party shall, as applicable, promptly transfer or accept, or cause to be transferred or accepted, such Asset or Liability, as the case may be, to the Person entitled to such Asset or responsible for such Liability, as the case may be. Prior to any such transfer, the Person receiving, possessing or responsible for such Asset or Liability shall be deemed to be holding such Asset or Liability, as the case may be, in trust for any other such Person.

5. Conflicting Terms. In the event of a conflict between the terms of this Agreement (including any and all attachments hereto and amendments hereof) and the terms of the Separation and Distribution Agreement (including any and all attachments thereto and amendments thereof) or the Master Lease (including any and all attachments thereto and amendments thereof), the terms of the Separation and Distribution Agreement or the Master Lease, as applicable, shall control.

6. Modification. This Agreement may not be modified except by a writing signed by the Parties.

7. Counterparts. This Agreement may be executed in two (2) or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

8. Governing Law; Enforcement. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware (without reference to choice of law principles applicable therein) as to all matters, including but not limited to matters of validity, construction, effect, performance and remedies. Any dispute arising under this Agreement shall be resolved in the manner set forth in the Separation and Distribution Agreement.

9. Entire Agreement; No Representations. This Agreement, together with the Separation and Distribution Agreement and the Master Lease, contains the entire understanding of the Parties with respect to the subject matter contained herein and supersedes and cancels all prior agreements, negotiations, correspondence, undertakings and communications of the Parties, oral or written, respecting the subject matter hereof. Except as expressly provided in the Separation and Distribution Agreement and the Master Lease, the Windstream Subsidiaries make no representations or warranties, express or implied, with respect to the Consumer CLEC Assets.

10. Reorganization. For U.S. federal income tax purposes, the Parties intend to treat the assignment of the Consumer CLEC Assets pursuant to this Agreement as a contribution of such Consumer CLEC Assets by WHI to CSL in connection with the Reorganization.

[*The remainder of this page is intentionally left blank*]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

WHI:

WINDSTREAM HOLDINGS, INC.

By: _____

Name: _____

Title: _____

WINDSTREAM:

WINDSTREAM SERVICES, LLC

By: _____

Name: _____

Title: _____

WINDSTREAM SUBSIDIARIES:

(each as listed on Appendix A)

By: _____

Name: _____

Title: _____

CSL:

COMMUNICATIONS SALES & LEASING, INC.

By: _____

Name: _____

Title: _____

EXHIBIT 9

April 2013 Email From Thomas to Gunderman

From: Thomas, Tony
Sent: Monday, April 15, 2013 7:46 AM
To: Gunderman, Bob; Small, Jeffery; Eichler, John C
Subject: Captive Finance
Attachments: CaterpillarInc.pdf

Bob,

Here are some questions I have related to the Captive. Just trying to get my thoughts on paper. I am little concerned about timing of 7/1/13, as it looks like this is pretty complex.

1 - We need a capital structure that works with the Indenture; we may be able to use the HoldCo strategy here. Create HoldCo and put Windstream Financial underneath HoldCo. 1 - This way the captive can have its own financing outside the indenture. 2 - Remember, the sales – leaseback provision in the Indenture can be a limiting factor here.

2 - Ideally, we find a structure that can remove the capex from OpCo. I assume OpCo will get upfront sales. We need to explain the accounting at the OpCo, HoldCo and WinFin level.

3 – Can we outline the scenarios available to us. WinFin buys the equipment from OpCo, WinFin leases to the Customer; this is the typical arrangement. GAL works like this. How does CIT work?

4 - I saw several consultants who specialize in captive finance, such as Alta Group. Of course, the banks can help as well.

5 – I found Caterpillar Financial the best description of the business and accounting. Lots of references to VIE and the impacts of securitization.

6 - I know BNP also shared the recent CIH HY captive bond and the "Keep Well" provisions. I also saw BAML got the work to establish the Volvo Captive Finance.

We can discuss later today. Thanks,

Tony Thomas
Chief Financial Officer | Windstream
4001 Rodney Parham Road | Little Rock, AR 72212-2442
tony.thomas@windstream.com | windstreambusiness.com
o: 501-748-7821 | m: 501-517-5177 |

EXHIBIT 10

Uniti Spin-Off Diagram

Diagram of Uniti Spin-Off

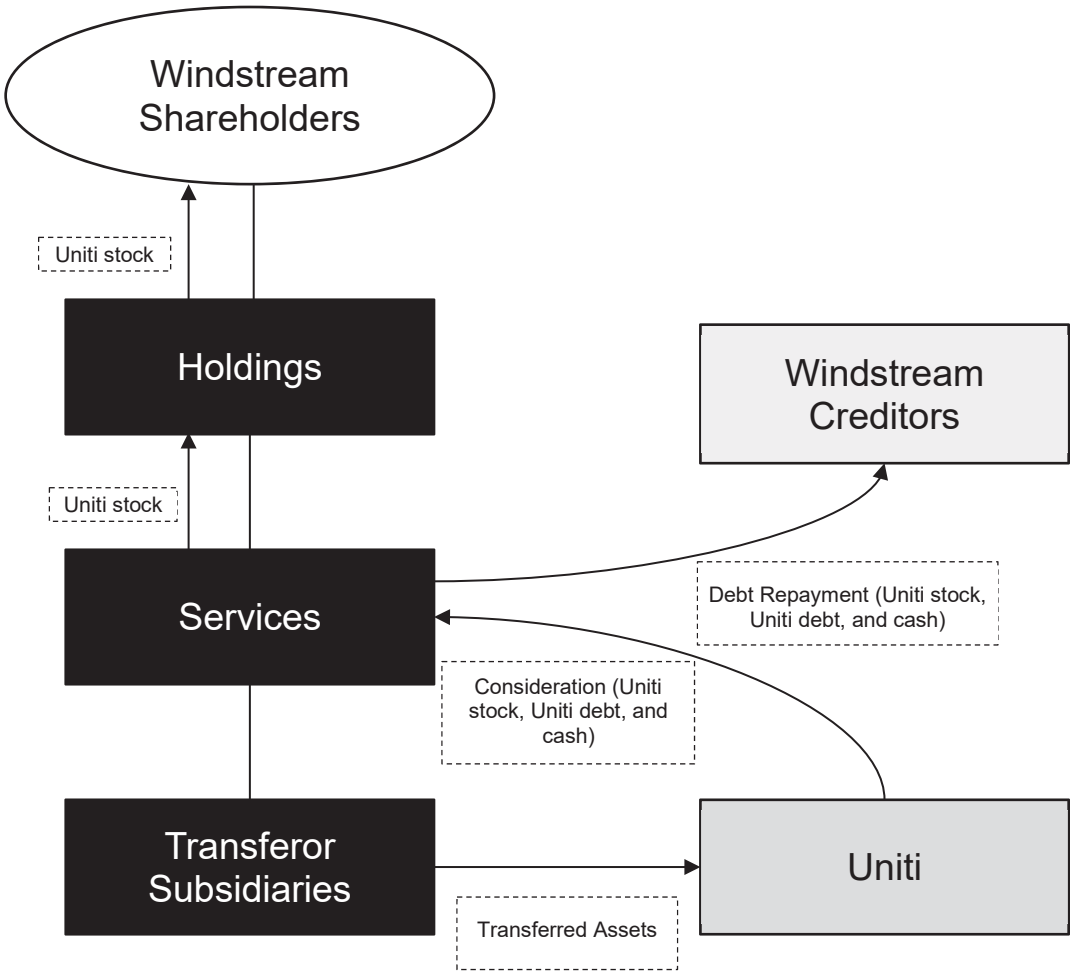

EXHIBIT 11

September 2017 Uniti Group Earnings Call

2019-06-13 16:20:39

Reorg

Uniti Group Inc.

Edited Transcript of UNIT presentation 13-Sep-17 3:20pm GMT

Wed 09/13/2017 15:20

Event Type: Conference Presentation

Event Title: Uniti Group Inc at Goldman Sachs Communacopia Conference

City: New York

Story Type: transcript

Ticker: UNIT

Uniti Group Inc at Goldman Sachs Communacopia Conference

New York Sep 14, 2017 (Thomson StreetEvents) -- Edited Transcript of Uniti Group Inc presentation Wednesday, September 13, 2017 at 3:20:00pm GMT

TEXT version of Transcript

Corporate Participants

- Mark A. Wallace, **Uniti Group Inc.** - *CFO, EVP and Treasurer*

Presentation

Unidentified Analyst,

We're going to go ahead and get started here with Uniti Group. Pleased to welcome Mark Wallace, Chief Financial Officer, to the conference. I know originally, Kenny was going to be here, the CEO was going to be here as well. You guys are doing some work to recover from some of the hurricane damage in your markets, and so Kenny decided to stay behind for that. And we may have one of your colleagues join us in the middle of the presentation.

So let's just go ahead and get started. Thank you so much for being here.

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

I'm glad to be here.

Questions and Answers

Unidentified Analyst,

I want to spend most of this time talking about the way you guys plan on growing your business. But I think just to get started, just to kind of address it, is to talk a bit about your relationship with Windstream. And they're obviously your biggest customer. They're a primary source of your revenue, your EBITDA and your free cash flow. And they made the decision recently to eliminate their dividends, and their stock has come under some pressure as a result of it. And this has obviously gotten a lot of attention with investors. And so I thought maybe we'd just get your take on sort of the fundamental direction of the company and how you think about the way they've decided to change their capital allocation and ultimately what it means to you as one of their biggest vendors and creditors.

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Yes. So again, thanks for having us. So regarding Windstream, I mean, we have a lot of confidence in Windstream and Windstream's management. I think, as we articulated on our last quarter conference call, that from our standpoint as a landlord, as a creditor to Windstream, essentially a creditor, that I think the dividend elimination was a positive from a credit standpoint, certainly a positive from a cash flow standpoint. So we were supportive of it from that standpoint. I do think that there's been some misperception around the dividend elimination. I think Windstream meant it to be simply a capital finance decision on their part. And I think there has been some misperception that the dividend elimination was either meant to communicate or was communicating that there was a change in the business direction of Windstream looking out 2 or 3 years. And I don't think that's what they intended to communicate. I don't think that's the facts. I know -- Tony is actually speaking at this conference, I believe, right after me, so I'm sure he'll address some of that. But if I listened to what they've said recently, including some of the -- one of the calls that they had for fixed-income analysts, I think they've articulated a very good direction in meaning that -- as I understand it, what they've said is that the second half of this year is likely to be better than the first half from a financial performance standpoint. They expect to realize synergies associated with the Broadview and EarthLink acquisitions and expect to have additional cost savings associated with taking out interconnection costs, which I believe is either their largest or one of their largest cost components. And that's probably going to happen over a number of years, so that will be a continuing impact on their free cash flow as they do that. I believe what they've also said is that CapEx is likely to come down as well as working capital is likely to be less in the back half of this year as compared to the first half. So I think they've laid out clearly -- a clear direction for their business and tried to correct some of that misperception that came from the dividend elimination. I think they've done a good job. Look, I mean, we've gotten to know -- certainly, I've gotten to know Tony and Bob and a lot of other people at Windstream since I've been associated with Uniti Group. Kenny has known them for a long period of time. And we have a lot of confidence in them. I think they're very -- I think Tony is a very good operator. And so I have -- I'm sure that they will be focused on accomplishing what they've set forth, and I have every confidence that they'll do so.

Unidentified Analyst,

And before we move on, just could you just remind us, how is this master lease agreement with Windstream structured? And what [sort of] protection is in there for you?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Yes. So I think that Windstream -- our lease agreement with Windstream is very well structured. And just -- if you remember, from the spinout 2 years ago, it's actually structured by Windstream. So I think it's a well-structured -- it is structured as a master lease agreement. Like most master lease agreement, it is designed to be well structured for distressed situations, meaning master lease is designed to be accepted, if you go into a bankruptcy proceeding or reorganization, it's designed to be accepted or rejected in a whole. So it's not -- it's designed so that it can't be cherry-picked apart market by market, where the good markets are chosen and the bad markets aren't. So it has to be accepted or rejected and how that's the most important thing from a master lease standpoint. And that's been pretty clear. It was designed that way. It was always intended to be that way. I think the other thing to keep in mind, we've always talked about the lease payment from Windstream for us being a priority payment. And priority meaning that when we were spun off, we were spun off with about 80% of Windstream's network. So Windstream derives a substantial amount of revenue from having access to our network. And the way they have access to our network is by making their rent payment and otherwise complying with the lease agreement. So I think for all those reasons, we continue to think that our lease is well structured, and -- all those reasons and others, we think our lease is well structured. It will always be a priority payment. I think Windstream has communicated recently that they continue -- as we did from the outset, they have the ability and intent to pay and will certainly pay the

rent payments. And we certainly hope that as well.

Unidentified Analyst,

Got it. All right, so let's move on, and we'll start off a little bit high level here. You have a somewhat unique business model. You're really the only publicly traded REIT with this focus on fiber infrastructure. I mean, you've got a broader asset base, but that's really where you try to focus your incremental capital investment. So before we dig into the details, just from your standpoint, what do you view as the key success factors, the key things you and the management team need to get right to make sure that you're taking advantage of that structure and the opportunity in the market?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Right. You're exactly right. So we are a fiber-focused REIT. So we're not a tower REIT; we're a fiber-focused REIT. So that's exactly correct. So what we really need to do is, it is to continue to execute against the strategy that we've articulated for the last couple of years. So what we've articulated is that we want to diversify our business, continue to diversify our business. We were originally spun off as a single-tenant REIT, that is not ideal. It never is. Anytime you're -- there's a spin-off and you have one customer where most of your revenue streams comes from, in the last -- in the 2 years since we've been spun off, we've deployed over $1.5 billion of capital. We've now diversified away from Windstream. We're now about 30% diversified away from Windstream. What we've said is that we want to continue to do both acquisitions as well as sale leaseback and other transactions to continue that diversification. And now we expect to be able to get to the next milestone, which we think is 50% diversification within the next 12 months to 24 months. So within that time frame, we expect to be able to get to the next 50% milestone. I think that's -- will be another key event for us, to get to that level, not just because it's 50-50 but also because it will mean that we've -- what we try to do when we diversify is not just the revenue streams per sells, but we try to do so in, what I call, a quality manner, meaning we try to create diversification with high-credit quality customers, in many cases, wireless carriers. We try to create diversification with what I would say are high-quality assets, meaning assets I think have capital appreciation potential and meaning mobile infrastructure assets and that have a long runway of capital spending and macroeconomic factors that I'm sure everyone's talking about at this conference, with network densification and 5G, so assets that will be important for a long time. And then we try to do so with contracts that have a long term and long duration of contracts so that we have good line of sight to the cash flow streams. And so -- and then I'd say the -- the last thing I would say is when we diversify, we also try to acquire businesses and fiber assets that have lease-up potential. So I'd say across the board, of the fiber companies that we've bought so far, there are probably about -- across the network, there's probably about 20% utilized today. So there's 80% of the network that still has capacity that we can lease up additionally over time and get the additional yield off of those existing assets to -- whether it be enterprise customers or E-Rate customers. So I think what we need to do is both continue our M&A diversification strategy. We obviously need to continue to grow the Uniti Fiber business organically, and we're doing that, and we can talk about that more. And then I'd say we -- I think all that will continue to improve our cost of capital. And then we obviously need to be good stewards of our capital, and we need to manage our capital structure appropriately.

Unidentified Analyst,

All right. So let's spend a little bit of time talking about the fundamentals of the assets that you've acquired. You noted about 1/3 of your business now is coming from the fiber companies that you operate as opposed to the Windstream master lease. And in a high level, what you're essentially serving is what we would call the enterprise market, broadly speaking. And when we look at a lot of the companies that have exposure to that sector, really almost anybody, for the most part, they haven't grown quite much as we would have thought. It just feels like the market

isn't as strong as it should be relative to all the tailwinds that it would seem to be present, particularly for fiber assets. Obviously, you continue to build up your presence, though it's kind of hard to get an organic view of the company. How would you frame the demand environment right now for the assets that you're currently operating?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Yes. So I would say for us, I'd say the demand has been extremely good. I'd say that our order book has been extremely good sort of across our products. We've seen an increase in requests for proposals for small cell deployments. We've recently seen an increase for dark fiber as the carriers think about additional network densification and start to anticipate the rollout of 5G. So I would say, we've -- certainly, recently, as some of the carriers have gone to unlimited plans, we've certainly seen bandwidth increases within our markets and are processing those as quickly as we can. So for the most part, I'm -- we may be slightly different. Keep in mind, we're in Tier 2 and Tier 3 markets predominantly. So while we're in the same line of business as other people are that are in -- that focus on Tier 1 markets, the dynamics are not always a good -- the same as what we see. So we really have seen very good demand across our product lines. I mean, we've been clear on the Uniti Fiber business. I would think by and large, it will grow at a -- the top line will grow about 10% per year. I continue to think that, and we -- also, we'll give 2018 guidance here in the future. But I think for the most part, its top line will grow about 10% per year. I think for our business -- for the Uniti Fiber business, we'll continue to see margin expansion. And we're going to see margin expansion for a number of reasons, is -- one is we have synergy benefits running through from the acquisitions that we made. So we'll continue to see that happen. We'll continue to have additional -- well, some of the dark fiber projects that we have currently under construction will start to come -- be completed and come online. So we'll have that additional revenue stream, and that happens from now until -- through 2019. And then we'll have additional lease-up on the assets. And one of the things that we've done as we've acquired these companies is -- our first acquisition was PEG Bandwidth, which was -- primarily served the carriers with fiber-to-the-tower backhaul. But since that time, we've acquired a number of different product lines. So we have -- now we have people that have expertise in E-Rate, for example. We have enterprise and wholesale sales forces. And so now we can take those sales forces and sell those products and services across a much broader network footprint than what we could have previously.

Unidentified Analyst,

You noted that your presence in Tier 2 markets provides a little bit of a different demand dynamic. What is it about this market that you find attractive? Why did you decide to make that the focus of where you're building up your presence?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

So there's less competition in those markets. So typically in those markets, we'll be competing with the local telecom company, the local cable company and then maybe one other. So there's less competition. I think that makes us more relevant to the customers in those markets just because we're one of the few. Because in some of the Tier 2 -- Tier 1 markets, you might have half a dozen, a dozen, maybe more people kind of serving the same customers. So you have a lot more -- if you're a customer, you have a lot more choices, so -- in those markets. So I think the contracts seem to be stickier over time. We'll see. We're kind of new into the business, so I suspect they will be. And so I think those were some of the key dynamics.

Unidentified Analyst,

When we talk to companies who focus on Tier 1 markets, one of the things they'll point out,

they'll say, "If you have a presence in a lot of Tier 1 markets, you're going to win a lot of multisite projects." So someone's going to say, "I don't want to just be in San Francisco. I want to be in all the NFL cities." Do you find that you can actually create the same dynamics in Tier 2 markets? Or is there a way you can do that on maybe a regional basis? Because you've been following this M&A strategy where you're trying to buy adjacent properties.

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Yes. So I think you're exactly right. I think we can do the very similar thing in our regional bases. And you're right. So when we think about what types of assets we want to acquire in the future, you're exactly right. So what we want to do is buy assets that are either in our existing markets, and this is for the Uniti Fiber where we're buying operating businesses. We want to buy assets and buy companies that are either in those markets. We want to buy assets that are contiguous to those markets so that we have more opportunity to create that same effect. And that's why we like in particular the Hunt acquisition that we closed to back in July as well as Southern Light because it really interconnected the markets that we have kind of from Texas to Florida. If you look at the maps that we put out, you'll see that interconnection that sort of happens by having those. Now we can serve customers across that entire Southeast footprint. So I think for operating businesses, we'll continue to look for places where we can create that dynamic. And so what that really leads to is it leads to both -- not only additional revenue synergies over time. It will lead -- it also leads to CapEx synergies and, clearly, cost savings as well.

Unidentified Analyst,

Can you talk about where are you in the integration of those recent acquisitions you closed in just July 3, I believe?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

I couldn't be happier with the way the integration is going. I'll tell you, the Hunt teams and the Southern Light teams have been great to work with. All of the operating leadership is in place, and the entire organizational structures have been fleshed out. And frankly, with the hurricane that we've had over the last few weeks, and those impacted, they've all had a very recent chance to work very closely together. And to your point -- and Kenny sends his apologies, he did intend to be here today. But he thought, with us in the process of trying to recover some of the sites for our customers, that it's important for him to be -- he's actually down in Mobile today, making sure that the customers know we're -- this is -- getting restoration efforts is #1 priority for us and him in particular. We want to make sure we serve our customers well. But the integration has gone very well. We focus a lot early on in integration, and we talk early on about the cost savings that we anticipate. And so we do focus on making sure that we get those and are able to deliver those cost savings to the marketplace as we articulate. But frankly, a lot of the -- early on and once we close a transaction, a lot of the integration efforts are really focused on the customer side of the equation. We want to make sure that there's no hiccups in the customer relationships. We want to make sure that the post-sale process -- presale process, post-sale processes are all worked out. Contract administration is worked out. Service delivery -- that we continue to perform on service delivery. And so we don't want anything at all impacting our customers, our relationships, our ability to provide service because we don't -- and I think right now, we have a very good track record. One of the things that we diligence when we look at companies is, what is their track record of providing good service to the customers that are soon to be ours? And so we want to make sure that we maintain that. So we work on that early on. So I think the integration has gone well. What do we have left to do? Look, there's clearly -- network systems clearly are still in process to being integrated. Back-office systems are in the process of being integrated. Everything down from insurance programs to payroll systems, all that. So back-office systems will probably take us under 6 months. It's always the thing that takes the longest.

Unidentified Analyst,

You -- as you noted, you identify the cost synergies that you expect to achieve, but you've also been picking up different lines of business. As you noted, you've been picking up new customer relationships, you've been picking up new sales teams. Can you talk about some of the things that you're doing there to maybe create some product synergy as you go to market in -- and with these bigger assets?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Right. So on the sales side, there's a lot of activity that has gone and still is. So on the sales activity side is we first think about, how do we align the sales organization? And by alignment, I mean it's not just percent. It's also thinking about each market that we're in. What type of infrastructure solutions do we want to provide? What things, what type of products do we have that we want to -- when we see requests for proposals, we want to make sure that people know our capabilities. What are we going to bid on, and what are we interested in selling? And then making sure -- and so that's kind of a relatively complex matrix that our sales and marketing department works on. And then obviously, we try to make sure that we have alignment of the sales organization, whether it be at the national level for major accounts or at the local regional level, that we make sure we have the right coverage, if we need to supplement or move people around, and then we'll do so. To the extent that we need to have, I'd say, subject matter experts in certain areas, like E-Rate, how does that program work? In particular, how do you file for reimbursement? Then we'll try to make sure we have kind of a center of excellence, so to speak, for those things as well. So there's a lot of work that goes into the sales. And frankly, the sales teams continue to have routine meetings to make sure that they're coordinated and everything's covered.

Unidentified Analyst,

You earlier were talking about some of the demand drivers typically coming out of wireless carriers. How is it that they want to access your network? Meaning are you increasingly finding that dark fiber, which tend to be longer-term relationships, is what they're looking for? Is it still very much driven by lit? And then we've been having this evolving discussion around fiber quality. Verizon, I think, has been very much behind this, talking about these very high strand counts they think they need. Are you seeing similar types of demand for this type of capacity? And do you feel comfortable that the assets you have are set up well to meet that type of demand?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Yes. So I think our assets are set up well. I think primarily, again, on the high strand count, as I understand it, I think a lot of that is being -- is taking place in what we kind of refer to as the NFL cities, so the Tier 1 markets. We may see that in some of our Tier 2 and 3 market, I'd say much less so and really haven't seen it. So I think the carriers have articulated that, in some cases, this is really an economic decision for them and a use case decision. In some cases, they'll build. In some cases, they'll buy. In some cases, they'll lease. And it really just depends on the market. I think in the Tier 2 and Tier 3 markets, I think they're going to find that it's much more beneficial to them -- economically beneficial for them likely to continue to lease. And as I said earlier, what we've seen recently is you'll continue to see carriers -- they're going to want different things in different markets. We continue to see, I'd say, a need and maybe an increasing need for dark fiber even in the Tier 2 and Tier 3 markets. And I think surprisingly to some people is that we continue to see a lot of order flow for small cells in Tier 2 and Tier 3 markets. So whether it's either in the metro areas in those markets or whether it's in campus environments in those markets, we're pretty much seeing activity from -- for small cells from all the carriers in those markets as well. So it's not -- small cells isn't just a Tier 1 phenomenon.

Unidentified Analyst,

Yes. I'm going to ask another question. Then we're going to pause to see if there's anything in the audience. So if you think you might have a question, please raise your hand, and someone will call on you and bring over a microphone. So the question I was going to ask is, we started off by noting that you have this unique business model. You're a publicly traded REIT dedicated to fiber infrastructure. But you do have a QRS, and you have a TRS, right? And your REIT subsidiary is essentially the Windstream assets. And then virtually all the fiber, I believe, that you've been acquiring has been sitting in your taxable REIT subsidiary. But it does seem that fiber is a REIT-able asset. I mean, it is because you have fiber in your REIT as well. Are you exploring opportunities to -- maybe to get some of the actual feasible real estate that sits in the TRS and get it into the QRS? And what advantage would that create if you're able to do it?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Yes. So you always want as much -- from my standpoint, you want as much -- as many of your assets and as much of your revenue in the QRS as possible, so in the REIT-able side -- or what we call the REIT-able side of the business. So on the Uniti -- on the business that we've closed in Uniti Fiber, and those are -- we closed -- we have closed them all. To your point, we have closed all of those into the TRS. So there are assets in there that can be moved over to the QRS. I've said previously that we intend to do so. And so the only reason that we haven't -- that we haven't done so yet is because in order for us to move assets from the TRS to the QRS, I need to know -- it's kind of a macro question, but I need to know exactly what entities are going from and what entities are going into, so legal entities. And so as our legal entity structure has moved with the pace of acquisitions that we've done -- if you remember also, we put in a [operating] structure. And so we had to move. A lot of our legal entity structure changed as well as some of our -- some other things moved around within our organizational structure. And this needs to settle down far enough so that I know exactly X asset is going to this particular legal entity. And so once we get that done, then we will move some of the assets. So in particular, we'll move from the dark fiber assets. To the extent that we have small cells or continue to build small cells, we'll move those to -- we'll move those assets, and then we'll look at other assets over time as well.

Unidentified Analyst,

And this is mostly just helping you with the tax efficiency and the other benefits of being a REIT? And is there a sense of urgency to do it? Or do you have a little bit of window based on where you with the taxable entities?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Well, yes. So we have time to do it, I mean, our TRS -- keep in mind, with some of the acquisitions, we inherited net operating loss carryforwards in our taxable REIT subsidiary. So we're -- the TRS isn't a tax-paying entity today, don't expect the TRS to be a tax-paying entity for some time. So there's not a real rush. So I just -- what we want to make sure that we do is we do it right, we do it lawful and that we make sure we get it right on the first time.

Unidentified Analyst,

Is it possible that maybe it's not as complicated as you think? I only ask because Crown Castle is going to be acquiring a fiber business, and they're just going to take what seems to be most of it and drop it right into the QRS. And so there's been this evolving discussion around, well, maybe there's more REIT-ability to lit businesses than we would have thought?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Well, those are kind of 2 separate questions. I think it's easy to talk about just moving things. There is a level of detail when you think about, is that actually transferring them from taxable entities? But the other question you have, which I know has been a big topic of conversation, is what all assets are, in fact, REIT-able. Okay, so I think there seems to be a lot of conversation that there's discussion -- are that people's views as to what are -- what is REIT-able is evolving. And I've heard -- in fact I heard Jay Brown speak last week about their -- his point of view that their -- I believe it was their 2014 PLR that covered DAS systems that -- based on that, that they believe that there's a lot of lit services type or he call -- I think Crown refers to them as dim-lit services that are REIT-able. What they have to remember are in PLRs -- so I applaud them for -- if they're going to lead the thinking on this, great. And I'm always wanting to learn something new. PLRs for the most part are not -- all the details around a private letter ruling are not publicly available. So for -- and nobody can rely on a PLR except for the person who it was issued to. So to the extent that -- so anytime I hear anybody, whether it be Crown or anybody else, saying that they think that something else is REIT-able that maybe we don't think clearly is, that either we'll have our tax advisers look at it. And frankly, if there's any question about it, and I think these are issues that you want to be certain about, we're just going to the service and ask for a PLR on the issue and just make sure that we're clear. So I don't have any hesitancy about going to the service and asking for a PLR on something else that -- if there's any gray area about.

Unidentified Analyst,

All right. So I'm going to check now, is there any questions in the audience? We do have one over there. Please wait for the microphone.

Unidentified Analyst,

Real quick Mark. I was just wondering, as you guys continue to push away from Windstream and be acquisitive company, can you talk a little bit about your financing strategy given that the equity has pulled back, and your currency there isn't as attractive and then also where you guys kind of stand with your secured debt capacity?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Yes. Okay, so the question was, our financing strategy going forward given some of the pressure that our securities have been under recently? So let me just -- I'll just start with just -- put it in context for a minute. So if you just take our equity, for example, as a proxy for our security pricing, so in those 2 years that we've been spun off, I believe our equity has traded from a low of $15 to a high of just under $35. So we've had volatility, and we were -- and that volatility, I believe, is mostly related not to our separate business strategy but to the issue I talked about earlier, that we were spun off as a single-tenant REIT. We've been subject to sentiment associated with rural telecom and more specifically Windstream. And so that's partly why we continue to try to diversify. Now that said, given that amount of volatility in the equity prices and somewhat in the debt as well, in that period of time, we still have completed $1.5 billion worth of acquisitions. So I think we've continued to make good progress even over that course of time, even the 2 years, even considering sometimes our securities are trading attractively, and sometimes they're not. So when they're not, when the capital is not trading attractively, I -- my base case is, I think, some of that currently is caused by that misperception associated with the Windstream dividend elimination. I think that's likely to be a relatively short lived phenomenon as more and more people understand that some of the perceptions that were surrounded -- the reasons are the -- around the dividend elimination weren't really -- aren't really accurate. However, so what I do think about going forward is, what are the ways that we can structure and continue to bring deals to fruition even in that environment? And so since that time, we've done a lot of different structures, and we've done taxable deals, nontaxable deals, earnout

arrangements. Probably most relevant here is the original transaction we did, PEG Bandwidth. So in the PEG bandwidth instance and if you go back to even what we said when we did the transaction, that was one where the sellers wanted to take more equity than what we were willing to give up based on what our equity was priced. And how did we bridge that gap at the time? Well, what we did is we created -- with the counterparty, we structured a convertible preferred instrument to help bridge that value gap that we saw, which -- and if you remember, that was a 3% coupon and a $35 stock price. So there are things like that, that we can do to try to bridge that gap to the extent that the public trading prices are not reflective of we think fair value should be. Our M&A pipeline today, which I'd also say is in very good shape and continues to move along at a healthy pace, there are also transactions in that M&A pipeline where they're really partnering arrangements. So a company that -- where -- there may be an acquisition and another party, so a third party is going to take on and become the operator, we're going to own the real estate, and there would be a sale-leaseback transaction between us. So it's really a M&A financing structure, and that would look like -- very similar to an opco/propco structure going forward. So in those instances, there's a lot of levers that people can pull in terms of how the equity splits are done, how the partnerships are structured, what the financing is on each of those. So I think in -- I think we have a lot of different things we can do that really don't -- aren't necessary -- don't necessarily involve tapping the public markets when, in fact, the public -- our public securities may be mispriced. Now frankly, we also have other just third parties that come to us periodically that want to provide equity or other capital into transactions that we may be doing. So I think we have a lot of sources -- certainly have sources of capital outside just the public markets that we can tap. And I guess the last thing I'll mention on that score, to the extent that we want to do smaller things in -- tuck-in acquisitions or things, we just expanded our revolver. So we have -- I think pro forma as of July, we had almost $700 million of liquidity available. And so small transactions we can certainly do and just do them on our line and not have any reason to go back to the public markets anytime soon.

Unidentified Analyst,

We have a question in the back.

Unidentified Analyst,

Look, I think people appreciate that you want to diversify away from Windstream. But kind of given the plan you just outlined, it might take a few years for that to happen, in the interim, if Windstream operational performance starts to get worse and they come to you and ask for a lease reduction, what kind of protections do you have to avoid that? I know you talked about, in a bankruptcy scenario, it's accept or reject. But before they even get to that point, what kind of protections do you have to avoid that?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Well, I mean, you never have a protection against a tenant asking for a rent reduction. I mean, you've seen that in the tower industry now, right, so the carriers want rate reductions. So you see that all the time. So -- but I think the key issue that I would think about is -- so we're not -- so let's just state the facts first. So Windstream has recently said that they have -- that they continue and believe they will have to -- the intent and ability to pay. We believe that as well. There's no discussions going on about a rent reduction now, and I don't expect there will be any discussions about a rent reduction. So I'm not expecting any of those discussions. What really -- what I really think about in terms of the rent itself is the rent was structured as a -- at fair value at the time of the spin-off. And so -- and it was structured by Windstream. So it was structured as a fair-value lease. It's required to be structured that way. So I think the lease is structured appropriately. I think the escalators industry in that lease are actually below market. They're actually below commercial terms. So if you remember, the escalators were 0.5%, not starting until after the third year. So I think the lease protections -- the first escalator actually kicks in,

in May of 2018. So I think they're half a percentage below market. Typically, today, you'd have 1% to 3% from the escalators. So I think you just -- again, I think the -- I think it's fairly priced, and I'm not really expecting any rent reduction. So that's probably the best way I can answer your question.

Unidentified Analyst,

We have a question in the back.

Unidentified Analyst,

Two questions. One is there's a lot of companies here that want to buy fiber assets, and it doesn't seem like a good time to be buying. Sounds like a better time to be selling. So I'm wondering what kind of values you're paying and what kind of hurdles you're trying to achieve. And then a second question, in a distressed situation, are the fiber facilities regulated by PUCs? Or is a PUC tasked to approve the transfer -- or the original sale? And in a distressed situation, what role would the PUCs have in either setting leases or approving a transfer?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Yes. So my understanding is that the -- in a distressed situation, so if you're referring to distressed, meaning a restructuring proceeding or bankruptcy, my understanding is that the PUCs -- well, first off, is -- so in our case and Windstream, part of the lease is the exclusive use of the lease to Windstream. So Windstream, in terms of delivering services to customers, they are the regulated entity, okay? So my understanding is that Windstream operates in those states under the permits from the PUC. My understanding is that in a bankruptcy court, they don't -- my understanding is that they do not have -- they don't have necessarily -- they have standing in the court in order to make their views known and to make Windstream's or any other carriers' regulatory obligations known and what the impact would be on customers and things, so they can communicate. I don't know that they really have -- can either -- stop anything necessarily from happening. I'm not -- so I would actually encourage you to consult with counsel on your own, kind of go through this. But I don't think they actually -- but I think they have standing to make their views known, but I don't think they have standing to actually be definitive on any action. And then I think that's true for the state PUC, the -- probably for the FCC as well. But I do think they are influential, okay? And I think their concern is always going to be that their customers get served and that obligations that a carrier has as a customer last -- as a last resort in those markets, that the regulatory obligations get fulfilled. On your other question about fiber assets, I'm glad to hear a lot of people are interested in fiber asset because it validates our thesis that they're valuable. I would say, to your question, there has clearly been inflation of multiples on fiber assets in the Tier 1 markets. In the assets, the transactions that we have in our M&A pipeline now, we have not seen the multiple inflation that you've seen in the Tier 1 markets. So I'd say on the Tier 2 and Tier 3 markets, on the multiples, they're pretty much in line with what you've seen us pay historically for transactions. So probably low end, 10; high end, 15, somewhere in that range. They haven't really kind of moved up to the, I'd say, some of the -- like the 20x range that you've heard on some transactions.

Unidentified Analyst,

Can you give us some sense -- what are you looking at right now in the M&A funnel? And you've also, in the past, talked about the extent to which deals are proprietary, so being privately negotiated, versus things that are being auctioned.

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

So a couple of things. So one is on the sourcing. So a lot of our -- most of our pipeline, probably 90%, continues to be proprietary transactions. A lot of those come from Kenny's relationships. But I would say as we have gotten -- as we have purchased more fiber operating companies and Ron Mudry, Andy Newton come with their own set of contacts in the industry, we see a lot of our transactions are being sourced through kind of multiple parties as well as Lawrence Gleason on the tower side. He used to work for one of the major tower companies in Latin America. So we see a lot more transactions coming from a lot more different sources. And so -- but most of our -- in terms of our M&A pipeline, most of it is still -- it's probably 80% fiber assets. I'd say, on the structure side, we have both fiber operating company acquisitions. We are pursuing a number of sale-leaseback opportunities as well. And so we do hope to be able to bring some of those to a conclusion. And then we're pursuing some of these partnership structures that I've talked about earlier. In Mexico, where we primarily have tower assets, we're continuing to build out the tower assets that we acquired with the NMS acquisitions. And we hope that we'll have further opportunities on the tower side in the future. And those are really primarily build-to-suit opportunities. We're not really looking at a tower portfolio, certainly not the U.S. They're just -- they are pretty pricey right now.

Unidentified Analyst,

You talked about the sale-leaseback opportunities. I mean, you have one sale-leaseback right now, which is Windstream, right? I mean, what do you think additional opportunities are going to look like? Are they primarily going to be with other network operators? Or are there may be some nontraditional opportunities that we're not thinking about?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Yes. So I would say -- let's kind of contrast it to Windstream. So a couple of things that I'd say is, one is, when you talk about sale-leaseback transaction, they're probably going to be fiber assets. So there's probably going to be fiber networks. It would likely -- when we think about buying fiber companies, as I said earlier, we want to buy companies that are either in our existing footprint or adjacent to. Sale-leasebacks don't require that because we're not really looking for revenue synergies and CapEx synergies. So those are not geographically constrained. So I think about those as really being anywhere in -- kind of anywhere in the U.S. So that would be one differential. The other thing I would say is, on sale-leaseback, it doesn't necessarily have to be the entire network of the counterparty. It could be a market, a state. It could be a series of transactions over time where you acquire some today and some a year from now. So it could be staged sale-leasebacks over time. And some of the -- and then the other thing I would say is that we always think about a sale-leaseback as what's the -- who's the tenant? And so the tenant -- unlike Windstream, the tenant doesn't always have to be the parent company. It can be a lower-tier subsidiary. You could have a lower-tier subsidiary that's closer to the cash flows from whatever the market is or that the -- where the assets are. You could have a parent company guarantee. So there's lots of things. Structurally, I think the Windstream lease is well structured, but I also think, when you're doing a third-party lease, there's -- we'll have a lot of different areas where we can -- we'll need to structure the lease appropriate for who the counterparty is and what they are trying to achieve.

Unidentified Analyst,

All right. Are there any more questions in the audience? We do have one right over here.

Unidentified Analyst,

There are two ways for you through the risk highway, at least 2, from the Windstream exposure. One would be obviously continuing to buy assets. Another one would be to sell a portion of the

assets that are under the MLA. My questions is, is that a possibility? Could you sell a portion to another investor that is willing to take that risk? And if the answer is yes, are there any special-situation investors that perhaps are experts on bankruptcy process or MLA leases in situations like this that could be interested, that you know of? And then I guess the second part of them, for (inaudible) as well.

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

Yes. So I think in doing that, I won't say it couldn't be done. I'd say it would be complicated to get done. And I don't know anybody else who is -- I don't know of anyone today that I could say would be interested in doing that. There's a lot of -- to do something like that, it's complicated from an agreement standpoint. It would be complicated from a tax standpoint. So I wouldn't say not possible, but I would say I'm not familiar with what the structure would be or who the counterparty would be.

Unidentified Analyst,

We have one more question here. So probably this is the last one.

Unidentified Analyst,

Just to the gentleman's point, if you looked at the 2 companies in a distressed scenario, how would you think about the separability of the assets? In other words, one way -- another way to diversify away from Windstream is for another tenant to be operating those assets. And I know there's some mixture of the assets together, so there's some element of overlap. But how separable are the 2 businesses from one another?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

All right. So I think -- yes, I probably got -- I'm probably not the right one and probably don't know the technical answer to that. I do know of other companies that we have looked at where they were trying to separate assets or had a plan to separate some of the assets. And I would say, the easy way to characterize it, I'd say complicated but doable.

Unidentified Analyst,

I'll ask one last question. We may be pressed for time. You've talked about the goal is ultimately to grow the dividends, and you're targeting 10% growth in the fiber revenues, which you see getting up to basically about 50% of the business in the next 24 months if you can meet your plan. And so where do you ultimately have to be, to be at the point where you could start talking about dividend growth?

Mark A. Wallace, Uniti Group Inc. - CFO, EVP and Treasurer

All right. So I think it's very dependent on, I'd say, a couple of things. We have to execute our strategy well, I think. And then I think a key component of that, I think, growing the dividend over time will be successfully executing on sale-leaseback transactions because sale-leaseback transactions, as you know, they're almost always immediately accretive. As I've said, they tend -- on commercial terms today, they would tend to have embedded growth through the escalator. And so I think it's that. I think also Uniti Fiber, while we're continuing to deploy capital into Uniti Fiber today, because our customers want us to build, and we want to continue to win dark fiber and small cell projects, I think that won't always be the case. The capital intensity, probably not

in 2018 but over time, will start to -- will increase. And so that business unit will start to generate free cash flow as well. So I think it's really -- but I think the key thing is really going to be -- to answer your question, the most important thing is probably being able to execute on sale-leaseback transactions.

Unidentified Analyst,

Great. We're out of time. Mark, thanks. Appreciate it.

EXHIBIT 12

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Uniti Group Inc.

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Uniti Group Inc at REITWeek: NAREIT's Investor Forum

New York Sep 11, 2018 (Thomson StreetEvents) -- Edited Transcript of Uniti Group Inc presentation Wednesday, June 6, 2018 at 3:45:00pm GMT

TEXT version of Transcript

Corporate Participants

- Kenneth A. Gunderman, **Uniti Group Inc.** - *President, CEO & Director*

Conference Call Participants

- Joshua Matthew Frantz, **BofA Merrill Lynch, Research Division** - *Associate*

Presentation

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

Good morning. My name is Josh Frantz, I'm part of the telecom and communications infrastructure research team at the Bank of America Merrill, here in New York. And I'm pleased to be up here with Kenny Gunderman, the CEO of Uniti group.

Questions and Answers

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

So I guess, you're easiest place to start at -- sort of at the beginning. So at the beginning of the year, you kind of had 3 priorities driving diversification, organic growth in the fiber business and execution on integration and synergies. And we're about halfway through the year, so can you given as an update on where those are?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Sure. Good morning, everybody. Josh, it's always good to be here with you. I think we're -- short answer is, we're tracking either on schedule or ahead of schedule on all of those, starting with diversification, critically important for us. We were spun-out 3 years ago as a triple net REIT with one customer, with a stated goal of diversifying through M&A and eventually through organic growth. We have made a lot of progress in these 3 years. We've diversified that customer down to 67%. And we have a stated goal of getting them below 50% by 2019, and still believe that's achievable and we're on track for that. So I'm sure we'll talk more about that, I'll leave at that for

now.

With respect to growth at our fiber business, I feel very, very good about that. We have a fiber operating business within Uniti. That is one of the largest competitive fiber providers in the country today. Again, we built that from really nothing 3 years ago. So very excited about it, and very excited about the growth potential, tremendous amount of opportunity there. We've said anywhere from 8% to 10% to 12% growth and still feel very good about that.

With respect to integration and synergies, we have obviously put a lot of work into integrating the acquisitions that we've done -- we've made -- including company acquisitions and asset portfolios, we've made close to 10 different acquisitions in the past 3 years. So a lot of focus on integration and a lot of focus on cost synergies, scale synergies. And I would say, we've made tremendous progress there and the synergy goal that we gave for Uniti Fiber was $12.5 million of run rate cost synergies. We've recently updated that to close to $18 million of cost synergies. So obviously, 50% increase in what we originally expected. So making good strides there.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

Great. And we'll get back to those things. But I think, the one part, we talk a lot about M&A, we talk a lot about the diversification, I was down at the Wireless Infrastructure show about a week ago, and the take away from that was there's not enough fiber. We need more fiber. 5G is reliant on fiber. Everything is relying on fiber. So can you kind of talk about just the secular trends that you're seeing in your business, and what's really going to propel this kind of going forward?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Yes. So I agree with everything you said. There is a tremendous demand for fiber today. We are an infrastructure company, but our focus first, second and third is on fiber. We believe that is the next mission-critical asset in communications. It really enables wireless towers, it enables small cells, it's connecting more and more enterprise buildings, more and more residential. And so the entire wave towards wireless communications and the data growth associated with that is enabled by fiber. And fiber is far and away we think the largest capital spending-category for the big carriers over the coming years. Not only further enabling their 4G networks, which is the deployment ecosystem that we're in today, but enabling 5G, which is next wave of wireless broadband. So we're in the early innings of that. We are well positioned for it. We have not only the capability to light fiber and operate it, but also the ability to build new fiber. There is a tremendous amount of new fiber that needs to be built, and we're -- we have capabilities to do that. And we have the capabilities to deploy small cells at the end of the fiber, and capabilities to deploy new macro towers at the end of the fiber. So it's a very, very large investment cycle that's coming. We're in the early innings of it and we're very well positioned for it.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

So kind of moving back to the M&A. You -- at the beginning of the year, you announce the TPx deal. Can you remind us kind of where that sits? What's the next steps here for that?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Sure. So we announced the acquisition of fiber from TPx. Roughly $100 million acquisition, with a 7,000, 8,000 route mile fiber portfolio with fiber in California, Nevada, Massachusetts and Texas. We have closed on the fiber in -- the acquisitions of fiber in Texas, Nevada and Massachusetts, and we expect the California markets to close later this year. So we're still on track for that, that's as expected when we announced it. Very excited about the deal, it's a true -- triple net REIT -- triple net lease. TPx will continue to manage and maintain the fiber. But -- and it's a nice cap -- or starting cap rate of 9.25%. But we have also gotten the ability to

monetize some of the fiber for ourselves. So in the Texas markets, in particular, Dallas, San Antonio and Austin, there's roughly 60% of the fiber that's unutilized. And so we have the ability to use it for ourselves in our own fiber operating business or to sublet it to other carriers. So it's a very good deal for us. It gives us some nice upside on top of the 9.25% cap rate, which in and of itself is nice, but there's some upside embedded in the acquisition.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

And is that 9.25% kind of what you see in the pipeline in general or is it higher or lower?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Yes. It's still roughly what we see. We -- I think what we talk about publicly is a range of 7% to 10% plus cap rates, and that's still what we're seeing.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

Okay. I guess the next deal I guess was the CenturyLink deal. So if you really don't know, CenturyLink bought Level 3, another fiber company, as part of the regulatory requirement, they had to divest some assets. And you got some of those, and you haven't disclosed all the details about it, but can you talk a little bit kind of how that came about? You've leased about 11% of the asset thus far.

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Sure. So the DOJ mandated a divestiture of roughly 30 long-haul routes, so it's a nationwide network of fiber long-haul routes. We have announced the acquisition and closing of that. It was not -- it was meant to be sold with no customers. So the buyer of it would take the fiber and all the risk on leasing it up. We were able to secure an anchor customer before signing the deal, so -- which is our strategy. We are not in the business of building or acquiring anything on the cob. everything has at least one anchor customer's -- one anchor customer. And in this case, we were able to secure an anchor customer for roughly 11%, 12% of the fiber. And we think that alone makes the acquisition a good deal. But we think there's great opportunity to lease up the other 80%, 90% of the fiber through additional tenants.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

And the structure was in IRU in telecom words. Can you kind of describe to, kind of, the REIT audience how IRU works? What kind of ongoing expenses, if any? Kind of how it shows up on the financials?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Sure. So an IRU is an indefensible right of use, and it's typically a 20-plus-year contract. And in this case, it's a 20-year contract with 2 5-year renewals at our option. And CenturyLink will continue to maintain the fiber, so it's part of their overall network. They'll continue to maintain the fiber. We will pay them a de minimis charge to maintain it, which we then pass along to our customers. And -- so we're -- it's a typical IRU, and we're actually selling IRUs to our customers in return.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

And is there room if you were to lease up the 100% of that to expand, because there's probably pretty good routes because they are national. Is there a room for you to -- we hit 100% now we can add more fiber on top? Is there any opportunity for that?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

I think there could be, that's down the road. I think more importantly, we're actually looking at a good number of those routes for use ourselves at Uniti Fiber, back to my earlier comments about the progress on integration and synergies. The original target of $12.5 million now closer to $18 million. A lot of that is taking off-net traffic and putting it on to our own network, a lot of savings there. We actually believe these routes could be helpful to us in terms of taking additional off-net traffic on to that network. So that's an added opportunity that we mentioned when we announced the transaction, but I think that's becoming more and more real for us.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

Great. Just in terms of the pipeline overall, where are you seeing that? I know the emphasis is on the fiber and then probably more, sale leasebacks in towers, but kind of where is it sit? Is it -- how has it moved over the past 6, 12 months?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Yes, so we -- by design as we -- we characterize ourselves as an infrastructure company. We've got a fiber operating business, a macro tower business and a leasing business. And so that kind of causes our net to be a lot larger than most acquirers by design. So we look at -- we get -- we see fiber opportunities, we see tower opportunities, data center opportunities, sale-leaseback opportunities, outright portfolio acquisition or just company acquisitions, but -- and we like to see more opportunities. The more opportunities we see the better, it gives us an opportunity to prioritize. But where we're really focused is on fiber. So it continues to be our principal focus. The vast majority of what's in the funnel that we expect to act upon is fiber. And I would say, that's roughly equally split between Uniti Fiber, the operating company, and Uniti Leasing, the sale-leaseback business.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

And you are one of the, kind of, few companies that operates both fiber and towers and small cells for that matter. Do you -- when you go to your customers and the major wireless guys, who'll probably buy all 3 from you. Is there a bundling opportunity, where you can sell all 3 at once and kind of really take advantage there?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Yes, I think that's a -- it's an important competitive advantage that we think we have. We are one of the very few companies that provide both -- or I should say all of fiber-to-the-tower, fiber-to-the-small-cell, deploy the small cells and deploy the macro tower. That's a unique product set, and we are big believers in the conversions of all of that infrastructure, especially as we move into 5G, because all of those components are critical for the 5G network. So when we work with our carrier customers, they're consumers of all those. And so it does, I think, give us an advantage, certainly a scale advantage when we're having those discussions. We have roughly 10,000 wireless carrier connections. So if you include fiber-to-the-tower, small cells and macro towers, 10,000 wireless connections, which is a lot. And that's easily one of the top 10 providers -- infrastructure providers to the wireless carriers in the country today. And so that scale benefit

is important and it certainly matters to them.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

Great. And in terms of the valuation that you see on some of those deals, and we know, we talked about earlier how important fiber is and there's been a lot of companies looking to acquire fiber, even private equity or Crown Castle or you guys or anyone else, has anything changed? And then on the towers side, that's a pretty competitive market as well, anything kind of moving on valuation?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Yes. On the fiber side, we were spun-out in 2015. Some of the fiber acquisition wave kind of started in late 2014 and certainly picked up, I'd say, late 2015, 2016. So we've been in the midst of that for some time now. And despite that, we've still been very active and had managed to acquire 4 companies at reasonable valuations that fit really well together strategically. So we see a lot of the activity, but consistently, roughly 90% of our pipeline is proprietary. So we're not really competing against other buyers and that's by design. In terms of what impacts of other buyers coming into the market, they're obviously is some -- is increased competition in certain areas, but it's also created more sellers. And so we've seen some nontraditional sellers of fiber, and I think that's probably going to continue going forward. So net-net, I think it's been neutral to us in terms of competition. In valuations they're still, to us at least, kind of in the same ranges that they have been from the beginning kind of in the 10 to 12 to 13x cash flow multiples. On towers, tower portfolios are very expensive, and 20 to 30x cash flow multiples that we've seen. And as a result, we have not been buying tower portfolios. We are very focused on building new towers, development of towers organically, because we think the economics -- first of all, the opportunity set is very large, but secondly, the economics are much more attractive there to us versus acquiring portfolios outright.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

So follow up on 2 of those things, you talk about the 90% of your pipeline is proprietary. How does that -- where does that come from? I know your background little bit, but how do you, kind of, source these deals that no one else seems to kind of know about?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Yes. So I mean it's a combination of things. So our team is -- has been around telecom for a long time, whether it'd be through telecom banking or just operating in telecoms. So we have a lot of senior executives, who have relationships that run deep and so we call upon that series of rolodexes every day, but secondly and probably as importantly, the -- where we're focused on acquiring assets is more in the Tier 2 and Tier 3 arena. And in the fiber world in particular, where a lot of the acquisition activity has come from other buyers, has been in more of the Tier 1 area. So the NFL cities, the top 25, 30 markets in the country, where we've been acquiring is in the smaller cities. And there's just less competition, there's less competition with buyers and there's less competition in terms of operators once you get into those markets. And last thing I'd say is Uniti Leasing, our sale-leaseback business is a proprietary business. It's very unique. No one else is really doing that. And so whenever there is a conversation to be had related to a sale-leaseback or some sort of bulk fiber purchase, we tend to have an advantage, because we're really the only guys doing that.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

And you talked about the build-to-suit towers, but just because of how expensive buying a portfolio is, AT&T is building kind of a brand-new network for the country -- for the government. What are you seeing, how many towers do you think in general in the U.S. need to be built a year?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

So we -- I think I recall earlier this year we talked about our view that we think there's 25,000 new towers to be build in the next 5 years. So that's a lot of towers. And we're not projecting a large number of those for ourselves. I think, we're talking about roughly 300 towers a year for ourselves. That number could certainly go up. That's a number we feel very, very confident in, but it could easily go up. And I think that there's not a large universe of people like Uniti building towers today. The big 3 tower companies don't really build a lot of towers. That's not something they've been focused on. So there's a big opportunity. It's really for us, I think as large as we want to make it. And we've tended to keep our focus on fiber for the reasons we've talked about with towers being more opportunistic and more of an add-on, and I think that is probably going to remain the case through the next year or so.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

Is there anything on the international side in terms of fiber? I know you have a small tower portfolio internationally, but is there anything on the fiber side you would want to kind of venture out there?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

I think maybe eventually. We've been very focused domestically just given the opportunity set, both on portfolio acquisitions and the development of new fiber. Again, down the road, there might be international fiber opportunities. We certainly see a lot of opportunities. We just haven't focused on it.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

Okay. If I move to your cost of capital, your stock is rebounded pretty well this year, so if I think about 25%, so that helps on the equity side. Can you just talk about that in general how you think about using equity as a currency now or is it still you think too expensive? And does that prohibit any deals that you could do?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Yes. So our largest customer has been struggling with some balance sheet issues, was been struggling with some activists funds, which has, as a result, put pressure on us. Because there's a perception that a -- an impairment of our largest customer could result in some impairment at Uniti, which we don't agree with, but perception some times trumps reality and that's been the case for the past 6 or 8 months or so. With, as you said, some improvement recently, although we still have a long way to go before we're back to normalized levels. And to that point, we're -- we've been very, very stingy with our equity as a result. And that's going to continue to be the case. We foreshadowed back last fall, August, September, that because of the dislocation in the cost of capital, which we felt was temporary, that we were going to refocus on smaller acquisitions in our funnel. So -- and that's what we've done. We've focused on acquisitions in the kind of the $50 million $100 million range in order to not have to issue equity, in order to not be overexposed to the capital markets and that's what we've done this year. I think that's probably what you'll see in the coming months from us. But we also believe that there is a very

good chance -- likelihood, of the skies clearing with our largest customer later this year. And I can get into that if you'd like, but as a result, we are feeling better and better about the trajectory of the cost of capital, and we're starting to focus more on larger transactions including transformative transactions.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

So does -- focusing on the smaller deals, does that impact your diversification target of the 50%, I think, for the end of '19?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

No. So we continue to feel very good about that. We are -- I know we've said this publically, but despite the 6 or 7 months of dislocation, we have not lost any of the opportunities out of our pipeline. So they're still there, still actionable and I think when we look at what's -- what we think is actionable between now and next year, there's still -- and we probability weight, the likelihood of success, we still feel very good about our target, which includes a steady diet of smaller deals, regular diet of smaller deals and 1 or 2 larger transactions.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

I think you foreshadowed a little bit that something's coming in the couple -- in the coming months. Anything you want to add on that or?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

No. We add. I don't mean to dismiss it. We never set specific deadlines on acquisitions. But we have been active and expect to continue to be active.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

And you've talked in the past a little bit about other sources of capital. Could you talk about what those are? How those come about? Just because of -- just because kind of where your equity trades at the moment?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Yes. So going back to some of your earlier questions, the infrastructure investment cycle in telecom has -- the expected infrastructure investment cycle in telecom, especially related to 5G, has attracted a lot of, what I'd characterize as non-traditional capital sources to the opportunity, especially infrastructure funds. And so not traditional private equity, but infrastructure funds that view fiber, and just 5G infrastructure in general, as a great long-term investment. These are 50-year lived assets, towers, fiber, small cells.

So over the past year, we've had 3 different infrastructure funds, EQT, [Ampton] and AMP acquire fiber businesses and those are funds which have not invested in the U.S. in fiber or telecom traditionally. So those are relatively new names. And I say all of that to highlight that there's capital on the sidelines looking to play this investment cycle, and we're a great opportunity to do that. We're a combination of fiber, towers and small cells, all of the things that are very appealing to those sources of capital. So even though we're public, I think it'd be a dereliction of our duty to not at least explore those capital sources. We are doing that, we take a lot of inbound interest, and we're having those conversations -- a lot of interesting

conversations. And I think ultimately, if we find a transaction or a partner that fits our needs than we can certainly -- we will certainly transact on that.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

Got it. We've a few minutes, if there any questions, happy to take. In the front?

Unidentified Analyst,

Interested in the way the fiber business is evolving. I'm wondering if any of the nontraditional fiber users for the new apps like IoT or AI are beginning to come forward and actually commit to fiber backbone or the...

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Yes. They certainly are. In fact, if back to Josh's question about the CenturyLink acquisition, our anchor customer on that acquisition is one of the big web-centric businesses, so a nontraditional buyer. So again that's a buyer for roughly 10%, 11% of that network. So I think that's a really big opportunity for us, because today, the vast majority of our fiber business is with the wireless carriers. But some of the web-centric guys are spending -- or I think preparing to spend a lot of capital on fiber.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

Another one in the front.

Unidentified Analyst,

Obviously, for an investor it's a critical issue when you look at your company, is Windstream, we've all heard rumors. So assuming the innuendo that there was a Windstream bankruptcy come, would that affect you?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Yes, good question. So yes, it's the predominant question these days, which we completely understand. And the short version is, we believe in the Windstream bankruptcy there would be no change in our status. Our lease with Windstream is a master lease. So, as you know, that's either acceptable or rejected in its entirety in a bankruptcy scenario. And because we own roughly 80%, 85% of Windstream's underlying network, we don't see any scenario where they could reject the lease because then they would have -- not have access to their network and they wouldn't be able to operate their business. So there's a much longer version, but that's the punchline. And I would just say that this -- our lease was specifically structured with bankruptcy counsel, corporate finance counsel, regulatory tax to be protected in a bankruptcy scenario. So we feel very -- we've said that from the very beginning when we were spun-out 3 years ago and continue to believe that today.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

I guess, we only have a minute left so, one last question from me is, going back to the cost of capital, you're -- the rating agencies have kind of tethered you I guess, for the lack of a better

word, to Windstream. Is that 50% target you gave for diversification, is that a switch that you can be untethered and you can kind of go on your own way? Or do you know any more about what that percentage needs to be to be untethered?

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

I think the -- so originally we set a goal of 75%, and we hit that goal ahead of schedule. And we've now set 50%, and 50% is a goal that we set largely because it's important to the agencies. So we do think once we hit that goal that there will be an untethering, I don't know if it's as simple as a light switch, in fact it probably won't be, let's just be honest. But I think it will be marginally helpful for us for sure.

Joshua Matthew Frantz, BofA Merrill Lynch, Research Division - Associate

Great. And I think we're about out of time. So Kenny, thanks for coming to NAREIT.

Kenneth A. Gunderman, Uniti Group Inc. - President, CEO & Director

Thank you Josh, thank you all.

EXHIBIT 13

Master Lease

Exhibit 10.1

MASTER LEASE

Among
CSL NATIONAL, LP
and
THE ENTITIES SET FORTH ON SCHEDULE 1,
collectively, as Landlord
and
WINDSTREAM HOLDINGS, INC.,
as Tenant
Dated as of April 24, 2015

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TO
MASTER LEASE

EXHIBITS AND SCHEDULES

MASTER LEASE

This MASTER LEASE (the "**Master Lease**") is entered into as of April 24, 2015, by and among CSL NATIONAL, LP, a Delaware limited partnership ("**CS&L National**", and THE ENTITIES SET FORTH ON SCHEDULE 1 ATTACHED HERETO (collectively, together with CS&L National and their respective permitted successors and assigns, "**Landlord**"), and WINDSTREAM HOLDINGS, INC., a Delaware corporation (together with its permitted successors and assigns, "**Tenant**").

RECITALS

A. Capitalized terms used in this Master Lease and not otherwise defined herein are defined in Article II hereof.

B. Pursuant to that certain Separation and Distribution Agreement, dated as of March 26, 2015 (the "**Distribution Agreement**"), by and among Communications Sales and Leasing, Inc., a Maryland corporation ("**CS&L Parent**"), Tenant and Windstream Services, LLC (formerly known as Windstream Corporation) ("**Win Services**"), Landlord desires to lease the Leased Property to Tenant and Tenant desires to lease the Leased Property (as defined below) from Landlord upon the terms set forth in this Master Lease.

C. A list of the approximately thirty six (36) facilities (each a "**Facility**," and collectively, the "**Facilities**") covered by this Master Lease, categorized by geographic area, is attached hereto as Exhibit A, which includes (i) the real property and improvements thereon owned by Landlord in the geographic area of such Facility as identified on Exhibit A attached hereto, and (ii) the Distribution Systems (as defined below) located in the geographic area of the applicable Facility as identified on Exhibit A attached hereto.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I

1.1 Leased Property. Upon and subject to the terms and conditions hereinafter set forth, Landlord exclusively leases to Tenant and Tenant leases from Landlord all of Landlord's rights, title and interest in and to the following with respect to each of the Facilities (collectively, the "**Leased Property**"):

(a) the real property or properties described in a letter, dated as of the date hereof, delivered by Tenant and acknowledged by Landlord, and all other real property or properties owned by Landlord in the geographical areas of each of the Facilities that are (i) the locations for central offices, remote switching locations or other switching facilities and (ii) necessary for the use and operation of, or currently used in the operation of, the Distribution Systems associated with such Facilities (collectively, the "**Land**");

(b) all buildings, structures, and other improvements of every kind now or hereafter located on the Land or connected thereto including, but not limited to, alleyways and

connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site to the extent Landlord has obtained any interest in the same), parking areas and roadways appurtenant to such buildings and structures, including all HVAC systems and components, generators, fire suppression systems and other fixtures (collectively, the "**Leased Improvements**");

(c) all easements, rights and appurtenances relating to the Land and the Leased Improvements, including any Easements, Permits and Pole Agreements;

(d) all fiber optic cable lines, copper cable lines, conduits, telephone poles, attachment hardware (including bolts and lashing), guy wires, anchors, pedestals, concrete pads, amplifiers and such other fixtures, and other items of property, including all components thereof (such as cross connect cabinets, windstream outside plant mini-cabinet mounting posts (WOMP), fiber distribution hubs, fiber access terminals and first entry fiber splice cases), that are now or hereafter located in, on or used in connection with and permanently affixed to or otherwise incorporated into the Facilities, together with all replacements, modifications, alterations and additions thereto, up through and at the meeting and demarcation points described on Exhibit B attached hereto (collectively, the "**Distribution Systems**"); and

(e) all system maps and records for the Distribution Systems.

Notwithstanding anything to the contrary contained herein, the Leased Property shall exclude Tenant's Property (including the Electronics, switching and equipment) and the Excluded Assets. The Leased Property is leased subject to all covenants, conditions, restrictions, easements and other matters affecting the Leased Property as of the Commencement Date and such subsequent covenants, conditions, restrictions, easements and other matters as may be agreed to by Landlord or Tenant in accordance with the terms of this Master Lease, whether or not of record, including any matters which would be disclosed by an inspection or accurate survey of the Leased Property.

1.2 Single, Indivisible Lease. This Master Lease constitutes one indivisible lease of the Leased Property and not separate leases governed by similar terms. The Leased Property constitutes one economic unit, and the Rent and all other provisions have been negotiated and agreed to be based on a demise of all of the Leased Property to Tenant as a single, composite, inseparable transaction and would have been substantially different had separate leases or a divisible lease been intended. Except as expressly provided in this Master Lease for specific, isolated purposes (and then only to the extent expressly otherwise stated), all provisions of this Master Lease apply equally and uniformly to all of the Leased Property as one unit. An Event of Default with respect to any portion of the Leased Property is an Event of Default as to all of the Leased Property. The parties intend that the provisions of this Master Lease shall at all times be construed, interpreted and applied so as to carry out their mutual objective to create an indivisible lease of all of the Leased Property and, in particular but without limitation, that, for purposes of any assumption, rejection or assignment of this Master Lease under 11 U.S.C. Section 365, or any successor or replacement thereof or any analogous state law, this is one indivisible and non-severable lease and executory contract dealing with one legal and economic unit and that this Master Lease must be assumed, rejected or assigned as a whole with respect to all (and only as to all) of the Leased Property. The parties may amend this Master Lease from time to time to include one or more additional Facilities as part of the Leased Property and such future addition to the Leased Property shall not in any way change the indivisible and nonseverable nature of this Master Lease and all of the foregoing provisions shall continue to apply in full force.

1.3 Term. The "**Term**" of this Master Lease is the Initial Term *plus* all Renewal Terms, to the extent exercised. The initial term of this Master Lease (the "**Initial Term**") shall commence on execution date (the "**Commencement Date**") and end on the last day of the calendar month in which the fifteenth (15th) anniversary of the Commencement Date occurs, subject to renewal as set forth in Section 1.4 below. Notwithstanding anything to the contrary contained herein, Tenant shall have the right to extend the Initial Term for a period of five (5) years (the "**Initial Extension Right**") with respect to all of the Facilities (and in no event for less than all of the Facilities) by delivering Notice (the "**Initial Extension Notice**") to Landlord at any time prior to the fifth (5th) anniversary of the Commencement Date of such election. In the event Tenant seeks to have Landlord provide the Funding Commitment as set forth in Section 10.2(b) hereof, Tenant shall include a request (a "**Funding Request**") for such Funding Commitment from Landlord in the Initial Extension Notice. Upon receipt of an Initial Extension Notice with a Funding Request, Landlord shall have a period of thirty (30) days to evaluate such request and respond to Tenant in writing ("**Landlord Response**"), whether Landlord elects, in its sole and absolute discretion, to provide all or a portion of the Funding Commitment in accordance with Section 10.2(b). Upon Tenant's receipt of a Landlord Response declining to provide a Full Funding Commitment, (x) Landlord may, in its sole and absolute discretion, elect to provide a Limited Funding Commitment in accordance with Section 10.2(b), and if Landlord so elects (A) Landlord shall be obligated to provide the Limited Funding Commitment as set forth in Section 10.2(b) and (B) Tenant shall have the rights set forth in Section 3.4 in the event Landlord defaults in its obligation to provide the Limited Funding Commitment as provided herein, and (y) the Initial Extension Right shall be deemed not to have been exercised and shall be of no further force and effect. Upon Tenant's receipt of a Landlord Response wherein Landlord agrees to provide the Full Funding Commitment in accordance with Section 10.2(b), the Initial Term shall automatically be extended for an additional five (5) years at the same Rent as the Initial Term and upon all of the other terms and conditions of this Master Lease except that (i) the number of Renewal Terms shall be reduced such that Tenant will only have a total of three (3) separate Renewal Terms of five (5) years each, (ii) Landlord shall be obligated to provide the Funding Commitment as set forth in Section 10.2(b), and (iii) Tenant shall have the rights set forth in Section 3.4 in the event Landlord defaults in its obligation to provide the Full Funding Commitment as provided herein. If Tenant does not timely send the Initial Extension Notice pursuant to the provisions of this Section 1.3 or if Landlord does not send a Landlord Response agreeing to provide the Full Funding Commitment in accordance with Section 10.2(b), Tenant shall be deemed to have irrevocably waived the Initial Extension Right.

1.4 Renewal Terms. (a) Subject to Section 1.3, the term of this Master Lease may be extended for four (4) separate "Renewal Terms" of five (5) years each with respect to all (or such lesser portion of the Facilities as provided below) of the Facilities that are subject to the Master Lease as of the last day of the then current Term at a Rent being equal to the Renewal Rent if (a) at least twenty four (24) months prior to the end of the then current Term (a "**Renewal Election Outside Date**"), Tenant delivers to Landlord a "**Renewal Notice**" stating that it exercises its right to extend this Master Lease for one (1) Renewal Term and (b) no Event of Default shall have occurred and be continuing on the Renewal Election Outside Date. If, Tenant elects to renew the Lease for less than all of the Facilities, then Tenant must specify in the Renewal Notice which Facilities it elects not to renew (each a "**Non-Renewal Leased Property**" and collectively, the "**Non-Renewal Leased Properties**"). Any Facilities not specified in the Renewal Notice as Non-Renewal Leased Properties shall be deemed to be part of the Leased Property that has been extended for the one (1) Renewal Term (each a "**Renewal Leased Property**" and collectively, the "**Renewal Leased Properties**"). During any such Renewal Term, except as otherwise specifically provided for herein, all of the terms and conditions of this Master Lease shall remain in full force and effect, except that the Non-Renewal Leased Properties shall be excluded from the definition of "**Leased Property**" for the applicable Renewal Term, and Tenant shall have no further renewal rights with respect to the Non-Renewal Leased Properties. If Tenant does not timely send the applicable Renewal Notice pursuant to the provisions of this Section 1.4, Tenant shall be deemed to have irrevocably waived its renewal rights for all subsequent Renewal Terms.

(b) No later than two hundred ten (210) days prior to the Renewal Election Outside Date for each Renewal Term, Landlord shall deliver a Notice to Tenant which sets forth

Landlord's proposal of the Renewal Rent and Successor Tenant Rent, in each case, for each Facility then subject to this Master Lease. If Landlord and Tenant shall not have entered into a written agreement confirming the Renewal Rent or Successor Tenant Rent, in each case, for all of the Facilities then subject to this Master Lease on or prior to the date that is one hundred eighty (180) days prior to the Renewal Election Outside Date, then the appraisal process set forth in Section 41.14 shall be initiated on such date (the "**Appraisal Commencement Date**") to determine the Renewal Rent and Successor Tenant Rent for each of the Facilities then subject to this Master Lease.

ARTICLE II

2.1 Definitions. For all purposes of this Master Lease, except as otherwise expressly provided or unless the context otherwise requires, (i) the terms defined in this Article II have the meanings assigned to them in this Article and include the plural as well as the singular; all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP; (ii) all references in this Master Lease to designated "**Articles**," "**Sections**" and other subdivisions are to the designated Articles, Sections and other subdivisions of this Master Lease; (iii) the word "including" shall have the same meaning as the phrase "including, without limitation," and other similar phrases; (iv) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Master Lease as a whole and not to any particular Article, Section or other subdivision and (v) for the calculation of any financial ratios or tests referenced in this Master Lease, the Rent payable hereunder shall not constitute Indebtedness or Interest Expense.

Accounts: All accounts, including deposit accounts, all rents, profits, income, revenues or rights to payment or reimbursement derived from the use of any space within the Leased Property and/or from goods sold or leased or services rendered from theLeased Property (including, without limitation, from goods sold or leased or services rendered from theLeased Property by any subtenant) and all accounts receivable, in each case whether or not evidenced by a contract, document, instrument or chattel paper and whether or not earned by performance, including without limitation, the right to payment of management fees and all proceeds of the foregoing.

Additional Charge Invoice: As defined in Section 3.3(a).

Additional Charges: All Impositions and all other amounts, liabilities and obligations which Tenant assumes or agrees to pay under this Master Lease and, in the event of any failure on the part of Tenant to pay any of those items, except where such failure is due to the acts or omissions of Landlord, every fine, penalty, interest and cost which may be added for non-payment or late payment of such items.

Affected Facility: As defined in Section 36.1(a).

Affiliate: When used with respect to any corporation, limited liability company, or partnership, the term "**Affiliate**" shall mean any person which, directly or indirectly, controls or is controlled by or is under common control with such corporation, limited liability company or partnership. For the purposes of this definition, "control" (including the correlative meanings

of the terms "controlled by" and "under common control with"), as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, through the ownership of voting securities, partnership interests or other equity interests.

Annual Base Increase Amount: As defined in Section 10.2(b).

Annual Capital Improvement Plan: As defined in Section 10.2(a).

Appraisal Commencement Date: As defined in Section 1.4(b).

Appraiser: As defined in Section 41.14(a).

Assignment Agreement: Individually or collectively, as the context may require, those certain assignment, conveyance and assumption agreements, dated as of the date hereof, by and among Tenant, Win Services, Landlord and their respective subsidiaries, pursuant to which Tenant and its subsidiaries assigned, among other things, certain of their rights in and to the Easements, Permits and Pole Agreements described therein to Landlord, and Landlord assumed all of the obligations and liabilities of Tenant under such Easements, Permits and Pole Agreements.

Audited Party: As defined in Section 3.3(c).

Auditing Party: As defined in Section 3.3(c).

Award: All compensation, sums or anything of value awarded, paid or received on a total or partialTaking.

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

Business Day: Each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which national banks in the City of New York, New York and Little Rock, Arkansas are authorized, or obligated, by law or executive order, to close.

Capital Improvements: Any maintenance, repairs, extensions, upgrades, additions, replacements or overbuild to the Distribution Systems, including fiber, copper and new Permits or Pole Agreements for the Distribution Systems, all of which shall constitute a portion of the Leased Improvements and Leased Property to the extent provided in Section 10.2.

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

Cash: Cash and cash equivalents and all instruments evidencing the same or any right thereto and all proceeds thereof.

Change in Control: The occurrence of any of the following: (i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Tenant and its Subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act); (ii) the adoption of a plan relating to the liquidation or dissolution of Tenant; (iii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the Beneficial Owner, directly or indirectly, of fifty percent (50%) or more of the voting power of the Voting Stock of Tenant; or (iv) the first day on which a majority of the members of the board of directors of Tenant are not Continuing Directors.

Claims: As defined in Section 21.1.

Code: The Internal Revenue Code of 1986 and, to the extent applicable, the Treasury Regulations promulgated thereunder, each as amended from time to time.

Commencement Date: As defined in Section 1.3.

Communications Assets: With respect to an Affected Facility, the business operations conducted by Tenant and Tenant's Subsidiaries at such Affected Facility (including the license to operate as an incumbent local exchange carrier in the local exchange area where the Affected Facility is located, the Electronics and such other equipment owned by Tenant (or any of Tenant's Subsidiaries) located in the local exchange area and used in the operation of the Affected Facility (but excluding Shared Corporate Assets), any customer relationships that are served by the Affected Facility that Tenant or Tenant's Subsidiaries can no longer support as a result of the expiration or termination of the Term as to such Affected Facility (for the purposes of determining whether the Tenant can support a customer, Tenant will not be able to meet this standard by entering into an interconnection agreement with the Successor Tenant pursuant to which the Tenant obtains wholesale access that allows Tenant to re-sell the Affected Facility to a customer), all Tenant's Property relating to the Affected Facility, all TCI ILEC Extensions, and any TCI CLEC Extensions to the Affected Facility that Tenant elects to include as part of the Communication Assets to be sold to a Successor Tenant under Article XXXVI, and, if requested by the Successor Tenant, required by an applicable collective bargaining agreement or required by applicable law, all employees that are primarily dedicated to the support, maintenance or operation of the Affected Facility). For the avoidance of doubt, in no event shall Communications Assets include TCI Replacements or any Long Haul TCI.

Communications Assets FMV: As defined in Section 36.1(a).

Communication Assets Sale Agreement: As defined in Section 36.2(c)(i).

Communications Facility: A facility which provides voice, data, video and/or other communication services to business and consumers and/or such other services required to be performed or provided under the Communications Regulations in connection with the foregoing services consistent, with respect to a facility, with its current use or with prevailing communications industry use at any time (including all ancillary uses consistent with communications industry practice).

Communications License: Any license, permit, approval, finding of suitability or other authorization issued by a federal, state or local governmental entity or regulatory agency to operate, carry on or provide voice, data, video and/or other communication services to business and consumers on the Leased Property, or required by any Communications Regulation.

Communications Regulation(s): Any and all laws, statutes, ordinances, rules, regulations, policies, orders, codes, decrees or judgments, and Communications License conditions or restrictions, as amended from time to time, now or hereafter in effect or promulgated, pertaining to the operation, control, maintenance, Capital Improvement of a Communications Facility or the conduct of a person or entity holding a Communications License, including, without limitation, any requirements imposed by a regulatory agency, commission, board or other governmental body pursuant to the jurisdiction and authority granted to it under applicable law.

Competitor: As of the applicable date of determination, any Person engaged in any business activity then actively being conducted by Tenant or its Subsidiaries or any business that Tenant or any of its Subsidiaries has engaged in during the preceding one-year period within any state in which Tenant or any of its Subsidiaries is licensed as an incumbent local exchange carrier or competitive local exchange carrier. For the purpose of clarification, the business in which Tenant and its Subsidiaries is actively engaged includes (i) the provision of retail and wholesale voice, data, video and other communications services to customers of all types and regardless of method or technology used to provide all of these services including, without limitation, pursuant to wireline or wireless or as a reseller, agent, dealer, an interexchange carrier, a cable operator, a competitive access service provider, an incumbent local exchange carrier, a voice-over-internet protocol provider, mobile network operator, wireless service provider, wireless carrier, cellular company, mobile network carrier, microwave service provider or other provider, and (ii) the provision of local and long distance voice services, unified communication products and services, including MPLS networking and security offerings, network access, fiber transport, broadband products and data services, and digital or analog video programming or services. The term Competitor shall not include a company that derives ninety percent (90%) or more of its revenue from (i) the provision of data hosting and storage services, including without limitation colocation services, disaster recovery services and solutions, cloud computing services via private, public and hybrid cloud solutions or other cloud solutions, (ii) managed services solutions for data hosting, IT infrastructure, security, operating system and software application management or (iii) rent.

Condemnation: The exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

Condemnor: Any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

Confidential Information: Any and all financial, technical, proprietary, confidential, and other information, including data, reports, interpretations, forecasts, analyses, compilations, studies, summaries, extracts, records, know-how, statements (written or oral) or other documents of any kind, that contain information concerning the business and affairs of a party or its affiliates, divisions and subsidiaries, which such party or its Related Persons provide to the other party or its Related Persons, whether furnished before or after the date of this Master Lease, and regardless of the manner in which it was furnished, and any material prepared by a party or its Related Persons, in whatever form maintained, containing, reflecting or based upon, in whole or in part, any such information; provided, however, that "Confidential Information" shall not include information which: (i) was or becomes generally available to the public other than as a result of a disclosure by the other party or its Related Persons in breach of this Master Lease; (ii) was or becomes available to the other party or its Related Persons on a non-confidential basis prior to its disclosure hereunder as evidenced by the written records of the other party or its Related Persons, provided that the source of the information is not bound by a confidentiality agreement or otherwise prohibited from transmitting such information by a contractual, legal or fiduciary duty; or (iii) was independently developed by the other party without the use of any Confidential Information, as evidenced by the written records of the other party.

Consolidated Adjusted EBITDA: For any period, Consolidated Adjusted Net Income for such period *plus*, without duplication:

(a) provision for taxes based on income or profits of Tenant and its Subsidiaries (or the Relevant Party and its Subsidiaries, as applicable) for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Adjusted Net Income; *plus*

(b) Interest Expense of Tenant and its Subsidiaries (or the Relevant Party and its Subsidiaries, as applicable) for such period, to the extent that such Interest Expense was deducted in computing such Consolidated Adjusted Net Income; *plus*

(c) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period), goodwill impairment charges and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of Tenant and its Subsidiaries (or the Relevant Party and its Subsidiaries, as applicable) for such period to the extent that such depreciation, amortization and other non-cash charges or expenses were deducted in computing such Consolidated Adjusted Net Income; *plus*

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

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

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

(g) the amount of Rent under this Master Lease for such period, with the intent that such amount shall be treated as an operating expense for purposes of calculating Consolidated Adjusted EBITDA; *minus*

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

in each case determined in accordance with GAAP.

Notwithstanding the preceding, the provision for taxes based on the income or profits of, the Interest Expense of, and the depreciation and amortization and other non-cash expenses of, a Subsidiary will be added to Consolidated Adjusted Net Income to compute Consolidated Adjusted EBITDA (A) in the same proportion that the Net Income of such Subsidiary was added to compute such Consolidated Adjusted Net Income and (B) only to the extent that a corresponding amount would be permitted, as of such determination date, to be dividended or distributed to Tenant (or the Relevant Party, as applicable) by such Subsidiary without direct or indirect restriction pursuant to the terms of its charter and all agreements and instruments applicable to such Subsidiary or its stockholders.

Consolidated Adjusted Net Income: For any period, the aggregate of the Net Income of Tenant and its Subsidiaries for such period (or the Relevant Party and its Subsidiaries, as applicable), determined in accordance with GAAP; provided that:

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

(b) the Net Income of the Subsidiaries will be excluded to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such Net Income is not, as of such date of determination, permitted directly or indirectly, by operation of the terms of its charter or any agreement or instrument applicable to such Subsidiary or its equityholders;

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

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

Consolidated Debt: As of any date, the principal amount of Indebtedness of Tenant and its Subsidiaries (or the Relevant Party and its Subsidiaries, as applicable) outstanding as of such date, determined on a consolidated basis; provided that, for purposes of this definition, the term "Indebtedness" will not include (i) contingent obligations of Tenant or its Subsidiaries (or the Relevant Party and its Subsidiaries, as applicable) as an account party or applicant in respect of any letter of credit or letter of guaranty, unless such letter of credit or letter of guaranty supports an obligation that constitutes Indebtedness of a Person other than Tenant or its Subsidiaries (or the Relevant Party or its Subsidiaries, as applicable), (ii) all net obligations of Tenant and its Subsidiaries (or the Relevant Party and its Subsidiaries, as applicable) under any Derivative Swap Agreement, (iii) any Earn-out Obligation or obligation in respect of purchase price adjustment in which the contingent consideration relating thereto is paid within fifteen (15) Business Days after the contingency relating thereto is resolved, (iv) any bonds or similar instruments in the nature of surety, performance, appeal or similar bonds and (v) the obligations of Tenant under this Master Lease.

Continuing Directors: As of any date of determination, any member of the board of directors of Tenant who: (i) was a member of such board of directors on the date hereof; or (ii) was nominated for election or elected to such board of directors with the approval of a majority of the Continuing Directors who were members of such board of directors at the time of such nomination or election.

CPI: The United States Department of Labor, Bureau of Labor Statistics Revised Consumer Price Index for All Urban Consumers (1982-84=100), U.S. City Average, All Items, or, if that index is not available at the time in question, the index designated by such Department as the successor to such index, and if there is no index so designated, an index for an area in the United States that most closely corresponds to the entire United States, published by such Department, or if none, by any other instrumentality of the United States.

CPI Increase: The product of (i) the CPI published for the beginning of each Lease Year, divided by (ii) the CPI published for the beginning of the first Lease Year. If the product is less than one, the CPI Increase shall be equal to one.

Credit Agreement: That certain Fifth Amended and Restated Credit Agreement, dated as of January 23, 2013 as amended by Amendment No. 1, dated as of August 23, 2013 and as further amended by Refinancing Amendment No. 1 dated as of December 6, 2013, by and among Win Services (formerly known as Alltel Holding Corp.), the lenders party thereto and JP Morgan Chase Bank, N.A., as Administrative Agent and Collateral Agent, and Bank of America, N.A., Barclays Bank PLC, Citibank, N.A., Cobank ACB, Goldman Sachs Bank USA, Morgan Stanley Senior Funding Inc., Royal Bank of Canada, The Royal Bank of Scotland plc, SunTrust Bank, Union Bank, N.A. and Wells Fargo Bank, N.A., as Co-Documentation Agents, as the same may be amended, restated, modified, renewed, replaced or refinanced from time to time.

Credit Agreement Agent: The "administrative agent" (or like term) under the CreditAgreement.

Credit Agreement Agent Trigger Event: As defined in Section 36.1(a).

Credit Agreement Payoff Amount: The amount of cash required to repay in full in cash the principal of and all accrued interest on all loans outstanding under the Credit Agreement, to cash collateralize all letters of credit outstanding under the CreditAgreement and to pay in full in cash all other obligations outstanding under the Credit Agreement (other than contingent obligations for which no claim has been made) substantially simultaneously with the consummation of the transfer of the applicable Communication Assets.

CS&L National: As defined in the preamble.

CS&L Parent: As defined in the recitals.

Date of Taking: The date the Condemnor has the right to possession of the property being condemned.

Debt Agreement: One or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances), or (C) instruments or agreements evidencing any other indebtedness, in each case, with the same or different borrowers or issuers and, in each case, (i) entered into from time to time by Tenant and/or its Affiliates, (ii) as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time, and (iii) which may be secured by assets of Tenant and Tenant's Subsidiaries, including, but not limited to, their Cash, Accounts, Tenant's Property, real property and leasehold estates in real property (including thisMaster Lease).

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

Determination Date: As defined in Section 13.9(c).

Discretionary COC Transferee: A transferee that meets all of the following requirements: (a) such transferee has (1) at least five (5) years of experience (directly or through one or more of its Subsidiaries) operating Communications Facilities with average annual revenues of at least $500,000,000.00 for five of the immediately preceding ten year period (or retains a manager with such qualifications, which shall not be replaced other than in accordance

with Article XXII hereof), or (2) entered into agreement(s) to retain for a period of eighteen (18) months (or more) after the effective time of the transfer at least (i) sixty percent (60%) of Tenant and Tenant's Subsidiaries' personnel employed at the Facilities and (ii) sixty percent (60%) of Tenant's and Tenant's Subsidiaries' ten most highly compensated corporate employees as of the date of the relevant agreement to transfer based on total compensation determined in accordance with Item 402 of Regulation S-K of the Exchange Act pursuant to which such personnel shall receive (x) a base salary or hourly wage rate and cash commission and target cash bonus opportunity and target cash equity opportunity that are substantially similar in the aggregate, to those provided to such personnel of Tenant and its Subsidiaries immediately prior to the date of the transfer and (y) severance benefits for a period of eighteen (18) months following the date of the transfer which are comparable to the severance plan in effect for such personnel immediately prior to the date of such transfer; (b) such transferee (directly or through one or more of its Subsidiaries) is licensed or certified by each applicable authority with jurisdiction over any portion of the Leased Property as of the date of any proposed assignment or transfer to such entity (or will be so licensed upon its assumption of the Master Lease) in order to operate the Leased Property for the Primary Intended Use; (c) such transferee is Solvent and if such transferee has a Parent Company, the Parent Company of such transferee is Solvent, in each case before and after giving effect to the proposed transaction and (d) (x) the Parent Company of such transferee or, if such transferee does not have a Parent Company, such transferee, has sufficient assets so that, after giving effect to its assumption of Tenant's obligations hereunder or the applicable assignment (including pursuant to a Change in Control under Section 22.2(iii)(x) or Section 22.2(iii)(y), its Leverage Ratio in accordance with GAAP does not exceed 5.50 to 1.0 based on projected earnings, after giving effect to the proposed transaction, and calculated as of the consummation date of the proposed transaction or (y) an entity that has an investment grade credit rating from a nationally recognized rating agency with respect to such entity's long term, unsecured debt has provided a Lease Guaranty.

Discretionary Transferee: A transferee that meets all of the following requirements: (a) such transferee has at least five (5) years of experience (directly or through one or more of its Subsidiaries) operating Communications Facilities with average annual revenues equaling or exceeding the lesser of (x) $500,000,000 and (y) fifty percent (50%) of the prior calendar year revenues derived from the Affected Facility for five of the immediately preceding ten year period; (b) such transferee (directly or through one or more of its Subsidiaries) is licensed or certified by each applicable authority with jurisdiction over any portion of the Leased Property as of the date of any proposed assignment or transfer to such entity (or will be so licensed upon its assumption of the Master Lease) in order to operate the Leased Property for the Primary Intended Use; (c) such transferee is Solvent, and, other than in the case of a Permitted Leasehold Mortgagee Foreclosing Party, if such transferee has a Parent Company, the Parent Company of such transferee is Solvent, in each case before and after giving effect to the proposed transaction and (d) (i) other than in the case of a Permitted Leasehold Mortgagee Foreclosing Party, (x) the Parent Company of such transferee or, if such transferee does not have a Parent Company, such transferee, has sufficient assets so that, after giving effect to its assumption of Tenant's obligations hereunder or the applicable assignment (including pursuant to a Change in Control under Section 22.2(iii)(x) or Section 22.2(iii)(y), its Leverage Ratio in accordance with GAAP does not exceed 5.50 to 1.0 based on projected earnings and after giving effect to the proposed transaction or (y) an entity that has an investment grade credit rating from a nationally recognized rating agency with respect to such entity's long term, unsecured debt has

provided a Lease Guaranty, or (ii) in the case of a Permitted Leasehold Mortgagee Foreclosing Party, (x) Tenant's Leverage Ratio does not exceed 5.50 to 1.0 based on projected earnings and after giving effect to the proposed transaction or (y) an entity that has an investment grade credit rating from a nationally recognized rating agency with respect to such entity's long term, unsecured debt has provided a Lease Guaranty.

Dispute: As defined in Section 41.15.

Distribution Agreement: As defined in Recital B.

Distribution Agreement Ancillary Documents: The Transition Services Agreement, the Tax Matters Agreement, and the Employee Matters Agreement, the Intellectual Property Matters Agreement, the Wholesale Reseller Agreement, and the ancillary transfer and assignment agreements (including the Assignment Agreement), each dated as of the date of the Distribution Agreement and entered into by Tenant, Win Services, CS&L and/or their applicable Affiliates or Subsidiaries.

Distribution Systems: As defined in Section 1.1(d).

"Dollars" and "$": shall mean the lawful money of the United States.

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

Easements: All easements (whether express or prescriptive) or similar agreements (such as railroad crossing agreements and leases of conduits) affecting the Leased Property, including, but not limited to, the easement rights, interests torights-of-way, railroad crossing agreements and leases of conduits assigned to Landlord under the Assignment Agreement which provide Landlord with the right to access and use the Leased Property (or any portion thereof) where the Distribution Systems are installed or located and the easements entered into by Landlord in connection with Capital Improvements made by Tenant pursuant to the terms of Section 10.2.

Electronics: Any and all electronics that process, compress, modify and route signals along theDistribution Systems that are used in connection with the Leased Property, including, but not limited to, digital subscriber line access multiplexers, digital loop carriers, routers, wave division multiplexers and switches.

Encumbrance: Any mortgage, deed of trust, lien, encumbrance or other matter affecting title to any of theLeased Property, or any portion thereof or interest therein.

Engineering Standard: The engineering standards and methods of Tenant in effect as of the date hereof for the performance of any Capital Improvements, as the same may be modified from time in accordance with the terms hereof.

Environmental Costs: As defined in Section 32.4.

Environmental Laws: Any and all federal, state, municipal and local laws, statutes, ordinances, rules, regulations, guidances, policies, orders, decrees or judgments, whether statutory or common law, as amended from time to time, now or hereafter in effect, or promulgated, pertaining to the environment, public health and safety and industrial hygiene, including the use, generation, manufacture, production, storage, release, discharge, disposal, handling, treatment, removal, decontamination, cleanup, transportation or regulation of any Hazardous Substance, including the Industrial Site Recovery Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act and the Occupational Safety and Health Act.

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

Escalated Rent: For the applicable Lease Year, an amount equal to 100.5% of the Rent as of the end of the immediately preceding Lease Year.

Event of Default: As defined in Section 16.1.

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules of the SEC.

Excluded Assets: As defined in the Distribution Agreement.

Expert: An independent third party professional, with expertise in respect of a matter at issue, appointed in accordance with Article XXXIV hereof.

Extension of the Distribution Systems to a New Geographic Area: The construction of fiber or copper distribution facilities to a new residential subdivision. A new residential subdivision shall be determined in accordance with Tenant's engineering operating procedures for documenting and identifying residential subdivisions in effect as of the execution date of this Master Lease.

Facilit(y)(ies): As defined in Recital C.

Facility Mortgage: As defined in Section 13.1.

Facility Mortgage Documents: With respect to each Facility Mortgage and Facility Mortgagee, the applicable Facility Mortgage, loan agreement, debt agreement, credit agreement or indenture, lease, note, collateral assignment instruments, guarantees, indemnity agreements and other documents or instruments evidencing, securing or otherwise relating to the loan made, credit extended, or lease or other financing vehicle entered into pursuant thereto.

Facility Mortgagee: As defined in Section 13.1.

Fair Market Rental: The fair market rental value calculated in accordance with the provisions of Exhibit E.

Fair Market Value: A price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy.

Final Lease Expiration: As defined in Section 36.1(a).

Financial Officer: With respect to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

Financial Statements: As defined in Section 23.1(b).

Fiscal Quarter: A fiscal quarter of Tenant.

Fiscal Year: The fiscal year of Tenant.

Foreclosure Assignment: As defined in Section 22.2(iii)(z).

Foreclosure COC: As defined in Section 22.2(iii)(z).

Foreclosure Purchaser: As defined in Section 31.1.

Full Funding Commitment: An amount not to exceed $50,000,000 per annum for a maximum period of five (5) years as provided in Section 10.2(b), but in no event to extend beyond the calendar day immediately preceding the seventh (7th) anniversary of the Commencement Date.

Funding Commitment: either (i) the Full Funding Commitment or, (ii) the Limited Funding Commitment, as applicable.

GAAP: Generally accepted accounting principles in effect as of the execution date of this Master Lease. For the avoidance of doubt, all matters that are required to be determined in accordance with GAAP under this Master Lease shall be determined on a consolidated, pro forma basis, and with GAAP being consistently applied.

Guarantee: Any obligation, contingent or otherwise, of or by any Person guaranteeing ("**guarantor**") or having the economic effect of guaranteeing any Indebtedness of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; provided that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business; and provided, further,

that the amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guarantor may be liable pursuant to the terms of the instrument embodying such Guarantee or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guarantor's maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

Guarantor: Any entity that guaranties the payment or collection of all or any portion of the amounts payable by Tenant, or the performance by Tenant of all or any of its obligations, under this Master Lease which is consented to by Landlord in connection with a Transfer of Leased Property pursuant to Article XXII.

Handling: As defined in Section 32.4.

Hazardous Substances: Collectively, any petroleum, petroleum product or by product or any substance, material or waste regulated or listed pursuant to any Environmental Law.

ILEC Territory: A geographic area where Tenant or its Subsidiaries are licensed as an incumbent local exchange carrier.

Impartial Appraiser: As defined in Section 13.2.

Impositions: Collectively, all taxes, including franchise, margin and other state taxes of Landlord, ad valorem, sales, use, single business, gross receipts, transaction privilege, rent or similar taxes; assessments including assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not to be completed within the Term; ground rents (pursuant to Permits); water, sewer and other utility levies and charges; fees and charges in respect of any Easements, Permits and Pole Agreements, excise tax levies; fees including license, permit, inspection, authorization and similar fees; and all other regulatory or governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Leased Property and/or the Rent and Additional Charges and all interest and penalties thereon attributable to any failure in payment by Tenant (other than failures arising from the acts or omissions of Landlord) which at any time prior to, during or in respect of the Term hereof may be assessed or imposed on or in respect of or be a Lien upon (i) Landlord or Landlord's interest in the Leased Property, (ii) the Leased Property or any part thereof or any rent therefrom or any estate, right, title or interest therein, or (iii) any occupancy, operation, use or possession of, or sales from or activity conducted on or in connection with the Leased Property or the leasing or use of the Leased Property or any part thereof; provided, however, that nothing contained in this Master Lease shall be construed to require Tenant to pay (a) any tax based on net income (whether denominated as a franchise or capital stock or other tax) other than property taxes imposed on Landlord or any other Person, (b) any transfer, or net revenue tax of Landlord or any other Person except Tenant and its successors, (c) any tax imposed with respect to the sale, exchange or other disposition by Landlord of any Leased Property or the proceeds thereof, (d) any principal or interest on any indebtedness on or secured by the Leased Property owed to a Facility Mortgagee for which Landlord or its Subsidiaries is the obligor, (e) any franchise tax based upon the capital stock of Landlord, its Subsidiaries or CS&L Parent, or (f) any regulatory fee due to regulatory authorizations held in Landlord's name.

Indebtedness: With respect to any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accrued obligations or trade payables, in each case incurred in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing unconditional right to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, and (j) all net obligations of such Person under any Derivative Swap Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. The amount of any Indebtedness outstanding as of any date will be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation, and will be: (1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount; and (2) the principal amount thereof, together with any interest thereon that is more than thirty (30) days past due, in the case of any other Indebtedness.

Initial Appraisal Period: As defined in Section 41.14(a).

Initial Extension Notice: As defined in Section 1.3.

Initial Extension Right: As defined in Section 1.3.

Initial Term: As defined in Section 1.3.

Initial Valuation Period: As defined in Section 34.1(a).

Insurance Requirements: The terms of any insurance policy required by this Master Lease and all requirements of the issuer of any such policy and of any insurance board, association, organization or company necessary for the maintenance of any such policy.

Interest Expense: With respect to any specified Person for any period, the sum, without duplication, of:

(a) the consolidated interest expense of such Person and its Subsidiaries for such period, whether paid or accrued, including, without limitation, original issue discount, non-cash

interest payments, the interest component of any deferred payment obligations, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Derivative Swap Agreements, but excluding the amortization or write-off of debt issuance costs; *plus*

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

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

in each case determined in accordance with GAAP.

Investment Fund: A bona fide private equity fund or bona fide investment vehicle arranged by and managed by or controlled by, or under common control with, a private equity fund (excluding any private equity fund investment vehicle the primary assets of which are Tenant and its Subsidiaries and/or this Master Lease and assets related thereto) that is engaged in making, purchasing, funding or otherwise or investing in a diversified portfolio of businesses and companies and is organized primarily for the purpose of making equity investments in companies.

Land: As defined in Section 1.1(a).

Landlord: As defined in the preamble.

Landlord Representatives: As defined in Section 23.3(b).

Landlord Tax Returns: As defined in Section 4.1(b).

Lease Guaranty: A guaranty in form and substance reasonably satisfactory to Landlord executed by a Guarantor in favor of Landlord (as the same may be amended, supplemented or replaced from time to time) pursuant to which such Guarantor agrees to guaranty all of the obligations of Tenant hereunder in connection with a Transfer of Leased Property pursuant to Article XXII.

Lease Termination Notice: As defined in Section 36.1(a).

Lease Year: The first Lease Year for each Facility shall be the period commencing on the Commencement Date and ending on the last day of the calendar month in which the first (1st) anniversary of the Commencement Date occurs, and each subsequent Lease Year for each Facility shall be each period of twelve (12) full calendar months after the last day of the prior Lease Year.

Leased Improvements: As defined in Section 1.1(b).

Leased Property: As defined in Section 1.1.

Leasehold Estate: As defined in Section 17.1(a).

Legal Requirements: All federal, state, county, municipal and other governmental statutes, laws, rules, policies, guidance, codes, orders, regulations, ordinances, permits, licenses, covenants, conditions, restrictions, judgments, decrees and injunctions (including common law, Communications Regulations and Environmental Laws) affecting either the Leased Property, Tenant's Property, all Capital Improvements or the construction, use or alteration thereof, whether now or hereafter enacted and in force, including any which may (i) require repairs, modifications or alterations in or to the Leased Property and Tenant's Property, (ii) in any way adversely affect the use and enjoyment thereof, or (iii) regulate the transport, handling, use, storage or disposal or require the cleanup or other treatment of any Hazardous Substance.

Leverage Ratio. On any date of determination, the ratio of (a) Consolidated Debt as of such day to (b) Consolidated Adjusted EBITDA to be determined as follows: (x) with respect to Tenant, for the period of four consecutive Fiscal Quarters ended on such day (or if such day is not the last day of a Fiscal Quarter, ended on the last day of the Fiscal Quarter most recently ended for which Financial Statements have been delivered or were required to be delivered pursuant to Section 23.1(b)(i) or Section 23.1(b)(ii) before such day) and (y) with respect to a Relevant Party, for the Test Period most recently ended prior to the date for which financial statements are available. For purposes of calculating the Leverage Ratio, Consolidated Adjusted EBITDA shall be calculated on a pro forma basis (and shall be calculated, except for pro forma adjustments reasonably contemplated by the potential transferee which may be included in such calculations, otherwise in accordance with Regulation S-X under the Securities Act) to give effect to any material acquisitions and material asset sales consummated by the Relevant Party and its Subsidiaries since the beginning of any Test Period of the Relevant Party as if each such material acquisition had been effected on the first day of such Test Period and as if each such material asset sale had been consummated on the day prior to the first day of such period. In addition, for the avoidance of doubt, (i) if the Relevant Party or any Subsidiary of the Relevant Party has incurred any Indebtedness or repaid, repurchased, acquired, defeased or otherwise discharged any Indebtedness since the end of the most recent Test Period for which financial statements are available, Consolidated Debt shall be calculated (for purposes of this definition) after giving effect on a pro forma basis to such incurrence, repayment, repurchase, acquisition, defeasance or discharge and the applications of any proceeds thereof as if it had occurred prior to the first day of such Test Period, (ii) the Leverage Ratio shall give pro forma effect to the transactions whereby the applicable Discretionary COC Transferee or Discretionary Transferee becomes party to the Master Lease or the Change in Control transactions permitted under Section 22.2(iii); and (iii) with respect to a Discretionary COC Transferee, the Leverage Ratio shall include the Consolidated Debt and Consolidated Adjusted EBITDA of Tenant and its Subsidiaries for the relevant period.

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

Limited Funding Commitment: An amount less than the Full Funding Commitment, which amount and the term of the available funding commitment are agreed to by Landlord in its sole and absolute discretion.

Long Haul Fiber Route: A point to point fiber route that is designed to, and continues to function as part of Tenant's long haul fiber network and which shall not have an add/drop concentration greater than two (2) within the ILEC Territory. A Long Haul Fiber Route may connect with one (1) central office within the ILEC Territory as part of the Long Haul Fiber Route plus have up to two (2) separate points of entry into or exit from the ILEC Territory. Tenant may construct up to two (2) Long Haul Fiber Routes that enter an ILEC Territory, and if both Long Haul Fiber Routes access a central office, then both Long Haul Fiber Routes will access the same central office. Tenant may construct additional Long Haul Fiber Routes in the ILEC Territory under the following circumstances: (i) to replace a Long Haul Fiber Route that was previously obtained by Tenant from unrelated third parties, or (ii) to augment a Long Haul Fiber Route where capacity has been exhausted, or (iii) to create Long Haul Fiber Route diversity. Tenant will provide documentation reasonably acceptable to Landlord to substantiate compliance with these exceptions prior to construction of a Long Haul Fiber Route that would result in more than two (2) Long Haul Fiber Routes in the ILEC Territory, or where a Long Haul Fiber Route will interconnect to a central office other than the one designated for the initial two (2) Long Haul Fiber Routes. Within an ILEC Territory, any extensions constructed from a Long Haul Fiber Route to a location within the ILEC Territory, including direct connections to customer service locations or a direct connection between (2) central offices within the same ILEC Territory, shall be designated as a TCI Replacement.

Long Haul TCI: As defined in Section 10.2(e).

Management Agreement: As defined in Section 36.3(b).

Master Lease: As defined in the preamble.

Material Indebtedness: Indebtedness of any one or more of Tenant and Tenant's Subsidiaries in an aggregate principal amount exceeding $75,000,000. For purposes of determining Material Indebtedness, the "principal amount" of the obligations of Tenant or any of Tenant's Subsidiaries in respect of any Derivative Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Tenant or its Subsidiary would be required to pay if such Derivative Swap Agreement were terminated at such time.

Material Portion: As defined in Section 22.3.

Maximum Expected Annual Aggregate Loss: As defined in Section 13.9(c).

Maximum Foreseeable Loss: As defined in Section 13.2.

Metropolitan Statistical Area: A geographical region with a relatively high population density at its core, as delineated by the United States Office of Management and Budget.

Monthly Report: As defined in Section 3.3(b).

Negotiated Communications Assets FMV: As defined in Section 36.1(a).

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

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

(b) any extraordinary or non-recurring gain, loss, expense or charge, together with any related provision for taxes;provided that non-recurring cash charges shall not exceed $100,000,000 in any period of four consecutive Fiscal Quarters.

New Lease: As defined in Section 17.1(f).

Non-Renewal Event: As defined in Section 36.1(a).

Non-Renewal Leased Property: As defined in Section 1.4.

Notice: A notice given in accordance with Article XXXV.

Notice of Termination: As defined in Section 17.1(f).

OFAC: As defined in Section 39.1.

Officer's Certificate: A certificate of Tenant or Landlord, as the case may be, signed by an officer of such party authorized to so sign by resolution of its board of directors or by its sole member or by the terms of its by-laws or operating agreement, as applicable.

Outside Date: As defined in Section 10.2(b).

Overdue Rate: On any date, a rate equal to five (5) percentage points above the Prime Rate, but in no event greater than the maximum rate then permitted under applicable law.

Parent Company: With respect to any Discretionary COC Transferee or Discretionary Transferee, any Person (other than an Investment Fund) (x) as to which such Discretionary COC Transferee or Discretionary Transferee, as applicable, is a Subsidiary; and (y) which is not a Subsidiary of any other Person (other than an Investment Fund).

Payment Date: Any due date for the payment of the installments of Rent or any other sums payable under this Master Lease.

Permits: All permits, franchises, licenses or similar agreements required for the provision, routing and operation of voice, data and/or other communication services to business and consumers on the Leased Property, including, but not limited to, permits, franchises, licenses or similar agreements granted by governmental authorities (including permits from highway departments and state and county agencies, franchise and right-of-way license agreements with local governments and permits from the Bureau of Land Management) assigned to Landlord pursuant to the Assignment Agreement which provide Landlord with the right to access and use public rights of way where the Distribution Systems are installed or located.

Permitted Leasehold Mortgage: A document creating or evidencing an Encumbrance on Tenant's leasehold interest (or a subtenant's subleasehold interest) in the Leased Property, granted to or for the benefit of a Permitted Leasehold Mortgagee as security for the obligations under a Debt Agreement.

Permitted Leasehold Mortgagee: The lender or agent or trustee or similar representative on behalf of one or more lenders or noteholders or other investors under a Debt Agreement, in each case as and to the extent such Person has the power to act on behalf of all lenders under such Debt Agreement pursuant to the terms thereof; provided such lender, agent or trustee or similar representative (but not necessarily the lenders, noteholders or other investors which it represents) is a banking institution in the business of generally acting as a lender, agent or trustee or similar representative (in each case, on behalf of a group of lenders) under debt agreements or instruments similar to the Debt Agreement.

Permitted Leasehold Mortgagee Designee: An entity designated by a Permitted Leasehold Mortgagee and acting for the benefit of the Permitted Leasehold Mortgagee, or the lenders, noteholders or investors represented by the Permitted Leasehold Mortgagee.

Permitted Leasehold Mortgagee Foreclosing Party: A Permitted Leasehold Mortgagee that forecloses on this Master Lease and assumes this Master Lease or a Subsidiary of a Permitted Leasehold Mortgagee that assumes this Master Lease in connection with a foreclosure on this Master Lease by a Permitted Leasehold Mortgagee.

Person or person: Any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

Pole Agreements: All pole attachment agreements or similar arrangements with third parties that either own the poles to which the Distribution Systems are affixed or that attach their lines to the poles that constitute part of the Leased Property, including, but not limited to, all pole attachment agreements and similar arrangements with third parties assigned to Landlord pursuant to the Assignment Agreement which provide Landlord with the right to access and use telephone or utility poles, conduits or similar facilities where the Distribution Systems are installed or located.

Preferred Stock: With respect to any Person, any Equity Interests in such Person that have preferential rights to any other Equity Interests in such Person with respect to dividends or redemptions upon liquidation.

Primary Intended Use: The provision, routing and delivery of voice, data, video, data center, cloud computing and other communication services to businesses, consumers and other users of communication services (including governmental entities, schools, libraries and non-profit entities), the colocation activities in the data center space, the provision of dark or dim fiber services to third parties and/or such other services and uses required to be or customarily performed or provided under the Communications Regulations in connection with the foregoing uses consistent, with respect to each Facility, with its current use as of the Commencement Date or with prevailing communications industry use at any time (including all ancillary uses consistent with communications industry practice).

Prime Rate: On any date, a rate equal to the annual rate on such date publicly announced by JPMorgan Chase Bank, N.A. (provided that if JPMorgan Chase Bank, N.A. ceases to publish such rate, the Prime Rate shall be determined according to the Prime Rate of another nationally known money center bank reasonably selected by Landlord), to be its prime rate for ninety (90)-day unsecured loans to its corporate borrowers of the highest credit standing, but in no event greater than the maximum rate then permitted under applicable law.

Probable Maximum Loss: The value of the largest monetary loss within one area that may be expected to result from a single fire, assuming the normal functioning of passive protective features and proper functioning of most active suppression systems.

Proceeding: As defined in Section 23.1(b)(vi).

Prohibited Persons: As defined in Section 39.1.

Prudent Industry Practice: The standard of operating and maintenance practices, at any particular time, methods and acts, which, in light of the relevant facts, is generally engaged in or approved by a significant portion of the owners of distribution systems that are similar to the Distribution Systems, which could have been expected to accomplish the desired result consistent with good business practices, reliability and safety.

Qualified Communications Assets Bid: As defined in Section 36.2(c)(ii).

Qualified Successor Tenant: As defined in Section 36.2(a).

Qualified Third Party Auctioneer: An independent auction agent of national reputation experienced in conducting auctions of assets similar to the Communication Assets.

Regulation S-X: Regulation S-X promulgated by the SEC under the Securities Act.

Related Persons: With respect to a party, such party's affiliates, divisions and subsidiaries and the directors, officers, employees, agents, advisors and controlling persons of such party and its affiliates, divisions and subsidiaries.

Relevant Party: The Discretionary COC Transferee, the Discretionary Transferee, the Parent Company of the Discretionary COC Transferee, the Parent Company of the Discretionary Transferee or the Permitted Leasehold Mortgagee Foreclosing Party, as applicable.

Renewal Election Outside Date: As defined in Section 1.4(a).

Renewal Leased Property: As defined in Section 1.4(a).

Renewal Notice: As defined in Section 1.4(a).

Renewal Rent:

(A) For the first year of each Renewal Term, an annual amount equal to the Rent for the Renewal Leased Properties for the applicable Renewal Term which shall be determined in accordance with Section 1.4(b) or Section 41.14, as applicable.

(B) Commencing with the second (2nd) Lease Year of any Renewal Term and continuing each Lease Year thereafter during such Renewal Term, the Renewal Rent shall increase to an annual amount equal to the Escalated Rent.

(C) For purposes of the Appraiser's determination of Renewal Rent under Section 41.14, the determination shall be equal to the Fair Market Rental for each Facility based on an approach consistent with Exhibit E.

Renewal Term: A period for which the Term is renewed in accordance with Section 1.4.

Rent:

(A) During the Initial Term, an annual amount equal to six hundred fifty million and 00/100 Dollars ($650,000,000); provided, however, that commencing with the fourth (4th) Lease Year and continuing each Lease Year thereafter during the Initial Term, the Rent shall increase to an annual amount equal to the Escalated Rent; provided further that any funding provided by Landlord to Tenant for Capital Improvements pursuant to Section 10.2 shall be subject to an annual escalation of 0.5%.

(B) During any Renewal Term, the Rent shall be an annual amount as determined in accordance with Section 1.4(b) or Section 41.14, as applicable.

(C) As applicable during the Term, Rent shall be increased pursuant to Section 10.2 (which increases shall be subject to the escalations provided in clause (A) above or clause (B) in the definition of "Renewal Rent", as applicable).

Representative: With respect to the lenders or holders under a Debt Agreement, a Person designated as agent or trustee or a Person acting in a similar capacity or as representative for such lenders or holders.

Request: As defined in Section 41.15.

Requested Funding Amount: As defined in Section 10.2(a).

SEC: The United States Securities and Exchange Commission.

Securities Act: The Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

Selection Period: As defined in Section 36.2(c)(ii).

Shared Corporate Assets: Facilities or other assets used to provide or perform shared corporate services for the operation of Tenant or its Subsidiaries including general and administrative functions, network operations support centers, network monitoring centers, or network control centers, customer service or repair centers, warehouses for inventory or spare equipment, and any video equipment in which twenty-five percent (25%) or more of the equipment's function is to deliver video content outside of the service area of the Affected Facility.

Solvent: With respect to any Person on a particular date, that on such date (a) the fair value of the property of such Person, on a going-concern basis, is greater than the total amount of liabilities (including contingent liabilities) of such Person, (b) the present fair salable value of the assets of such Person, on a going-concern basis, is not less than the amount that will be required to pay the probable liability of such Person on its debts (including contingent liabilities) as they become absolute and matured, (c) such Person has not incurred, and does not intend to, and does not believe that it will, incur, debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature, (d) such Person is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which such Person's property would constitute an unreasonably small capital and (e) such Person is "solvent" within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability shall be computed as the amount that, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Accounting Standards Codification No. 450).

Specified Sublease: Any lease in effect on the Commencement Date constituting part of the Leased Property with respect to which Tenant is a sublessor, substantially as in effect on the Commencement Date.

State: With respect to each Facility, the state or commonwealth in which such Facility is located.

Subsidiary: With respect to any Person (the "**parent**") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other entity of which securities or other ownership interests representing more than fifty percent (50%) of the equity or more than fifty percent (50%) of the ordinary voting power or, in the case of a partnership, more than fifty percent (50%) of the general partnership interests are, as of such date, owned, controlled or held. Unless otherwise qualified, all references to a "**Subsidiary**" or to "**Subsidiaries**" in this Master Lease shall refer to a Subsidiary or Subsidiaries of Tenant.

Successor Tenant: As defined in Section 36.1(a).

Successor Tenant Rent:

(A) The Rent that Landlord would be entitled to receive from the Successor Tenant for the first year of a new master lease assuming a lease term of ten (10) years as determined in accordance with Section 1.4(b) or Section 36.2, as applicable, and which master lease shall be consistent with the terms described in Section 36.2(a).

(B) Commencing with the second (2nd) lease year of the term of the new master lease and continuing each lease year thereafter during such term, the Successor Tenant Rent shall increase to an amount equal to the Escalated Rent.

(C) For purposes of the Appraiser's determination of Successor Tenant Rent under Section 41.14, to the extent consistent with sound appraisal practice as then existing at the time the appraisal is being performed, the determination shall be equal to the Fair Market Rental based on an approach consistent with Exhibit E.

SVP Representative: With respect to a Person, the senior vice president of such Person or such other similar officer of such Person.

Taking: As defined in Section 15.1(a).

TCI CLEC Extension: As defined in Section 10.2(c).

TCI ILEC Extension: As defined in Section 10.2(c).

TCI Replacement: As defined in Section 10.2(c).

Tenant: As defined in the preamble.

Tenant Capital Improvement: As defined in Section 10.2(c).

Tenant COC: As defined in Section 22.2(iii)(x).

Tenant Representatives: As defined in Section 23.3(c).

Tenant's Property: With respect to each Facility, all assets (including the Electronics, switching and equipment but specifically excluding the Leased Property and property owned by a third party) primarily related to or used in connection with the operation of the business conducted on or about the Leased Property, together with all replacements, modifications, additions, alterations and substitutes therefor.

Term: As defined in Section 1.3.

Termination Notice: As defined in Section 17.1(d).

Test Period: With respect to any Person, for any date of determination, the period of the four (4) most recently ended consecutive fiscal quarters of such Person.

Third Appraiser: As defined in Section 41.14(b).

Third Expert: As defined in Section 34.1(b).

Transfer: As defined in Section 22.1.

Unavoidable Delay: Delays due to strikes, lock-outs, inability to procure materials, power failure, acts of God, governmental restrictions, enemy action, civil commotion, fire, unavoidable casualty or other causes beyond the reasonable control of the party responsible for performing an obligation hereunder; provided that lack of funds shall not be deemed a cause beyond the reasonable control of a party unless such lack of funds is caused by the breach of the other party's obligation to perform any obligations of such other party under this Master Lease.

Valuation Period: As defined in Section 34.1(b).

Valuation Request Notice: As defined in Section 13.2.

Voting Stock: With respect to any Person as of any date, the Equity Interests in such Person that are ordinarily entitled to vote in the election of the board of directors of such Person.

VP Representative: With respect to a Person, the vice president of such Person or such other similar officer of such Person.

Win Services: As defined in Recital B.

ARTICLE III

3.1 Rent. During the Term, Tenant will pay to Landlord (or as otherwise directed by Landlord pursuant to Section 3.3 or as otherwise provided in Sections 4.1 and 4.2) the Rent and Additional Charges in lawful money of the United States of America and legal tender for the payment of public and private debts, in the manner provided in Section 3.3. The Rent during any Lease Year is payable in advance in consecutive monthly installments on the fifth (5th) Business Day of each calendar month during that Lease Year. Unless otherwise agreed by the parties, Rent and Additional Charges shall be prorated as to any partial months at the beginning and end of the Term.

3.2 Late Payment of Rent and Additional Charges. Tenant hereby acknowledges that late payment by Tenant to Landlord of Rent and Additional Charges will cause Landlord to incur costs not contemplated hereunder, the exact amount of which is presently anticipated to be extremely difficult to ascertain. Accordingly, if any installment of Rent and Additional Charges (other than Additional Charges payable to a Person other than Landlord) shall not be paid within ten (10) days after its due date, Tenant will pay Landlord on demand a late charge equal to the lesser of (a) five percent (5%) of the amount of such installment or (b) the maximum amount permitted by law. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. The parties further agree that such late charge is an Additional Charge and not interest and such assessment does not constitute a lender or borrower/creditor relationship between Landlord and Tenant. Thereafter, if

any installment of Rent or an Additional Charge (other than Additional Charges payable to a Person other than Landlord) shall not be paid within fifteen (15) days after its due date, the amount unpaid, including any late charges previously accrued, shall bear interest at the Overdue Rate from the due date of such installment to the date of payment thereof, and Tenant shall pay such interest to Landlord on demand. The payment of such late charge or such interest shall not constitute waiver of, nor excuse or cure, any default under this Master Lease, nor prevent Landlord from exercising any other rights and remedies available to Landlord.

3.3 Method of Payment of Rent and Additional Charges to Landlord.

(a) Rent and Additional Charges to be paid to Landlord shall be paid by electronic funds transfer debit transactions through wire transfer of immediately available funds and shall be initiated by Tenant for settlement on or before the Payment Date; provided, however, if the Payment Date is not a Business Day, then settlement shall be made on the next succeeding day which is a Business Day. Landlord shall provide Tenant with appropriate wire transfer information in a Notice from Landlord to Tenant. Landlord shall deliver an invoice to Tenant (each an "**Additional Charge Invoice**") no later than twenty (20) days after the end of each calendar month which itemizes the Additional Charges that Tenant is obligated to pay to Landlord. Promptly following Tenant's request, Landlord shall provide such documentation as reasonably requested by Tenant to enable Tenant to verify the accuracy of the Additional Charges set forth on the Additional Charge Invoice. Subject to Section 3.3(b) and Article XII relating to permitted contests, Tenant shall pay all Additional Charges to Landlord (or to such other person directed by Landlord) within thirty (30) days after Landlord delivers the Additional Charge Invoice therefor.

(b) No later than fifteen (15) days after the end of each calendar month, Tenant shall deliver to Landlord a report (each a "**Monthly Report**") setting forth all Additional Charges paid by Tenant during the immediately preceding calendar month. Landlord shall reasonably cooperate with Tenant in the preparation of such Monthly Report. Promptly following Landlord's request, Tenant shall deliver to Landlord such documentation as reasonably requested by Landlord, including, without limitation, a copy of the transmittal letter or invoice and a check whereby such payment was made, to evidence the proper payment of the Additional Charges by Tenant to parties other than Landlord hereunder.

(c) Either Landlord or Tenant (the "**Auditing Party**"), upon Notice delivered to the other party (the "**Audited Party**") within sixty (60) days after the end of each calendar year, may elect to have a certified accountant from a nationally recognized accounting firm designated by the Auditing Party to audit the books and records of the Audited Party relating to the Additional Charge Invoices or Monthly Reports, as applicable, for the immediately preceding calendar year, together with reasonable supporting data therefor, such audit to occur during business hours and with at least Five (5) Business Days' prior notice to the Audited Party, and which shall commence no later than thirty (30) days following the date of the Auditing Party's Notice, as such date may be extended on a day for day basis to the extent the Audited Party delays the Audited Party's access to such books and records following the request therefor. If Landlord or Tenant fails to deliver Notice within the time period stated above, then the Additional Charge Invoices or Monthly Reports, as applicable, for the immediately preceding calendar year shall be deemed conclusive and binding upon such party.

(d) The Auditing Party and the Auditing Party's employees, accountants and agents shall treat all of the Audited Party's books and records, and any analysis thereof, as confidential, and, as a condition to any review of such books and records, the Auditing Party shall confirm such confidentiality obligation in writing by executing a confidentiality agreement in form and substance reasonably acceptable to Landlord and Tenant. The Auditing Party shall, at the Auditing Party's sole cost and expense, have the right to obtain copies and/or make abstracts of the books and records as it may reasonably request in connection with its verification of any such Additional Charge Invoices and/or the Monthly Reports, subject to the provisions of any such confidentiality agreement.

(e) Pending the determination of any dispute, Tenant shall pay all Additional Charges required to be paid in accordance with the Additional Charge Invoices in question; provided that the payment of such Additional Charges shall be without prejudice to Tenant's right to dispute such amounts or Tenant's right to recover if Tenant successfully challenges the Additional Charge Invoices. After the dispute has been finally resolved and it is determined that Landlord overstated the Additional Charges on the Additional Charge Invoices in question, then (i) Landlord shall refund to Tenant the amount of such overpayment together with interest thereon at the Overdue Rate no later than thirty (30) days following such determination and (ii) if it is determined that Tenant has overpaid such Additional Charges by more than five percent (5%), Landlord shall reimburse Tenant for Tenant's reasonable auditing fees incurred in connection with such determination no later than thirty (30) days following receipt of an invoice therefor (with reasonable backup) from Tenant. Landlord's obligation to make such payment shall survive the expiration or earlier termination of this Master Lease.

(f) After a dispute has been finally resolved and it is determined that Tenant has underpaid any Additional Charges (to a party other than Landlord) based on the Landlord's audit set forth in this Section 3.3, Tenant shall pay the amount of such underpayment to the applicable party (together with all applicable interest and penalties related thereto) within thirty (30) days following such determination and shall send to Landlord, simultaneously with such payment, a copy of the invoice or check or other evidence of payment therefor. If it is determined that Tenant has underpaid such Additional Charges by more than five percent (5%), Tenant shall reimburse Landlord for Landlord's reasonable auditing fees incurred in connection with such determination no later than thirty (30) days following receipt of an invoice therefor (with reasonable backup) from Landlord. Tenant's obligation to make such payment shall survive the expiration or earlier termination of this Master Lease.

3.4 Net Lease. Landlord and Tenant acknowledge and agree that (i) this Master Lease is and is intended to be what is commonly referred to as a "net, net, net" or "triple net" lease, and (ii) the Rent shall be paid absolutely net to Landlord, so that this Master Lease shall yield to Landlord the full amount or benefit of the installments of Rent and Additional Charges throughout the Term with respect to each Facility subject to this Master Lease from time to time, all as more fully set forth in Article IV and subject to any other provisions of this Master Lease which expressly provide for adjustment or abatement of Rent or other charges. If Landlord commences any proceedings for non-payment of Rent or Additional Charges, Tenant will not interpose any counterclaim or cross complaint or similar pleading of any nature or description in such proceedings unless Tenant would lose or waive such claim by the failure to assert it. This shall not, however, be construed as a waiver of Tenant's right to assert such claims in a separate action

brought by Tenant. The covenants to pay Rent and other amounts hereunder are independent covenants, and Tenant shall have no right to hold back, offset or fail to pay any such amounts for default by Landlord or for any other reason whatsoever. Notwithstanding anything to the contrary contained herein, in the event Landlord defaults on its obligation to fund a Capital Improvement pursuant to Section 10.2(b) and such failure is not cured by Landlord within thirty (30) days following receipt of Notice from Tenant ofLandlord's failure to make such payment, Tenant shall be entitled to offset against the next subsequent payments of Rent the amount that Landlord was obligated to but failed to fund to Tenant with respect to such Capital Improvement under Section 10.2.

ARTICLE IV

4.1 Impositions. (a) Subject to Article XII relating to permitted contests, and without any duplication as to amounts payable by Tenant as Additional Charges to Landlord, Tenant shall pay, or cause to be paid, all Impositions before any fine, penalty, interest or cost may be added for non-payment. Tenant shall make such payments directly to the taxing authorities or such other third parties where feasible. Tenant's obligation to pay Impositions shall be absolutely fixed upon the date such Impositions become a Lien upon the Leased Property or any part thereof subject to Article XII. If any Imposition may, at the option of the taxpayer, lawfully be paid in installments, whether or not interest shall accrue on the unpaid balance of such Imposition, Tenant may pay the same, and any accrued interest on the unpaid balance of such Imposition, in installments as the same respectively become due and before any fine, penalty, premium, further interest or cost may be added thereto.

(b) Landlord shall prepare and file all tax returns and reports as may be required by Legal Requirements with respect to Landlord's net income, gross receipts, franchise taxes and taxes on its capital stock and any other returns required to be filed by or in the name of Landlord (the "**Landlord Tax Returns**"), and Tenant shall prepare and file all other tax returns and reports as may be required by Legal Requirements with respect to or relating to the Leased Property (including all Capital Improvements), and Tenant's Property. For the avoidance of doubt, to facilitate administrative efficiency and to mitigate the risk of duplication of tasks and double-taxation on assets that are on the books and records of Landlord and Tenant, Tenant shall file all tax returns and reports required by any Legal Requirements with respect to or relating to the Leased Property, the Capital Improvements, and Tenant's Property except to the extent Landlord is required (and Tenant is not otherwise permitted) to make such filing, in which case Landlord shall make such filing following Notice thereof from Tenant.

(c) Any refund due from any taxing authority in respect of any Imposition paid by or on behalf of Tenant on or after the date of this Master Lease or in respect of any period prior to theCommencement Date shall be paid over to or retained by Tenant. IfLandlord receives such refund from the taxing authority, Landlord shall pay such refund over to Tenant no later than thirty (30) days after receipt of such refund by Landlord.

(d) Landlord and Tenant shall, upon request of the other, provide such data as is maintained by the party to whom the request is made with respect to the Leased Property as may be necessary to prepare any required tax returns and reports. For any property covered by this Master Lease that is real property or personal property for tax purposes, Tenant shall file all

property tax returns in such jurisdictions where it must legally so file. Landlord, to the extent it possesses the same, and Tenant, to the extent it possesses the same, shall provide the other party, upon request, with cost and depreciation records necessary for filing returns for any property required to be reported hereunder. Where Landlord is legally required to file property tax returns, Tenant shall be provided with copies of assessment notices indicating a value in excess of the reported value in sufficient time for Tenant to file a protest.

(e) Billings for reimbursement by Tenant toLandlord of personal property or real property taxes and any taxes due under the Landlord Tax Returns, if and to the extent Tenant is responsible for such taxes under the terms of this Section 4.1, shall be accompanied by copies of a bill therefor and payments thereof which identify the personal property or real property or other tax obligations of Landlord with respect to which such payments are made.

(f) Impositions imposed or assessed in respect of the tax-fiscal period during which the Term terminates shall be adjusted and prorated between Landlord and Tenant, whether or not such Imposition is imposed or assessed before or after such termination, and Tenant's obligation to pay its prorated share thereof in respect of a tax-fiscal period during the Term shall survive such termination. Landlord will not voluntarily enter into agreements that will result in additional Impositions without Tenant's consent, which shall not be unreasonably withheld (it being understood that it shall not be reasonable to withhold consent to customary additional Impositions that other property owners of properties similar to the Leased Property customarily consent to in the ordinary course of business);provided Tenant is given reasonable opportunity to participate in the process leading to such agreement.

4.2 Utilities. Without duplication of any amounts payable by Tenant as Additional Charges toLandlord under Article III, Tenant shall pay or cause to be paid all charges for electricity, power, gas, oil, water and other utilities used in the Leased Property (including all Capital Improvements). Tenant shall also pay or reimburse Landlord in accordance with Article III for all costs and expenses of any kind whatsoever which at any time with respect to the Term hereof with respect to any Facility may be imposed against Landlord by reason of any of the covenants, conditions and/or restrictions affecting the Leased Property or any portion thereof, or with respect to easements, licenses or other rights over, across or with respect to any adjacent or other property which benefits the Leased Property, or any Capital Improvement. Landlord will not enter into any such agreements without Tenant's consent, which shall not be unreasonably withheld (it being understood that it shall not be reasonable to withhold consent to such agreements that do not adversely affect the use or future development of the Facility as a Communications Facility or increase Additional Charges payable under this Master Lease). Tenant will not enter into agreements that will encumber the Leased Property after the expiration of the Term without Landlord's consent, which shall not be unreasonably withheld (it being understood that it shall not be reasonable to withhold consent to Encumbrances that do not adversely affect the value of the Leased Property or the Facility); provided Landlord is given reasonable opportunity to participate in the process leading to such agreement.

4.3 Impound Account. At Landlord's option following the occurrence and during the continuation of anEvent of Default (to be exercised by thirty (30) days' Notice to Tenant), Tenant shall be required to deposit, at the time of any payment of Rent, an amount equal to one-twelfth of the sum of (i) Tenant's estimated annual real and personal property taxes required

pursuant to Section 4.1 hereof (as reasonably determined by Landlord), and (ii) Tenant's estimated annual maintenance expenses and insurance premium costs pursuant to Articles IX and Article XIII hereof (as reasonably determined byLandlord). Such amounts shall be applied to the payment of the obligations in respect of which said amounts were deposited in such order of priority as Landlord shall reasonably determine, on or before the respective dates on which the same or any of them would become delinquent. The reasonable cost of administering such impound account shall be paid by Tenant. Nothing in this Section 4.3 shall be deemed to affect any right or remedy of Landlord hereunder.

ARTICLE V

5.1 No Termination, Abatement, etc. Except as otherwise specifically provided in this Master Lease including, without limitation, Section 3.4, Tenant shall remain bound by this Master Lease in accordance with its terms and shall not seek or be entitled to any abatement, deduction, deferment or reduction of Rent, or set-off against the Rent. Except as may be otherwise specifically provided in this Master Lease, the respective obligations of Landlord and Tenant shall not be affected by reason of (i) any damage to or destruction of the Leased Property or any portion thereof from whatever cause or any Condemnation of the Leased Property, any Capital Improvement or any portion thereof; (ii) other than as a result of Landlord's willful misconduct or gross negligence, the lawful or unlawful prohibition of, or restriction upon, Tenant's use of the Leased Property, any Capital Improvement or any portion thereof, the interference with such use by any Person or by reason of eviction by paramount title; (iii) any claim that Tenant has or might have against Landlord by reason of any default or breach of any warranty by Landlord hereunder or under any other agreement between Landlord and Tenant or to which Landlord and Tenant are parties; (iv) any bankruptcy, insolvency, reorganization, consolidation, readjustment, liquidation, dissolution, winding up or other proceedings affecting Landlord or any assignee or transferee of Landlord; or (v) for any other cause, whether similar or dissimilar to any of the foregoing, other than a discharge of Tenant from any such obligations as a matter of law. Tenant hereby specifically waives all rights arising from any occurrence whatsoever which may now or hereafter be conferred upon it by law (a) to modify, surrender or terminate this Master Lease or quit or surrender the Leased Property or any portion thereof, or (b) which may entitle Tenant to any abatement, reduction, suspension or deferment of the Rent or other sums payable by Tenant hereunder except in each case as may be otherwise specifically provided in this Master Lease. Notwithstanding the foregoing, nothing in this Article V shall preclude Tenant from bringing a separate action against Landlord for any matter described in the foregoing clauses (ii), (iii) or (v), and Tenant is not waiving other rights and remedies not expressly waived herein. The obligations of Landlord and Tenant hereunder shall be separate and independent covenants and agreements and the Rent and all other sums payable by Tenant hereunder shall continue to be payable in all events unless the obligations to pay the same shall be terminated pursuant to the express provisions of this Master Lease or by termination of this Master Lease as to all or any portion of the Leased Property other than by reason of an Event of Default. Tenant's agreement that, except as may be otherwise specifically provided in this Master Lease, any eviction by paramount title as described in item (ii) above shall not affect Tenant's obligations under this Master Lease, shall not in any way discharge or diminish any obligation of any insurer under any policy of title or other insurance and, to the extent the recovery thereof is not necessary to compensate Landlord for any damages incurred by any such eviction, Tenant shall be entitled to a credit for any sums recovered by Landlord under any such

policy of title or other insurance up to the maximum amount paid by Tenant to Landlord under this Section 5.1, and Landlord, upon request by Tenant, shall assign Landlord's rights under such policies to Tenant; provided that such assignment does not adversely affect Landlord's rights under any such policy and provided further, that Tenant shall indemnify, defend, protect and save Landlord harmless from and against any liability, cost or expense of any kind that may be imposed upon Landlord in connection with any such assignment except to the extent such liability, cost or expense arises from the gross negligence or willful misconduct of Landlord.

ARTICLE VI

6.1 Ownership of the Leased Property. (a) Landlord and Tenant acknowledge and agree that they have executed and delivered this Master Lease with the understanding that (i) the Leased Property is the property of Landlord, (ii) Tenant has only the right to the possession and use of the Leased Property upon the terms and conditions of this Master Lease, (iii) this Master Lease is a "true lease," is not a financing lease, capital lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of this Master Lease are those of a true lease, (iv) the business relationship created by this Master Lease and any related documents is and at all times shall remain that of landlord and tenant, (v) this Master Lease has been entered into by each party in reliance upon the mutual covenants, conditions and agreements contained herein, and (vi) none of the agreements contained herein is intended, nor shall the same be deemed or construed, to create a partnership between Landlord and Tenant, to make them joint venturers, to make Tenant an Affiliate, agent, legal representative, partner, subsidiary or employee of Landlord, or to make Landlord in any way responsible for the debts, obligations or losses of Tenant.

(b) Each of the parties hereto covenants and agrees, subject to Section 6.1(c), not to (i) file any income tax return or other associated documents; (ii) file any other document with or submit any document to any governmental body or authority; (iii) enter into any written contractual arrangement with any Person; or (iv) release any financial statements of Tenant, in each case that takes a position for tax purposes other than that this Master Lease is a "true lease" with Landlord as owner of the Leased Property and Tenant as the tenant of the Leased Property, including (x) treating Landlord as the owner of such Leased Property eligible to claim depreciation deductions under Sections 167 or 168 of the Code with respect to such Leased Property, (y) Tenant reporting its Rent payments as rent expense under Section 162 of the Code, and (z) Landlord reporting the Rent payments as rental income under Section 61 of the Code.

(c) If Tenant should reasonably conclude that GAAP, the SEC or the Communications Regulations require treatment different from that set forth in Section 6.1(b) for applicable non-tax purposes, then (x) Tenant shall promptly give prior Notice to Landlord, accompanied by a written statement that references the applicable pronouncement that controls such treatment and contains a brief description and/or analysis that sets forth in reasonable detail the basis upon which Tenant reached such conclusion, and (y) notwithstanding Section 6.1(b), Tenant may comply with such requirements.

(d) The Rent is the fair market rent for the use of the Leased Property and was agreed to by Landlord and Tenant on that basis, and the execution and delivery of, and the performance by Tenant of its obligations under, this Master Lease does not constitute a transfer of all or any part of the Leased Property.

(e) Tenant waives any claim or defense based upon the characterization of this Master Lease as anything other than a true lease and as a master lease of all of the Leased Property. Tenant stipulates and agrees (1) not to challenge the validity, enforceability or characterization of the lease of the Leased Property as a true lease and/or as a single, unseverable instrument pertaining to the lease of all, but not less than all, of the Leased Property, and (2) not to assert or take or omit to take any action inconsistent with the agreements and understandings set forth in Section 3.4 or this Section 6.1.

6.2 Tenant's Property. During the entire Term, Tenant (and Tenant's Subsidiaries) shall have the right to affix any Electronics and other equipment to the Distribution Systems in order to operate the Facilities for the Primary Intended Use. Tenant shall maintain (or cause Tenant's Subsidiaries to maintain) all of such Tenant's Property in accordance with Prudent Industry Practice, in all cases as shall be necessary and appropriate in order to operate the Facilities for the Primary Intended Use in compliance in all material respects with all applicable licensure and certification requirements and in compliance in all material respects with all applicable Legal Requirements, Insurance Requirements, Permits and Communications Regulations. If any of Tenant's Property requires replacement in order to comply with the foregoing, Tenant shall replace (or cause Tenant's Subsidiary to replace) it with similar property in a manner consistent with Prudent Industry Practice at Tenant's (or such Subsidiary's) sole cost and expense. Subject to the foregoing, Tenant and Tenant's Subsidiaries may sell, transfer, convey, pledge or otherwise dispose of Tenant's Property (other than the Communications Licenses) in their discretion in the ordinary course of their business and Landlord shall have no rights to such Tenant's Property, provided however any pledge of Tenant's Property (including any Communications Licenses), any TCI ILEC Extensions and any TCI CLEC Extensions by Tenant as collateral shall be subject to Tenant's obligation to transfer the Tenant's Property and such TCI ILEC Extensions and TCI CLEC Extensions to a Successor Tenant pursuant to Article XXXVI free and clear of any Encumbrances but only to the extent the same constitute Communication Assets. In the case of any such Tenant's Property that is leased (rather than owned) by Tenant (or its Subsidiaries), Tenant shall use commercially reasonable efforts to ensure that the lease agreements pursuant to which Tenant (or its Subsidiaries) leases such Tenant's Property are assignable to third parties in connection with any transfer by Tenant (or its Subsidiaries) to a replacement lessee or operator at the end of the Term. Tenant shall remove all of Tenant's Property from the Leased Property at the end of the Term, except to the extent Tenant has transferred ownership of such Tenant's Property to a Successor Tenant or Landlord or Tenant continues to operate the Leased Property under a Management Agreement. Any Tenant's Property left on the Leased Property at the end of the Term whose ownership was not transferred to a Successor Tenant shall be deemed abandoned by Tenant and shall become the property of Landlord.

ARTICLE VII

7.1 Condition of the Leased Property. Tenant acknowledges receipt and delivery of possession of the Leased Property and confirms that Tenant has examined and otherwise has knowledge of the condition of the Leased Property prior to the execution and delivery of this

Master Lease and has found the same to be in good order and repair and, to the best of Tenant's knowledge, free from Hazardous Substances not in compliance with Legal Requirements and satisfactory for its purposes hereunder. Regardless, however, of any examination or inspection made by Tenant and whether or not any patent or latent defect or condition was revealed or discovered thereby, Tenant is leasing the Leased Property "as is" in its present condition. Tenant waives any claim or action againstLandlord in respect of the condition of the Leased Property including any defects or adverse conditions not discovered or otherwise known by Tenant as of the Commencement Date. LANDLORD MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IN RESPECT OF THE LEASED PROPERTY OR ANY PART THEREOF, EITHER AS TO ITS FITNESS FOR USE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE, OR AS TO THE NATURE OR QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR THE EXISTENCE OF ANY HAZARDOUS SUBSTANCE, IT BEING AGREED THAT ALL SUCH RISKS, LATENT OR PATENT, ARE TO BE BORNE SOLELY BY TENANT INCLUDING ALL RESPONSIBILITY AND LIABILITY FOR ANY ENVIRONMENTAL REMEDIATION AND COMPLIANCE WITH ALL ENVIRONMENTAL LAWS.

7.2 Use of the Leased Property. (a) Throughout the Term of this Master Lease, Tenant shall have the exclusive right to use, or cause to be used, the Leased Property of each Facility for its Primary Intended Use; it being agreed and acknowledged byLandlord that any of Tenant's Subsidiaries (including but not limited to the Subsidiaries set forth on Schedule 7.2 attached hereto) shall have the right to use, occupy and operate the Leased Property subject to and in accordance with the terms of thisMaster Lease and such Subsidiaries shall have the right to discharge any or all of Tenant's obligations (maintenance or otherwise) hereunder on behalf of Tenant. Tenant shall not use the Leased Property or any portion thereof or any Capital Improvement thereto for any other use without the prior written consent ofLandlord, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Tenant shall not commit or suffer to be committed any waste on the Leased Property (including any Capital Improvement thereto) or cause or permit any nuisance thereon or to, except as required by law, take or suffer any action or condition that will diminish the ability of the Leased Property to be used as a Communications Facility after the expiration or earlier termination of the Term.

(c) Tenant shall neither suffer nor permit theLeased Property or any portion thereof to be used in such a manner as (i) might reasonably tend to impair Landlord's title thereto or to any portion thereof or (ii) may make possible a claim of adverse use or possession, or an implied dedication of the Leased Property or any portion thereof.

(d) Except in instances of casualty or condemnation, Tenant shall continuously operate each of theFacilities for one or more of the activities constituting the Primary Intended Use, with the specific use conducted at any portion of the Facilities to be determined by Tenant in its reasonable discretion. Notwithstanding the foregoing, Tenant in its discretion shall be permitted to cease operations at a Facility or Facilities if such cessation would either (x) not reduce the route miles of the fiber optic and copper cable lines with respect to any one Facility by more than ten percent (10%) or the Facilities as a whole by more than five percent (5%) in the aggregate over the Term or (y) not reasonably be expected to have a material

adverse effect on Tenant, the Facilities, or on the Leased Property, taken as a whole, provided that no Event of Default has occurred and is continuing immediately prior to or immediately after the date that operations are ceased or as a result of such cessation and such cessation does not result in any non-compliance with any Legal Requirements, Communications Licenses, Pole Agreements or Communications Regulations.

(e) Any sublease (including, but not limited to, any rights granted pursuant to a dark fiber agreement, a dim fiber agreement or a collocation agreement) entered into in accordance with the terms of this Master Lease shall constitute a permitted use under this Master Lease and such use thereunder shall be deemed to be included in the definition of Primary Intended Use.

(f) Tenant shall have the right to receive all rents, profits and charges arising from the Primary Intended Use of the Leased Property or any sublease of the Leased Property, including but not limited to: (i) contract charges and tariffed rates to third parties on a wholesale basis, (ii) rents collected from Pole Agreements, and (iii) payments from customer or carriers for dark or dim fiber services. Without limiting the foregoing, Landlord acknowledges that Tenant (and Tenant's Subsidiaries) may charge contract and/or tariff rates to other carriers in such amounts as Tenant deems appropriate (subject to Legal Requirements) in performing its obligations under the Communication Regulations (including Tenant's collocation obligations) and that Landlord has no rights to the amounts that Tenant collects from such carriers in connection therewith during the Term. Notwithstanding the foregoing, upon the occurrence and during the continuance of an Event of Default that is monetary in nature, Landlord shall have the right to receive all rents, profits and charges arising from any sublease of the Leased Property (including, but not limited to, any rights granted pursuant to a dark fiber agreement, a dim fiber agreement or a collocation agreement) subject to applicable law, and apply such rents, profits and charges to Rent as set forth in Section 22.3.

7.3 Competing Business.

(a) Tenant's Rights Regarding Facility Expansions. Tenant shall be permitted (but not required) to construct Capital Improvements in accordance with the terms of Article X hereof; provided however, that Tenant shall be required to construct Capital Improvements to the extent the construction of such Capital Improvements are necessary in order for Tenant to comply with its obligations under Section 9.1.

(b) Landlord's Rights Regarding Facility Expansions. Landlord shall not, without Tenant's prior written consent, (i) construct fiber, copper, coaxial and fixed wireless facilities for any Person other than Tenant or its Subsidiaries within the same local exchange area of the incumbent local exchange carriers that are Subsidiaries of Tenant and are operating the Facilities being leased by Tenant under this Master Lease or (ii) construct for any Person other than Tenant or its Subsidiaries an extension (including extensions in the form of fiber, copper, coaxial or fixed wireless facilities) of any incumbent local exchange carrier Facility under this Master Lease into a geographic area that adjoins the local exchange area of any incumbent local exchange carrier Facilities that are leased by Tenant under this Master Lease. For the avoidance of doubt, nothing herein shall restrict Landlord's ability to construct fiber, copper, coaxial and fixed wireless distribution systems (i) for any Person to the extent such distribution systems are

located in the same local exchange area of the competitive local exchange carriers that are Subsidiaries of Tenant and are operating the Facilities being leased by Tenant under this Master Lease or (ii) for any Person to the extent such distribution systems are located in the same local exchange area of the incumbent local exchange carriers that are Subsidiaries of Tenant but do not operate the Facilities being leased by Tenant under this Master Lease. Notwithstanding anything to the contrary contained herein, Landlord shall be permitted to acquire fiber, copper, coaxial and fixed wireless facilities from any Person without having to obtain Tenant's consent.

(c) No Other Restrictions. Except as otherwise expressly set forth in this Master Lease, each of Landlord and Tenant shall not be restricted from participating in opportunities, including, without limitation, developing, building, purchasing or operating Communications Facilities at any time.

ARTICLE VIII

8.1 Representations and Warranties. Except as set forth in the disclosure letter attached to the Distribution Agreement, each party represents and warrants to the other that: (i) this Master Lease and all other documents executed or to be executed by it in connection herewith have been duly authorized and shall be binding upon it; (ii) it is duly organized, validly existing and in good standing under the laws of the state of its formation and is duly authorized and qualified to perform this Master Lease within the State(s) where any portion of the Leased Property is located; and (iii) neither this Master Lease nor any other document executed or to be executed in connection herewith constitutes a material breach of any other agreement of such party.

8.2 Compliance with Legal and Insurance Requirements, etc.

(a) Subject to Article XII regarding permitted contests, Tenant, at its expense, shall promptly (and shall cause Tenant's Subsidiaries to promptly) (a) comply in all material respects with all Legal Requirements and Insurance Requirements regarding the use, operation, maintenance, repair and restoration of the Leased Property (including all Capital Improvements thereto) and Tenant's Property whether or not compliance therewith may require structural changes or replacements to any of the Leased Improvements or Distribution Systems or interfere with the use and enjoyment of the Leased Property and (b) procure, maintain and comply in all material respects with all Communications Regulations, Communications Licenses, Easements, Pole Agreements and other authorizations required for the use of the Leased Property (including all Capital Improvements) and Tenant's Property for the applicable Primary Intended Use and any other use of the Leased Property (including Capital Improvements then being made) and Tenant's Property, and for the proper erection, installation, operation and maintenance of the Leased Property and Tenant's Property. Without limiting the foregoing, Tenant shall (and shall cause Tenant's Subsidiaries) to comply in all material respects with all federal, state and local regulatory requirements and all Legal Requirements with respect to the standards for the construction, maintenance and operation of the Distribution Systems, membership in, if required, and updates to state "One Call" organizations and reporting requirements for network outages.

(b) In an emergency or in the event of a breach by Tenant of its obligations under this Section 8.2 which is not cured within any applicable cure period, Landlord may, but shall not be obligated to, enter upon the Leased Property and take such reasonable actions and

incur such reasonable costs and expenses to effect such compliance as it deems advisable to protect its interest in the Leased Property, and Tenant shall reimburse Landlord for all such reasonable costs and expenses incurred by Landlord in connection with such actions. Landlord shall comply in all material respects with any Communications Regulations or other regulatory requirements required of it as owner of the Facilities taking into account its Primary Intended Use (except to the extent Tenant fulfills or is required to fulfill any such requirements hereunder). Notwithstanding anything in the foregoing to the contrary, no transfer of Tenant's Property used in the conduct of the Primary Intended Use (including the purported or attempted transfer of a Communications License) or the operation of a Communications Facility for its Primary Intended Use shall be effected or permitted without receipt of all necessary approvals and/or Communications Licenses in accordance with applicable Communications Regulations.

8.3 Zoning and Uses. Without the prior written consent of Landlord, which shall not be unreasonably withheld unless the action for which consent is sought could adversely affect the Primary Intended Use of a Facility (in which event Landlord may withhold its consent in its sole and absolute discretion), Tenant shall not (i) initiate or support any limiting change in the permitted uses of the Leased Property (or to the extent applicable, limiting zoning reclassification of the Leased Property); (ii) seek any variance under existing land use restrictions, laws, rules or regulations (or, to the extent applicable, zoning ordinances) applicable to the Leased Property or use or permit the use of the Leased Property; (iii) impose or permit or suffer the imposition of any restrictive covenants, easements or other Encumbrances (other than Permitted Leasehold Mortgages) upon the Leased Property in any manner that adversely affects in any material respect the value or utility of the Leased Property; (iv) execute or file any subdivision plat affecting the Leased Property, or institute, or permit the institution of, proceedings to alter any tax lot comprising the Leased Property; or (v) permit or suffer the Leased Property to be used by the public or any Person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement (provided that the proscription in this clause (v) is not intended to and shall not restrict Tenant in any way from complying with any obligation it may have under applicable Legal Requirements, including, without limitation, Communications Regulations, to afford to third parties access to the Leased Property).

8.4 No Management Control. Nothing in this Master Lease shall give Landlord the power, either directly or indirectly, to direct, or cause the direction of, the management and policies of Tenant and/or its Subsidiaries.

ARTICLE IX

9.1 Maintenance and Repair. (a) Tenant, at its expense and without the prior consent of Landlord, shall maintain (or cause Tenant's Subsidiaries to maintain) the Leased Property and Tenant's Property, and every portion thereof (i) in accordance with Prudent Industry Practice and (ii) in a manner which complies with all federal and state utility commission delivery standards, in each instance whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of the Leased Property and Tenant's Property. Without limiting the foregoing, Tenant, at its expense, shall be responsible for (i) coordinating with local, state or federal governmental authorities to execute moves and relocations of the Distribution Systems and the Leased Improvements, (ii) complying with any other requirements instituted by

such authorities in order to perform the Primary Intended Use at the Leased Property in accordance with Prudent Industry Practice, (iii) repairing fiber and copper cuts with respect to the Distributions Systems on a timely basis, and (iv) replacing poles, conduits and such other facilities at the Leased Property as may be required from time to time in order to comply with its obligations hereunder.

(b) Tenant shall perform the maintenance obligations hereunder with reasonable promptness and make all reasonably necessary and appropriate repairs thereto of every kind and nature, including those necessary to ensure continuing compliance in all material respects with all Legal Requirements, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to the Commencement Date. All repairs shall be consistent with Prudent Industry Practice and in no event shall Tenant remove (except in the case of a replacement performed in accordance with the terms hereof) any portion of the Distribution Systems without obtaining Landlord's prior consent, which shall not be unreasonably withheld, conditioned or delayed. Tenant will not take or omit to take any action which would reasonably be expected to materially impair the value or the usefulness of the Leased Property or any part thereof or any Capital Improvement thereto for its Primary Intended Use. Tenant shall provide, at its expense, periodic reports (no less than quarterly) to Landlord, as reasonably requested by Landlord from time to time, on operational matters in sufficient detail to enable Landlord to confirm that Tenant is discharging its maintenance and other obligations under this Master Lease; provided, however, Tenant shall not be required to collect or report any information that it does not regularly collect and report for use in its oversight of operations of facilities comparable to the Distribution Systems which Tenant or any of its Subsidiaries owns. Without limiting the provisions of Section 24.1, Landlord's shall have the right to inspect the Leased Property from time to time and/or request information from Tenant, upon reasonable advance notice to Tenant, to confirm that Tenant is discharging its maintenance obligations under this Master Lease.

(c) Landlord shall not under any circumstances be required to (i) build or rebuild any improvements on the Leased Property; (ii) make any repairs, replacements, alterations, upgrades, restorations or renewals of any nature to the Leased Property, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto; or (iii) maintain the Leased Property in any way. Tenant hereby waives, to the extent permitted by law, the right to make repairs at the expense of Landlord pursuant to any law in effect at the time of the execution of this Master Lease or hereafter enacted.

(d) Nothing contained in this Master Lease and no action or inaction by Landlord shall be construed as (i) constituting the consent or request of Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to the Leased Property or any part thereof or any Capital Improvement thereto; or (ii) giving Tenant any right, power or permission to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Landlord in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, claim or other Encumbrance upon the estate of Landlord in the Leased Property, or any portion thereof or upon the estate of Landlord in any Capital Improvement thereto.

(e) Tenant acknowledges and agrees that all system maps and records for the Distribution Systems are the property of Landlord and shall be maintained by Tenant within Tenant's engineering systems and records during the Term. Tenant shall provide Landlord with electronic access to the system maps and records for the Distribution Systems and copies of such system maps and records, in each case, pursuant to an arrangement mutually acceptable to both parties.

(f) Tenant shall, upon the expiration or earlier termination of the Term, (a) vacate and surrender the Leased Property (including all Capital Improvements, subject to the provisions of Article X), in each case with respect to such Facility, to Landlord in the condition in which such Leased Property was originally received from Landlord and Capital Improvements were originally introduced to such Facility, except as repaired, rebuilt, restored, altered or added to as permitted or required by the provisions of this Master Lease and except for ordinary wear and tear and (b) provide an electronic copy of (or mutually acceptable access arrangement for) all system maps and records for the Distribution Systems to Landlord or the Successor Tenant, provided however, that in the case where Tenant has exercised the right to extend the Term of this Master Lease for less than all of the Leased Property in accordance with Section 1.4, Tenant shall only be required to surrender the Leased Property and the system maps and records related to the maintenance and operation for the Non-Renewal Leased Properties upon the expiration or earlier termination of the then current Term.

9.2 Pole Provisions.

(a) Tenant, at its expense, shall (i) maintain (or cause to be maintained) all Easements, Permits and Pole Agreements, including any franchise or right of way license agreements required by any governmental authority in connection with such Easements, Permits and Pole Agreements, (ii) diligently perform, observe and enforce all of the terms, covenants and conditions of the Easements, Permits and Pole Agreement on the part of Tenant to be performed, observed and enforced in all material respects, (iii) promptly notify Landlord of the giving of any notice to Tenant of any default or violation by Tenant in the performance or observance of any of the terms, covenants or conditions of the Easements, Permits or Pole Agreements, (iv) subject to Article XII relating to permitted contests and Section 9.2(f) relating to transfers, pay all costs, fees, charges and rents due under the Easements, Permits and Pole Agreement, and (v) not terminate, cancel or surrender any Easements, Pole Agreements or Permits without Landlord's prior written consent (such consent not to be unreasonably withheld).

(b) Tenant, as Landlord's agent, shall have the right to modify any existing Permits or Pole Agreements without obtaining Landlord's prior consent so long as each of the following conditions are met: (i) the total amount payable under such proposed modifications does not exceed three percent (3%) of the aggregate annual rental rates and permit fees for Permits and Pole Agreements and such amount is equitably apportioned over the term of such modified Permits or Pole Agreements, (ii) such proposed modifications are on market terms and conditions and otherwise commercially reasonable, (iii) the terms of such proposed modifications do not impose any other obligations on Landlord or impair Landlord's rights with

respect to the Leased Property and (iv) Landlord shall continue to hold the beneficial ownership interests in such modified Permits or Pole Agreements and legal title to such modified Permits or Pole Agreements shall revert to Landlord at the end of the Term for the applicable Facility. If the foregoing conditions are not satisfied, Tenant shall not have the right to modify any existing Permits or Pole Agreements without obtaining Landlord's prior written consent, which shall not be unreasonably withheld.

(c) Subject to Article XII relating to permitted contests, Tenant shall be responsible for (or cause to be paid) all fees, rents and other payments required to be made under the terms of such Easements, Pole Agreements and Permits (including any franchise or right of way license agreements) in accordance with Section 4.1. Without limiting the foregoing, Tenant shall be responsible for the calculation and payment of all rent or other charges due under any franchise or right of way license agreements (including any fees based on revenue) with respect to the Leased Property and shall upon request promptly furnish evidence to Landlord confirming payment of such amounts (together with back-up calculation and information reasonably necessary to support the determination of any payment). Tenant shall be permitted to recover the costs of any fees paid under any franchise agreement or right of way license agreement from its customers except to the extent prohibited by Legal Requirements.

(d) Tenant (or Tenant's Subsidiaries) shall maintain a sufficient number of personnel and sufficient resources in order to perform the obligations of Tenant and/or Landlord under the Pole Agreements in a timely manner, including obligations under the Pole Agreement to provide third parties with access to the poles on the Leased Property and to perform make-ready and pole replacements.

(e) In the event any pole owners exercise any audit rights under the Pole Agreements, Tenant shall, at its cost and expense, (x) comply with, participate and perform all of its obligations relating such audit requests, and (y) subject to Article XII relating to permitted contests, pay any charges and such other fees and penalties determined to be owed to a pole owner as a result of such audit, including any fees and penalties for back rent, safety violations, unauthorized attachments, and trespass. Tenant shall have the right to enter into settlement agreements or modifications to Pole Agreements for audit disputes without Landlord's consent provided that (i) no Event of Default then exists, (ii) Tenant promptly and with commercially reasonable diligence negotiates a modification or settlement relating to such audit, (iii) the terms of such settlement agreement or modification do not impose any obligations on Landlord or impair Landlord's rights with respect to the Leased Property, and (iv) any and all monetary amounts payable thereunder are Tenant's sole responsibility and such amounts are paid in accordance with the terms of such settlement agreement or modification. Tenant shall consult with Landlord in the event Tenant proposes to enter into a settlement agreement or modification of a Pole Agreement in connection with an audit dispute involving amounts equal to or greater than $200,000.

(f) At Landlord's option, Tenant shall (or shall cause Tenant's Subsidiaries to) convey legal title to Landlord (or its designee) with respect to any or all of the Easements, Permits and Pole Agreements, provided that with respect to any conveyance, the following terms and conditions are satisfied: (i) Landlord has obtained all requisite certificates, consents, approvals, licenses and permits necessary for Landlord to hold legal title to such Easements, Permits and and/or Pole Agreements, (ii) Landlord pays all related transfer taxes and other costs

and expenses related to the conveyance, (iii) Landlord will cooperate with Tenant to allow Tenant to obtain all requisite certificates, consents, approvals, licenses and permits necessary for Tenant to continue to operate and maintain the Leased Property in its own name pursuant to this Master Lease and (iv) Landlord will promptly execute such additional documents and instruments reasonably requested by Tenant (such as a letter of authorization or a contractor's certificate directing a third party to recognize Tenant as having the right to access any portion of the Leased Property covered by the Easements, Permits and/or Pole Agreements) to enable Tenant to exercise its rights with respect to the Leased Property and perform its obligations under this Master Lease. Subject to the satisfaction of the conditions set forth in the immediately preceding sentence, Tenant shall, at no cost and expense to Tenant, cooperate with Landlord in effectuating the conveyance of legal title to Landlord (or its designee) for the applicable Easements, Permits and/or Pole Agreements, which cooperation shall include executing such documents as reasonably requested by Landlord to ensure that Landlord or its designee is named as record owner under the applicable Easements, Permits and/or Pole Agreements. In no event shall any conveyance of legal title to Landlord or its designee with respect to any Easement, Permit or Pole Agreement under this Section 9.2 reduce or otherwise modify Tenant's obligations under this Master Lease; it being agreed and understood that Tenant shall continue to be obligated to pay all license fees, usage fees, charges and other Impositions associated with any Easement, Permit and/or Pole Agreement for which legal title has been transferred to Landlord (or its designee). Notwithstanding the foregoing, Landlord shall be responsible for the payment of any license fees, usage fees, charges and other Impositions due under any such Easement, Permit and/or Pole Agreement that are solely attributable to legal title of such Easement, Permit or Pole Agreement having been transferred to Landlord (or its designee).

9.3 Encroachments, Restrictions, Mineral Leases, etc.

(a) If any of the Leased Improvements shall, at any time, encroach upon any property, street or right-of-way, or shall violate any restrictive covenant or other agreement affecting the Leased Property, or any part thereof or any Capital Improvement thereto, or shall impair the rights of others under any easement or right-of-way to which the Leased Property is subject, or the use of the Leased Property or any Capital Improvement thereto is impaired, limited or interfered with by reason of the exercise of the right of surface entry or any other provision of a lease or reservation of any oil, gas, water or other minerals and such encroachment or violation does not result from a breach by Tenant of its obligations under Section 9.2, then promptly upon the request of Landlord, each of Tenant and Landlord, subject to their right to contest the existence of any such encroachment, violation or impairment, shall protect, indemnify, save harmless and defend the other party hereto from and against fifty percent (50%) of all losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such encroachment, violation or impairment. In the event of an adverse final determination with respect to any such encroachment, violation or impairment, either (a) each of Tenant and Landlord shall be entitled to obtain valid and effective waivers or settlements of all claims, liabilities and damages resulting from each such encroachment, violation or impairment, whether the same shall affect Landlord or Tenant or (b) Tenant at the shared cost and expense of Tenant and Landlord on a 50-50 basis shall make such changes in the Leased Improvements, and take such other actions, as Tenant in the good faith exercise of its judgment deems reasonably practicable, to remove such encroachment or to end such violation

or impairment, including, if necessary, the alteration of any of the Leased Improvements, and in any event take all such actions as may be necessary in order to be able to continue the operation of the Leased Improvements for the Primary Intended Use substantially in the manner and to the extent the Leased Improvements were operated prior to the assertion of such encroachment, violation or impairment.

(b) Tenant's (and Landlord's) obligations under this Section 9.3 shall be in addition to and shall in no way discharge or diminish any obligation of any insurer under any policy of title or other insurance and, to the extent the recovery thereof is not necessary to compensate Landlord and Tenant for any damages incurred by any such encroachment, violation or impairment, Tenant shall be entitled to fifty percent (50%) of any sums recovered by Landlord under any such policy of title or other insurance up to the maximum amount paid by Tenant under this Section 9.3 and Landlord, upon request by Tenant, shall assign Landlord's rights under such policies to Tenant; provided such assignment does not adversely affect Landlord's rights under any such policy.

(c) Landlord agrees to use reasonable efforts to seek recovery under any policy of title or other insurance under which Landlord is an insured party for all losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such encroachment, violation or impairment as set forth in this Section 9.3; provided, however, that in no event shall Landlord be obligated to institute any litigation, arbitration or other legal proceedings in connection therewith unless Landlord is reasonably satisfied that Tenant has the financial resources needed to fund such litigation and Tenant and Landlord have agreed upon the terms and conditions on which such funding will be made available by Tenant, including, but not limited to, the mutual approval of a litigation budget.

ARTICLE X

10.1 Construction of Capital Improvements to the Leased Property. Tenant shall, with respect to any Facility, have the right to make a Capital Improvement, including, without limitation, any Capital Improvement required by Section 8.2 or 9.1(a), without the consent of Landlord if the Capital Improvement is constructed in accordance with the Engineering Standard. Tenant shall have the right to modify the Engineering Standard from time to time subject to Landlord's consent, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant shall have the right, without Landlord's consent, to modify the Engineering Standard as long as the modification is consistent with prevailing industry practice and is in compliance with applicable Legal Requirements. All Capital Improvements that do not comply with the Engineering Standard shall be subject to Landlord's review and approval, which approval shall not be unreasonably withheld. If Tenant desires to make a Capital Improvement for which Landlord's approval is required, Tenant shall submit to Landlord in reasonable detail a general description of the proposal, the projected cost of construction and such plans and specifications, permits, licenses, contracts and other information concerning the proposal as Landlord may reasonably request. It shall be reasonable for Landlord to condition its approval of any Capital Improvement upon any or all of the following terms and conditions:

(a) Such construction shall be effected pursuant to detailed plans and specifications approved by Landlord (such approval not to be unreasonably withheld) for the Capital Improvements in which detailed plans and specifications are customarily prepared;

(b) Such construction shall be conducted under the supervision of an architect or engineer selected by Tenant and approved by Landlord, which approval shall not be unreasonably withheld; and

(c) No Capital Improvement will result in the Leased Property becoming a "limited use" property for purposes of United States federal income taxes.

10.2 Landlord's Funding of Capital Improvements.

(a) No later than November 15th of each calendar year, Tenant shall furnish to Landlord a report of Capital Improvements planned for each Facility for the immediately following calendar year (such report, the "**Annual Capital Improvement Plan**") that Tenant seeks Landlord to finance (in whole or in part), which report shall set forth in reasonable detail the plans, specifications, budget, the amount of financing that Tenant is requesting from Landlord (the "**Requested Funding Amount**"), along with the construction and/or acquisition schedule for such Capital Improvements. No later than twenty (20) days following Landlord's receipt of the Annual Capital Improvement Plan, Landlord and Tenant shall cause their representatives (including a Financial Officer and an engineer for each of Landlord and Tenant) to meet at Landlord's office in order to discuss the Annual Capital Improvement Plan.

(b) Within thirty (30) days from the date of such meeting (the "**Outside Date**"), Landlord shall notify Tenant whether it will fund all or a portion of the Requested Funding Amount and the terms and conditions on which it would do so. Notwithstanding the foregoing but subject to the terms of this Section 10.2(b), in the event either (i) Tenant exercises the Initial Extension Right in accordance with Section 1.3, and in connection therewith, Landlord agrees to provide the Full Funding Commitment in accordance with this Section 10.2(b), or (ii) Tenant is deemed not to have exercised the Initial Extension Right in accordance with Section 1.3 but Landlord agrees to provide a Limited Funding Commitment in accordance with this Section 10.2(b), then, in either case, commencing with the Lease Year immediately following Landlord's receipt of the Initial Extension Notice and continuing for a maximum period of five (5) consecutive Lease Years (or such shorter period as hereinafter provided), Landlord agrees to pay to Tenant, taking into account any prior payments made by Landlord to Tenant under this Section 10.2 during the applicable Lease Year, an amount equal to the actual costs paid by or on behalf of Tenant in the performance of the applicable Capital Improvement that is the subject of the Requested Funding Amount until the Full Funding Commitment or Limited Funding Commitment, as applicable, for such Lease Year has been fully depleted. Notwithstanding anything to the contrary contained herein, in no event shall Landlord have any obligation to provide funding to Tenant as a Full Funding Commitment or Limited Funding Commitment, as applicable, or otherwise for any Requested Funding Amounts from and after the seventh (7th) anniversary of the Commencement Date. If Landlord is required to fund any portion of a Capital Improvement pursuant to the terms hereof or otherwise agrees to provide funding for any portion of a Capital Improvement, including as a Full Funding Commitment or Limited Funding Commitment, at any time prior to the second (2nd) anniversary of the Commencement Date, the then current annual Rent under this Master Lease shall be increased, effective as of the date of such funding and continuing for the balance of the Initial Term, by an amount equal to the product of (i) the amount of the funds advanced by Landlord to Tenant for such Capital Improvement on such date multiplied by (ii) 8.125% (the "**Annual Base Increase Amount**"). For the avoidance of doubt, if Landlord provides funding to Tenant for a Capital Improvement in the amount of $30,000,000 prior to the second (2nd)

anniversary of the Commencement Date, the annual Rent shall be increased by an amount equal to$2,437,500 effective as of the date such funds are advanced by Landlord to Tenant but subject to proration for the Lease Year in which the funding occurs based on the number of calendar months remaining in such Lease Year from and after the date that the funds are advanced. Such annual Rent as so increased by the Annual Base Increase Amount shall remain in effect until any subsequent increase pursuant to this Section 10.2 and shall be paid in the manner provided in Article III. If Landlord is required to fund any portion of a Capital Improvement pursuant to the terms hereof or otherwise agrees to provide funding for any portion of a Capital Improvement from and after the second (2nd) anniversary of the Commencement Date and through and excluding the seventh (7th) anniversary of the Commencement Date, the then current annual Rent under this Master Lease shall be increased, effective as of the date of such funding and continuing for the balance of theInitial Term, by an amount equal to the product of (i) the amount of the funds advanced by Landlord to Tenant for such Capital Improvement on such date multiplied by (ii) a capitalization rate not to exceed two hundred (200) basis points above the average of Landlord's highest cost of debt's average implied yield over the preceding sixty (60) trading days and Landlord's average implied dividend yield over the preceding sixty (60) trading days. Within thirty (30) days after the Commencement Date, the parties will document the operating procedures for the funding of Capital Improvements, including, without limitation, the issuance of funding requests by Tenant, the due date for Landlord to disburse funds to Tenant, and the dispute resolution provisions. If Landlord fails to notify Tenant of its election to fund all or a portion of the Requested Funding Amount by the Outside Date or Landlord and Tenant fail to agree to on the terms and conditions by whichLandlord will fund the Requested Funding Amount by the Outside Date and such Requested Funding Amount is in excess of the Full Funding Commitment or Limited Funding Commitment, as applicable, for any Lease Year in which Landlord is obligated to provide a Funding Commitment or otherwise relates to a Capital Improvement during any Lease Year in which Landlord has no obligation to provide a Funding Commitment hereunder, Landlord shall be deemed to have declined to fund the Requested Funding Amount. In no event shall Tenant's obligations under Article VIII and IX of this Master Lease be reduced or modified in any manner as a result ofLandlord declining to provide the Requested Funding Amount for a Capital Improvement and such Requested Funding Amount is in excess of the Funding Commitment for any Lease Year in which Landlord agreed to provide a Funding Commitment or otherwise relates to a Capital Improvement to be constructed during any Lease Year in which Landlord has not agreed to provide a Funding Commitment hereunder.

(c) If Tenant constructs a Capital Improvement that is not funded by Landlord (each a "**Tenant Capital Improvement**") and the Capital Improvement constitutes maintenance, repair, overbuild, upgrade or replacement of the Leased Property, including, without limitation, the replacement of copper distribution systems with fiber distribution systems (each a "**TCI Replacement**"), then such TCI Replacement shall automatically become a part of the Leased Property. If a Tenant Capital Improvement constitutes an Extension of the Distribution Systems to a New Geographic Area where Tenant or its Subsidiaries are licensed as an incumbent local exchange carrier (each a "**TCI ILEC Extension**"), then Tenant shall receive fair value for such TCI ILEC Extension by having such TCI ILEC Extension included as part of the Communication Assets sold under Article XXXVI. If the Tenant Capital Improvement occurs where Tenant or its Subsidiaries are a competitive local exchange carrier and is not a TCI Replacement (each a "**TCI CLEC Extension**"), then Tenant may elect to remove the connections between the TCI CLEC

Extension and the Leased Property or, if the connection between the TCI CLEC Extension and the Leased Property is functionally independent, elect to leave such connection in place by delivering Notice of either such election to Landlord (which Notice shall also indicate Tenant's intent to enter into an interconnection agreement with the Successor Tenant for continuing access to the Leased Property and shall be delivered no later than (x) fifteen (15) days after the Renewal Election Outside Date in the case of the expiration of the Term or (y) thirty (30) days following receipt of the Lease Termination Notice in the case of the termination of the Term, as applicable) and such TCI CLEC Extension will be Tenant's Property. If the connection between the TCI CLEC Extension and the Leased Property is not functionally independent and Tenant elects not to remove the TCI CLEC Extension connections or Notice is not timely delivered to Landlord, then Tenant shall receive fair value for such TCI CLEC Extension by having such TCI CLEC Extension included as part of the Communication Assets sold under Article XXXVI. If Tenant elects to remove the connections between any TCI CLEC Extension and the Leased Property pursuant to the terms of this Section 10.2(c), the Leased Property following such removal shall be restored in accordance with Prudent Industry Practice.

(d) If Landlord funds a Capital Improvement in accordance with the terms of this Section 10.2, such Capital Improvement shall be deemed a part of the Leased Property and the Facilities for all purposes and Tenant shall provide Landlord with the following within time periods agreed upon by Landlord and Tenant:

(i) any information, certificates, licenses, new Permits or Pole Agreements or documents reasonably requested by Landlord which are necessary and obtainable to confirm that Tenant will be able to use the Capital Improvement upon completion thereof in accordance with the Primary Intended Use;

(ii) an Officer's Certificate setting forth in reasonable detail the projected or actual costs related to such Capital Improvement;

(iii) an amendment to this Master Lease (and any development or funding agreement agreed to in accordance with this Section 10.2), in a form reasonably agreed to by Landlord and Tenant, which may include, among other things, an increase in the Rent in amounts as agreed upon by the parties hereto pursuant to the agreed funding proposal terms described above and other provisions as may be necessary or appropriate;

(iv) a deed or such other agreement conveying title or beneficial interest to Landlord to any land, easements, or rights of way acquired for the purpose of constructing the Capital Improvement free and clear of any Encumbrances except those approved by Landlord, and accompanied by an ALTA survey thereof satisfactory to Landlord;

(v) if appropriate, for each advance, endorsements to any outstanding policy of title insurance covering the Leased Property or commitments therefor reasonably satisfactory in form and substance to Landlord (i) updating the same without any additional exception except those that do not materially affect the value of such land and do not interfere with the use of the Leased Property or as may be approved by Landlord, which approval shall not be unreasonably withheld, and (ii) increasing the coverage thereof by an amount equal to the cost of the Capital Improvement;

(vi) Upon reasonable notice from Landlord, Tenant shall provide Landlord the right to audit and obtain billing statements, invoices, certificates, endorsements, opinions, site assessments, surveys, resolutions, ratifications, lien releases and waivers and other instruments and information reasonably required by Landlord that are attributable to the Capital Improvements funded by Landlord; and

(vii) Promptly following the completion of such construction, Tenant shall deliver to Landlord "as built" drawings of the Capital Improvement so constructed, certified as accurate by the architect or engineer that supervised the work.

(e) Notwithstanding anything to the contrary contained herein, a Tenant Capital Improvement that constitutes a Long Haul Fiber Route (a "**Long Haul TCI**") shall be treated as Tenant's Property, and in no event shall any such Long Haul TCI (i) become part of the Leased Property, (ii) be considered a TCI ILEC Extension or a TCI CLEC Extension or (iii) be considered part of the Communication Assets or otherwise become subject to the terms of Article XXXVI. In furtherance of the foregoing, Landlord and Tenant hereby expressly agree and acknowledge that a Long Haul TCI will not become part of the Leased Property even though the Long Haul Fiber Route constituting the Long Haul TCI enters into or passes through a geographic area where Tenant or its Subsidiaries are licensed as an incumbent local exchange carrier.

10.3 Construction Requirements for All Capital Improvements. Whether or not Landlord's review and approval is required, for all Capital Improvements:

(a) Tenant shall comply with the applicable building codes and regulations with respect to the construction of the applicable Capital Improvement and shall have procured and paid for all municipal and other governmental permits and authorizations required to be obtained with respect to such Capital Improvement, and Landlord shall join in the application for such permits or authorizations whenever such action is necessary; provided, however, that (i) any such joinder shall be at no cost or expense to Landlord; and (ii) any plans required to be filed in connection with any such application which require the approval of Landlord as hereinabove provided shall have been so approved by Landlord;

(b) All work done in connection with such construction shall be done promptly and using materials and resulting in work that is in accordance with Prudent Industry Practice and in conformity in all material respects with all Legal Requirements; and

(c) No later than February 1st of each calendar year, Tenant shall present to Landlord an "Annual Construction Summary" that (i) reports on the Capital Improvements completed during the prior calendar year, (ii) reconciles the Tenant Capital Improvements and the Capital Improvements financed by Landlord with the Annual Capital Improvement Plan established for the prior calendar year, (iii) provides a pictorial representation of each Facility illustrating which portions of the Facility are Tenant's Property and which portions are Leased Property, (iv) provides a written description containing sufficient detail to provide a clear demarcation between Tenant's Property and the Leased Property respective to each Tenant Capital Improvement in excess of Five Hundred Thousand Dollars ($500,000), and (v) is accompanied by a report of a nationally recognized accounting firm that confirms, based upon an

agreed-upon procedures review, the accuracy of the Annual Construction Summary and that the Capital Improvements have not degraded the structural integrity of the Leased Property. Tenant shall select such nationally recognized accounting firm, subject to the approval of Landlord. Any fees associated with the review of the nationally recognized accounting firm shall be shared equally between Tenant and Landlord. If, as a result of the report from the nationally recognized accounting firm,Landlord determines that a Capital Improvement has impaired the structural integrity or value of the Leased Property or that a Capital Improvement has been improperly designated as Tenant's Property, Landlord may demand and Tenant shall be obligated to remediate the problems noted byLandlord to the satisfaction of Landlord.

(d) Within thirty (30) days after the Commencement Date, Tenant and Landlord will develop and document operating procedures to govern the Annual Construction Summary described in clause (c) above, which procedures may substitute the requirement to deliver a physical report containing required information (such as the pictorial representation) with a requirement to allow Landlord to access Tenant's engineering record systems in order to access the same or equivalent information.

ARTICLE XI

11.1 Liens. Subject to the provisions of Article XII relating to permitted contests, Tenant will not (and will not permit any of its Subsidiaries to) directly or indirectly create or allow to remain and will promptly discharge at its expense any lien, attachment, title retention agreement or claim upon the Leased Property or any Capital Improvement thereto or any attachment, levy, claim or encumbrance in respect of the Rent, excluding, however, (i) this Master Lease; (ii) [intentionally omitted]; (iii) restrictions and other Encumbrances which are consented to in writing by Landlord (such consent not to be unreasonably withheld); (iv) liens for Impositions which Tenant or its Subsidiaries are not required to pay hereunder; (v) subleases (including, but not limited to, any rights granted by Tenant or any of its Subsidiaries pursuant to a dark fiber agreement, a dim fiber agreement or a collocation agreement) permitted by Article XXII; (vi) liens for Impositions not yet delinquent or being contested in accordance with Article XII; (vii) liens of mechanics, laborers, materialmen, suppliers or vendors for sums either disputed or not yet due, provided that (1) the payment of such sums shall not be postponed under any related contract for more than sixty (60) days after the completion of the action giving rise to such lien unless being contested in accordance with Article XII; or (2) any such liens are in the process of being contested as permitted by Article XII; (viii) any liens created by Landlord; (ix) liens related to equipment leases or equipment financing for TCI Replacements which are used or useful in Tenant's business on the TCI Replacements, provided that the payment of any sums due under such equipment leases or equipment financing shall either (1) be paid as and when due in accordance with the terms thereof, or (2) be in the process of being contested as permitted by Article XII; (x) liens granted as security for the obligations of Tenant and its Affiliates under Permitted Leasehold Mortgages and, subject to the terms of this Section 11.1, any Debt Agreement with respect to TCI ILEC Extensions and TCI CLEC Extensions; and (xi) Easements, Pole Agreements, Permits, rights-of-way, restrictions (including zoning restrictions), covenants, encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies on or with respect to any Leased Property, in each case whether now or hereafter in existence, not individually or in the aggregate materially interfering with the conduct of the business on the Leased Property, taken as a whole.

For the avoidance of doubt, the parties acknowledge and agree that Tenant has not granted any liens in favor ofLandlord as security for its obligations hereunder (except to the extent contemplated in the final paragraph of this Section 11.1) and nothing contained herein shall be deemed or construed to prohibit (a) the issuance of a lien on the Equity Interests in Tenant (it being agreed that any foreclosure by a lien holder on such interests in Tenant shall be subject to the restriction on Change in Control set forth in Article XXII), or (b) Tenant and its Subsidiaries from pledging any of Tenant's Property (including any Communications Licenses), any TCI ILEC Extensions and any TCI CLEC Extensions, as collateral, but such pledge shall be subject to the obligations of Tenant to transfer the Tenant's Property, such TCI ILEC Extensions and such TCI CLEC Extensions to a Successor Tenant pursuant to Article XXXVI free and clear of any Encumbrances to the extent the same constitute Communication Assets.

Landlord and Tenant intend that this Master Lease be an indivisible true lease that affords the parties hereto the rights and remedies of landlord and tenant hereunder and does not represent a financing arrangement. This Master Lease is not an attempt by Landlord or Tenant to evade the operation of any aspect of the law applicable to any of theLeased Property. Except as otherwise required by applicable law or any accounting rules or regulations, Landlord and Tenant hereby acknowledge and agree that this Master Lease shall be treated as an operating lease for all purposes and not as a synthetic lease, financing lease or loan and that Landlord shall be entitled to all the benefits of ownership of the Leased Property, including depreciation for all federal, state and local tax purposes.

Notwithstanding (a) the form and substance of this Master Lease and (b) the intent of the parties, and the language contained herein providing that this Master Lease shall at all times be construed, interpreted and applied to create an indivisible lease of all of the Leased Property, if any court of competent jurisdiction finds that this Master Lease is a financing arrangement, this Master Lease shall be considered a secured financing agreement and Landlord's title to the Leased Property shall constitute a perfected first priority lien in Landlord's favor on the Leased Property to secure the payment and performance of all the obligations of Tenant hereunder (and to that end, Tenant hereby grants, assigns and transfers to the Landlord a security interest in all right, title or interest in or to any and all of theLeased Property, as security for the prompt and complete payment and performance when due of Tenant's obligations hereunder). Tenant authorizes Landlord, at the expense of Tenant, to make any filings or take other actions asLandlord reasonably determines are necessary or advisable in order to effect fully this Master Lease or to more fully perfect or renew the rights of the Landlord, and to subordinate to the Landlord the lien of any Permitted Leasehold Mortgagee, with respect to the Leased Property (it being understood that nothing herein shall affect the rights of a Permitted Leasehold Mortgagee under Article XVII hereof). At any time and from time to time upon the request of the Landlord, and at the expense of the Tenant, Tenant shall promptly execute, acknowledge and deliver such further documents and do such other acts as the Landlord may reasonably request in order to effect fully this Master Lease or to more fully perfect or renew the rights of the Landlord with respect to the Leased Property. Upon the exercise by the Landlord of any power, right, privilege or remedy pursuant to this Master Lease which requires any consent, approval, recording, qualification or authorization of any governmental authority, Tenant will execute and deliver, or will cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that Landlord may be required to obtain from Tenant for such consent, approval, recording, qualification or authorization.

ARTICLE XII

12.1 Permitted Contests. Tenant, upon prior Notice to Landlord, on its own or in Landlord's name, at Tenant's expense, may contest, in good faith and with due diligence, the amount, validity or application, in whole or in part, of any licensure or certification decision (including pursuant to any Communications Regulation), Additional Charge (other than an Additional Charge payable to Landlord in which case Section 3.3 shall apply), Legal Requirement, Insurance Requirement, lien, attachment, levy, encumbrance, charge (including charges, fees and penalties for audit disputes under Pole Agreements, Permits and Easements relating to back rent, safety violations, unauthorized attachments, and trespass) or claim; provided, however, that (i) in the case of an unpaid Additional Charge, attachment, levy, Encumbrance, charge (including charges, fees and penalties for audit disputes under Pole Agreements, Permits and Easements relating to back rent, safety violations, unauthorized attachments, and trespass) or claim, the commencement and continuation of such proceedings shall suspend the collection thereof from Landlord and from the Leased Property or any Capital Improvement thereto; (ii) neither the Leased Property or any Capital Improvement thereto, the Rent therefrom nor any part or interest in either thereof would be in any material danger of being sold, forfeited, attached or lost; (iii) in the case of a Legal Requirement, neither Landlord nor Tenant would be in any material danger of civil or criminal liability for failure to comply therewith pending the outcome of such proceedings; (iv) in the case of a Legal Requirement, Additional Charge, Encumbrance or charge, Tenant shall give such reasonable security as may be required by Landlord to insure ultimate payment of the same and to prevent any sale or forfeiture of the Leased Property or any Capital Improvement thereto or the Rent by reason of such non-payment or noncompliance; (v) in the case of an Insurance Requirement, the coverage required by Article XIII shall be maintained; (vi) Tenant shall keep Landlord reasonably informed as to the status of the proceedings; and (vii) if such contest be finally resolved against Landlord or Tenant, Tenant shall promptly pay the amount required to be paid, together with all interest and penalties accrued thereon, or comply with the applicable Legal Requirement or Insurance Requirement.

Landlord, at Tenant's expense and request, shall reasonably cooperate with Tenant in connection with Tenant's exercise of any contest rights under this Article XII (including, without limitation, any audit and appeal rights of Tenant and refunds sought by Tenant) and shall execute and deliver to Tenant such authorizations and other documents as may reasonably be required in any such contest, and, if reasonably requested by Tenant or if Landlord so desires, Landlord shall join as a party therein.

The provisions of this Article XII shall not be construed to permit Tenant to contest the payment of Rent or any other amount (other than Impositions or Additional Charges which Tenant may from time to time be required to impound with Landlord) payable by Tenant to Landlord hereunder.

Tenant shall indemnify, defend, protect and save Landlord harmless from and against any liability, cost or expense of any kind that may be imposed upon Landlord in connection with any such contest and any loss resulting therefrom, except in any instance where Landlord opted to join and joined as a party in the proceeding despite Tenant's having sent written notice to Landlord of Tenant's preference that Landlord not join in such proceeding.

ARTICLE XIII

13.1 General Insurance Requirements. During the Term, Tenant shall at all times keep the Leased Improvements that are central office locations, and all property located in or on such Leased Improvements, including Capital Improvements thereto (collectively, the "**Insured Leased Improvements**") and Tenant's Property, insured with the kinds and amounts of insurance described below at each location where the Insured Leased Improvements and the Tenant's Property located therein have a combined estimated total value exceeding Five Hundred Thousand Dollars ($500,000.00) ("**Insured Location**"). The $500,000.00 combined estimated total value amount ("**Insurable Amount**") is subject to annual review by Tenant. Tenant may increase the Insurable Amount without first obtaining Landlord's consent so long as: (i) the increased Insurable Amount is consistent with Tenant's practice for its retained properties, and (ii) the increased Insurable Amount would not prevent Tenant from self-insuring its insurance obligations pursuant to Section 13.9 if it chose to do so. Otherwise, Tenant must obtain Landlord's consent, which will not be unreasonably withheld or delayed, to increase the Insurable Amount. Each element of insurance described in this Article XIII shall be maintained with respect to the Insured Leased Improvements of each Facility and Tenant's Property and operations thereon at an Insured Location. Such insurance shall be written by companies permitted to conduct business in the applicable State. All third party liability type policies must name Landlord as an "additional insured." All property policies shall name Landlord as "loss payee" for its interests in each Facility. Property losses shall be payable to Landlord and/or Tenant as provided in Article XIV. In addition, the policies, as appropriate, shall name as an "additional insured" and/or "loss payee" each Permitted Leasehold Mortgagee and as an "additional insured" or "loss payee" the holder of any mortgage, deed of trust or other security agreement ("**Facility Mortgagee**") securing any indebtedness or any other Encumbrance placed on the Leased Property in accordance with the provisions of Article XXXI ("**Facility Mortgage**") by way of a standard form of mortgagee's loss payable endorsement. Except as otherwise set forth herein, any property insurance loss adjustment settlement shall require the written consent of Landlord, Tenant, and each Facility Mortgagee (to the extent required under the applicable Facility Mortgage Documents) unless the amount of the loss net of the applicable deductible is less than Five Million Dollars ($5,000,000) in which event no consent shall be required. Evidence of insurance shall be deposited with Landlord and, if requested, with any Facility Mortgagee(s). The insurance policies required to be carried by Tenant hereunder shall insure against all the following risks with respect to each Insured Location of a Facility:

(a) Loss or damage by fire, vandalism and malicious mischief, extended coverage perils commonly known as "All Risk," and all physical loss perils normally included in such All Risk insurance, including, but not limited to, sprinkler leakage and windstorm in an amount not less than the insurable value on a Maximum Foreseeable Loss (as defined below in Section 13.2) basis and including a building ordinance coverage endorsement, provided that in the event the premium cost of any or all of earthquake, flood, windstorm (including named windstorm) or terrorism coverages are available only for a premium that is more than 2.5 times the average premium paid by Tenant (or prior operator of Facilities) over the preceding three years for the insurance policy contemplated by this Section 13.1(a), then Tenant shall be entitled and required to purchase the maximum insurance coverage it deems most efficient and prudent to purchase and Tenant shall not be required to spend additional funds to purchase additional coverages insuring against such risks; and provided, further, that some property coverages might be sub-limited in an amount less than the Maximum Foreseeable Loss as long as the sub-limits are commercially reasonable and prudent as deemed by Tenant;

(b) Loss or damage by explosion of steam boilers, pressure vessels or similar apparatus, now or hereafter installed in each Insured Leased Improvement, in such limits with respect to any one accident as may be reasonably requested byLandlord from time to time;

(c) Flood (when any of the improvements comprising the InsuredLeased Improvement is located in whole or in part within a designated 100-year flood plain area) in an amount not less than the Probable Maximum Loss of a 500 year event and such other hazards and in such amounts as may be customary for comparable properties in the area;

(d) Claims for personal injury or property damage under a policy of comprehensive general public liability insurance with amounts not less than One Hundred Million Dollars ($100,000,000) each occurrence and One Hundred Million Dollars ($100,000,000) in the annual aggregate, provided that such requirements may be satisfied through the purchase of a primary general liability policy and excess liability policies;

(e) During such time as Tenant is performing any Capital Improvements to an InsuredLeased Improvement, Tenant, at its sole cost and expense, shall carry, or cause to be carried (i) workers' compensation insurance and employers' liability insurance covering all persons employed in connection with the improvements in statutory limits, (ii) a completed operations endorsement to the commercial general liability insurance policy referred to above, (iii) builder's risk insurance, completed value form (or its equivalent), covering all physical loss, in an amount and subject to policy conditions satisfactory to Landlord, and (iv) such other insurance, in such amounts, as Landlord deems reasonably necessary to protectLandlord's interest in the Insured Leased Improvement from any act or omission of Tenant's contractors or subcontractors.

13.2 Maximum Foreseeable Loss. The term "**Maximum Foreseeable Loss**" shall mean the largest monetary loss within one area that may be expected to result from a single fire with protection impaired, the control of the fire mainly dependent on physical barriers or separations and a delayed manual firefighting by public and/or private fire brigades. If Landlord reasonably believes that the Maximum Foreseeable Loss has increased at any time during the Term, it shall have the right (unless Tenant andLandlord agree otherwise) to have such Maximum Foreseeable Loss redetermined by an impartial national insurance company reasonably acceptable to both parties (the "**Impartial Appraiser**"), or, if the parties cannot in good faith agree on an Impartial Appraiser within fifteen (15) days of Landlord's request for an Impartial Appraiser (a "**Valuation Request Notice**"), then by Experts appointed in accordance with Section 34.1 hereof. The determination of the Impartial Appraiser (or the Experts, as the case may be) shall be final and binding on the parties hereto, and Tenant shall forthwith adjust the amount of the insurance carried pursuant to this Article XIII to the amount so determined by the Impartial Appraiser (or the Experts, as the case may be), subject to the approval of theFacility Mortgagee, as applicable. Each party shall pay one-half (1/2) of the fee, if any, of the Impartial Appraiser. If Landlord pays the Impartial Appraiser, fifty percent (50%) of such costs shall be Additional Charges hereunder and if Tenant pays such Impartial Appraiser, fifty percent (50%) of such costs shall be a credit against the next Rent payment hereunder.

13.3 Additional Insurance. In addition to the insurance described above, Tenant shall maintain adequate workers' compensation coverage and any other coverage required by Legal Requirements for all Persons employed by Tenant on the Leased Property in accordance with Legal Requirements.

13.4 Waiver of Subrogation. All insurance policies carried by either party covering the Leased Property or Tenant's Property, including, without limitation, contents, fire and liability insurance, shall expressly waive any right of subrogation on the part of the insurer against the other party. Each party, respectively, shall pay any additional costs or charges for obtaining such waiver.

13.5 Policy Requirements. All of the policies of insurance referred to in this Article XIII shall be written in form reasonably satisfactory to Landlord and any Facility Mortgagee and issued by insurance companies with a minimum policyholder rating of "A-" and a financial rating of "VII" in the most recent version of Best's Key Rating Guide, or a minimum rating of "BBB" from Standard & Poor's or equivalent. If Tenant obtains and maintains the general liability insurance described in Section 13.1(d) above on a "claims made" basis, Tenant shall provide continuous liability coverage for claims arising during the Term. In the event such "claims made" basis policy is canceled or not renewed for any reason whatsoever (or converted to an "occurrence" basis policy), Tenant shall either obtain (a) "tail" insurance coverage converting the policies to "occurrence" basis policies providing coverage for a period of at least three (3) years beyond the expiration of the Term, or (b) an extended reporting period of at least three (3) years beyond the expiration of the Term. Notwithstanding the foregoing, it is agreed that a captive insurer may issue insurance policies to meet the requirements under Section 13.1, provided that (i) such captive insurer is fully reinsured by insurers or reinsurers with a rating of "A- VIII" or better in the most recent version of Best's Key Rating and Tenant furnishes evidence of such reinsurance upon Landlord's request and (ii) Tenant provides a copy of the audited financial statements of the captive insurer upon Landlord's request. Tenant will have an actuarial study of the captive insurer performed each calendar year, which actuarial study shall be subject to Landlord's reasonable approval. If the actuarial study recommends that the captive's policyholder surplus be increased, then Tenant shall either provide the funding necessary to increase the captive's policyholder surplus to the recommended level or provide alternative insurance to cover any recommended increase of the captive's policyholder surplus. Tenant shall pay all of the premiums therefor, and deliver certificates thereof to Landlord prior to their effective date (and with respect to any renewal policy, prior to the expiration of the existing policy), and in the event of the failure of Tenant either to effect such insurance in the names herein called for or to pay the premiums therefor, or to deliver such certificates thereof to Landlord, at the times required, Landlord shall be entitled, but shall have no obligation, to effect such insurance and pay the premiums therefor, in which event the cost thereof, together with interest thereon at the Overdue Rate, shall be repayable to Landlord upon demand therefor. Tenant shall obtain, to the extent available on commercially reasonable terms, the agreement of each insurer, by endorsement on the policy or policies issued by it, or by independent instrument furnished to Landlord, that it will give to Landlord thirty (30) days' (or ten (10) days' in the case of non-payment of premium) Notice before the policy or policies in question shall be altered, allowed to expire or cancelled; provided however, that if such endorsement cannot be obtained, then Tenant shall be required to deliver Notice of any cancellation to Landlord promptly following Tenant having obtained knowledge of such cancellation (but in no event later than ten

(10) days prior to the date of cancellation). Notwithstanding any provision of this Article XIII to the contrary, Landlord acknowledges and agrees that the coverage required to be maintained by Tenant may be provided under one or more policies with various deductibles or self-insurance retentions by Tenant or its Affiliates, subject to Landlord's approval not to be unreasonably withheld. Upon written request by Landlord, Tenant shall provide Landlord copies of the property insurance policies when issued by the insurers providing such coverage.

13.6 Increase in Limits. If, from time to time after the Commencement Date, Landlord determines in the exercise of its reasonable business judgment that the limits of the personal injury or property damage-public liability insurance then carried pursuant to Section 13.1(d) hereof are insufficient, Landlord may give Tenant Notice of acceptable limits for the insurance to be carried; provided that in no event will Tenant be required to carry insurance in an amount which exceeds the product of (i) the amounts set forth in Section 13.1(d) hereof and (ii) the CPI Increase; and subject to the foregoing limitation, within ninety (90) days after the receipt of such Notice, the insurance shall thereafter be carried with limits as prescribed by Landlord until further increase pursuant to the provisions of this Section 13.6.

13.7 Blanket Policy. Notwithstanding anything to the contrary contained in this Article XIII Tenant's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by Tenant; provided that the requirements of this Article XIII (including satisfaction of the Facility Mortgagee's requirements and the approval of the Facility Mortgagee) are otherwise satisfied, and provided further that Tenant maintains specific allocations acceptable to Landlord.

13.8 No Separate Insurance. Tenant shall not, on Tenant's own initiative or pursuant to the request or requirement of any third party, (i) take out separate insurance concurrent in form or contributing in the event of loss with that required in this Article XIII to be furnished by, or which may reasonably be required to be furnished by, Tenant or (ii) increase the amounts of any then existing insurance by securing an additional policy or additional policies, unless all parties having an insurable interest in the subject matter of the insurance, including in all cases Landlord and all Facility Mortgagees, are included therein as additional insureds and the loss is payable under such insurance in the same manner as losses are payable under this Master Lease. Notwithstanding the foregoing, nothing herein shall prohibit Tenant from insuring against risks not required to be insured hereby, and as to such insurance, Landlord and any Facility Mortgagee need not be included therein as additional insureds, nor must the loss thereunder be payable in the same manner as losses are payable hereunder except to the extent required to avoid a default under the Facility Mortgage.

13.9 Self-Insurance. Notwithstanding anything to the contrary contained herein, Tenant may self-insure its insurance obligations under Section 13.1 subject to and in accordance with the terms of this Section 13.9.

(a) Self-insure shall mean that Tenant is itself acting as though it were the insurance company providing the insurance required under the provisions hereof and Tenant shall pay any amounts due in lieu of insurance proceeds because of self-insurance, which amounts shall be treated as insurance proceeds for all purposes under this Master Lease.

(b) All amounts which Tenant pays or is required to pay and all loss or damages resulting from risks for which Tenant has elected to self-insure shall be subject to the waiver of subrogation provisions of this Master Lease and shall not limit Tenant's indemnification obligations set forth in this Master Lease.

(c) Tenant's right to self-insure and to continue to self-insure is subject to the following conditions being met:

(i) No later than sixty (60) days prior to the date that Tenant commences to self-insure and no later than sixty (60) days prior to each anniversary thereof (each a "**Determination Date**"), Tenant shall furnish to Landlord a report reasonably acceptable to Landlord prepared by an insurance expert reasonably acceptable toLandlord which sets forth the Maximum Foreseeable Loss and the Probable Maximum Loss as of the Determination Date, together with a certificate from Tenant certifying Tenant's compliance with the requirements set forth in this Section 13.9.

(ii) The Maximum Expected Annual Aggregate Loss does not exceed four percent (4%) of the Consolidated Adjusted EBITDA for Tenant and its Subsidiaries based on the audited Financial Statements furnished to Landlord in accordance with Section 23.1(b)(i) for the Fiscal Year immediately preceding the Determination Date. The term "**Maximum Expected Annual Aggregate Loss**" shall mean, with respect to the applicable Determination Date, the sum of (A) the Probable Maximum Loss set forth in the report delivered to Landlord in accordance with clause (c)(i) above, (B) Tenant's combined deductibles under Tenant's property and executive protection insurance policies and (C) the average expenses incurred by Tenant and its Subsidiaries as a result of property damage to the Leased Property, the Capital Improvements, and Tenant's Property over the immediately preceding five (5) years which are not covered by the insurance policies maintained by Tenant in accordance with Section 13.1, which expenses shall be substantiated by Tenant to Landlord in a manner reasonably acceptable to Landlord.

(iii) The Maximum Foreseeable Loss set forth in the report delivered toLandlord in accordance with clause (c)(i) above for the applicable Determination Date does not exceed six percent (6%) of the Consolidated Adjusted EBITDA for Tenant and its Subsidiaries based on the audited Financial Statements furnished to Landlord in accordance with Section 23.1(b)(i) for the Fiscal Year immediately preceding the Determination Date.

(iv) No events shall occur that make it apparent that such Consolidated Adjusted EBITDA shall have been diminished below the required level beyond a de minimis extent.

(d) In the event Tenant fails to timely fulfill the requirements of this Section 13.9, then Tenant shall immediately lose the right to self-insure during the continuance of such failure and shall be required to provide the insurance otherwise specified in this Article XIII during the continuance of such failure.

(e) In the event that Tenant elects to self-insure and an event or claim occurs for which a defense and/or coverage would have been available from the insurance company, Tenant shall (i) take the defense at Tenant's sole cost and expense of any such claim, including a defense of Landlord and such other parties as Landlord has designated as additional insureds, with counsel selected by Tenant and reasonably acceptable to Landlord and such other parties, provided Tenant has been furnished with the names of such other parties, and (ii) use its own funds to pay any claim or replace any property or otherwise provide the funding which would have been available from insurance proceeds but for such election by Tenant to self-insure.

13.10 Distribution Systems. Notwithstanding anything herein to the contrary, to the extent consistent with communications industry practice, Tenant is only required to keep those portions of the Distribution Systems that are located within one thousand (1000) feet of an Insured Leased Improvement at an Insured Location insured in accordance with the terms of this Article XIII.

ARTICLE XIV

14.1 Property Insurance Proceeds. All proceeds (except business interruption not allocated to rent expenses) payable by reason of any property loss or damage to the Leased Property, or any portion thereof, under any property policy of insurance required to be carried hereunder shall be paid to Facility Mortgagee or to Landlord and made available to Tenant upon request for the reasonable costs of preservation, stabilization, emergency restoration, business interruption, reconstruction and repair, as the case may be, of any damage to or destruction of the Leased Property, or any portion thereof; provided, however, that if the total amount of proceeds payable net of the applicable deductibles is $2,500,000 or less, and, if no Event of Default has occurred and is continuing, the proceeds shall be paid to Tenant and, subject to the limitations set forth in this Article XIV used for the repair of any damage to the Leased Property. Tenant shall have no obligation to rebuild any TCI CLEC Extensions, any TCI ILEC Extensions or any Long Haul TCI, provided that the Leased Property is rebuilt in a manner reasonably satisfactory to Landlord. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Leased Property to substantially the same condition as existed immediately before the damage or destruction and with materials and workmanship of like kind and quality and to Landlord's reasonable satisfaction shall be provided to Tenant. All salvage resulting from any risk covered by insurance for damage or loss to the Leased Property shall belong to Landlord. Tenant shall have the right to prosecute and settle insurance claims, provided that Tenant shall consult with and involve Landlord in the process of adjusting any insurance claims under this Article XIV and any final settlement with the insurance company shall be subject to Landlord's consent, such consent not to be unreasonably withheld.

14.2 Tenant's Obligations Following Casualty. (a) If a Facility and/or any Tenant Capital Improvements to a Facility are materially damaged, whether or not from a risk covered by insurance carried by Tenant, (i) Tenant shall restore such Leased Property in a manner consistent with Prudent Industry Practice (excluding any TCI CLEC Extensions, any TCI ILEC Extensions and any Long Haul TCI; it being understood and agreed that Tenant shall not be required to repair any TCI CLEC Extensions, any TCI ILEC Extensions or any Long Haul TCI provided that the Leased Property is rebuilt in a manner reasonably satisfactory to Landlord) and (ii) such damage shall not terminate this Master Lease.

(b) If Tenant restores the affected Leased Property and the cost of the repair or restoration exceeds the amount of proceeds received from the insurance required to be carried hereunder, Tenant shall provide Landlord with evidence reasonably acceptable to Landlord that Tenant has available to it any excess amounts needed to restore such Facility. Such excess amounts necessary to restore such Facility shall be paid by Tenant.

(c) If Tenant has not restored the affected Leased Property and communications operations have not recommenced by the date that is the third anniversary of the date of any casualty, all remaining insurance proceeds and the unpaid deductibles shall be paid to and retained by Landlord free and clear of any claim by or through Tenant together with interest on such amounts at the Overdue Rate from the date that the casualty occurred until paid.

14.3 No Abatement of Rent. This Master Lease shall remain in full force and effect and Tenant's obligation to pay the Rent and all other charges required by this Master Lease shall remain unabated during the period required for adjusting insurance, satisfying Legal Requirements, repair and restoration.

14.4 Waiver. Tenant waives any statutory rights of termination which may arise by reason of any damage or destruction of the Leased Property but such waiver shall not affect any contractual rights granted to Tenant under this Article XIV.

14.5 Insurance Proceeds Paid to Facility Mortgagee. Notwithstanding anything herein to the contrary, in the event that any Facility Mortgagee is entitled to any insurance proceeds, or any portion thereof, under the terms of any Facility Mortgage, such proceeds shall be applied, held and/or disbursed in accordance with the terms of the Facility Mortgage, provided that the terms of the Facility Mortgage shall provide that such proceeds shall be made available to Tenant, in all instances, to repair or restore the Leased Property to substantially the same condition as existed immediately prior to any damage.

ARTICLE XV

15.1 Condemnation.

(a) Total Taking. If the Leased Property of a Facility is totally and permanently taken by Condemnation (a "**Taking**"), this Master Lease shall terminate with respect to such Facility as of the day before the Date of Taking for such Facility.

(b) Partial Taking. If a portion of the Leased Property of, and any Tenant Capital Improvements to, a Facility are taken by Condemnation, this Master Lease shall remain in effect.

(c) Restoration. If there is a partial Taking of the Leased Property of, and any Tenant Capital Improvements to, a Facility and this Master Lease remains in full force and effect with respect to such Facility, Landlord shall make available to Tenant the portion of the Award applicable to restoration of the Leased Property (excluding any TCI CLEC Extensions, any TCI ILEC Extensions and any Long Haul TCI, it being understood and agreed that Tenant shall not be required to repair or restore any TCI CLEC Extensions, any TCI ILEC Extensions or any Long Haul TCI, provided that the Leased Property is restored in a manner reasonably

satisfactory to Landlord), and Tenant shall accomplish all necessary restoration whether or not the amount provided by the Condemnor for restoration is sufficient and the Rent shall be reduced by such amount as may be agreed upon by Landlord and Tenant or, if they are unable to reach such an agreement within a period of thirty (30) days after the occurrence of the Taking, then the Rent for such Facility shall be proportionately reduced, based on the proportion of the Facility that was subject to the partial Taking. Tenant shall restore such Leased Property (as nearly as possible under the circumstances) to the condition as such Leased Property existed immediately prior to such Taking.

15.2 Award Distribution. Except as set forth below (and to the extent provided in Section 15.1(c) hereof), the entire Award shall belong to and be paid to Landlord. Tenant shall, however, be entitled to pursue its own claim with respect to the Taking for Tenant's lost profits value and moving expenses and, the portion of the Award, if any, allocated to any TCI CLEC Extensions and any TCI ILEC Extensions (subject to Tenant's restoring the Leased Property not subject to a Taking in a manner reasonably satisfactory to Landlord) and Tenant's Property shall be and remain the property of Tenant free of any claim thereto by Landlord.

15.3 Temporary Taking. The taking of the Leased Property, or any part thereof, shall constitute a taking by Condemnation only when the use and occupancy by the taking authority has continued for longer than 180 consecutive days. During any shorter period, which shall be a temporary taking, all the provisions of this Master Lease shall remain in full force and effect and the Award allocable to the Term shall be paid to Tenant.

15.4 Condemnation Awards Paid to Facility Mortgagee. Notwithstanding anything herein to the contrary, in the event that any Facility Mortgagee is entitled to any Condemnation Award, or any portion thereof, under the terms of any Facility Mortgage or related financing agreement, such award shall be applied, held and/or disbursed in accordance with the terms of the Facility Mortgage or related financing agreement; provided that the terms of the Facility Mortgage shall provide that such award shall be made available to Tenant, in all instances, to repair or restore the Leased Property to substantially the same condition as existed immediately prior to any Taking.

15.5 Termination of Master Lease; Abatement of Rent. In the event this Master Lease is terminated with respect to the affected portion of the Leased Property as a result of a Taking, the Rent due hereunder from and after the effective date of such termination shall be proportionately reduced, based on the proportion of route miles of the Facility that was the subject of such Taking.

ARTICLE XVI

16.1 Events of Default. Any one or more of the following shall constitute an "**Event of Default**":

(a) (i) Tenant shall fail to pay any installment of Rent when due and such failure is not cured by Tenant within ten (10) days after Notice from Landlord of Tenant's failure to pay such installment of Rent when due, or (ii) Tenant shall fail to pay any Additional Charge when due and such failure is not cured by Tenant within thirty (30) days after Notice from Landlord of Tenant's failure to pay such Additional Charges when due;

(b) a default shall occur under any other material agreement which has aggregate annual payments greater than $75,000,000 executed by Tenant or an Affiliate of Tenant in favor of Landlord or an Affiliate of Landlord (excluding, however, the Distribution Agreement and the Distribution Agreement Ancillary Documents), where the default is not cured within any applicable grace period set forth therein or, if no cure periods are provided, within thirty (30) days after Notice from Landlord;

(c) Tenant shall:

(i) admit in writing its inability to pay its debts generally as they become due;

(ii) file a petition in bankruptcy or a petition to take advantage of any insolvency act;

(iii) make an assignment for the benefit of its creditors;

(iv) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; or

(v) file a petition or answer seeking reorganization or arrangement under the United States bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(d) Tenant shall be adjudicated as bankrupt or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of Tenant, a receiver of Tenant or of the whole or substantially all of the Tenant's property, or approving a petition filed against Tenant seeking reorganization or arrangement of Tenant under the United States bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof, and such judgment, order or decree shall not be vacated or set aside or stayed within ninety (90) days from the date of the entry thereof;

(e) Tenant shall be liquidated or dissolved other than a reorganization that is otherwise permitted by Section 22.2;

(f) the estate or interest of Tenant in the Leased Property or any part thereof shall be levied upon or attached in any proceeding relating to more than $10,000,000 and the same shall not be vacated, discharged or stayed pending appeal (or bonded or otherwise similarly secured payment) within the later of ninety (90) days after commencement thereof or thirty (30) days after receipt by Tenant of Notice thereof from Landlord; provided, however, that such Notice shall be in lieu of and not in addition to any notice required under applicable law;

(g) except as a result of material damage, destruction or Condemnation or as expressly permitted under Section 7.2(d), Tenant voluntarily ceases operations for its Primary Intended Use at a Facility and such event (i) is not cured within thirty (30) days after Notice from Landlord and (ii) would reasonably be expected to have a material adverse effect on Tenant, the Facilities, or on the Leased Property, in each case, taken as a whole;

(h) any of the representations or warranties made by Tenant hereunder proves to be untrue when made in any material respect which materially and adversely affects Landlord; provided however, that if the condition causing the representation or warranty to be untrue is susceptible of being cured, then such untrue representation shall be an Event of Default hereunder only if such condition is not cured within thirty (30) days of receipt of Notice of such breach by Tenant from Landlord;

(i) any applicable license or other agreements material to a Facility's operation for its Primary Intended Use are at any time terminated or revoked or suspended for more than forty-five (45) days (and causes cessation in the provision of telecommunications services by a Facility) and such termination, revocation or suspension is not stayed pending appeal and would reasonably be expected to have a material adverse effect on Tenant, the Facilities, or on the Leased Property, taken as a whole;

(j) except with respect to the granting of a permitted pledge hereunder to a PermittedLeasehold Mortgagee or a transaction permitted by Article XXII, the sale or transfer, without Landlord's consent, of all or any portion of any Communications License or similar certificate or license relating to the Leased Property;

(k) Tenant, by its acts or omissions, causes the occurrence of a default under any provision (to the extent Tenant has knowledge of such provision and Tenant's obligations with respect thereto) of any Facility Mortgage, related documents or obligations thereunder by which Tenant is bound in accordance with Section 33.2 or has agreed under the terms of this Master Lease to be bound, which default is not cured within the applicable time period (including any notice and cure periods), if the effect of such default is to cause, or to permit the holder or holders of that Facility Mortgage or Indebtedness secured by that Facility Mortgage (or a trustee or agent on behalf of such holder or holders), to cause, that Facility Mortgage (or the Indebtedness secured thereby) to become or be declared due and payable (or redeemable) prior to its stated maturity (excluding in any case any default related to the financial performance of Tenant or any of Tenant's Subsidiaries);

(l) any event or condition occurs that (i) results in any MaterialIndebtedness becoming due prior to its stated maturity or (ii) enables or permits (with all applicable grace periods, if any, having expired) 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 or exercise any other remedy (other than in the case of clauses (i) and (ii) any prepayment, repurchase, or redemption, arising out of or relating to a change of control or asset sale or any redemption, repurchase, conversion or settlement with respect to any Indebtedness convertible into Equity Interests pursuant to its terms,provided that failure to consummate any such required prepayment, redemption, repurchase, conversion or settlement under any Material Indebtedness shall constitute an Event of Default), or (iii) Tenant shall fail to pay the principal of any Material Indebtedness at the stated final maturity thereof (provided that this paragraph (l) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the

property or assets securing such Indebtedness if such sale or transfer is not prohibited hereby and under the documents providing for such Indebtedness); it being agreed and understood that so long as the Credit Agreement is in full force and effect, in no event shall an Event of Default occur under this paragraph (l) to the extent that any prepayment, repurchase, redemption or defeasance of any Material Indebtedness does not constitute an Event of Default (as defined in the Credit Agreement) under the terms of the Credit Agreement;

(m) if Tenant shall fail to observe or perform any other term, covenant or condition of this Master Lease in any material respect which materially and adversely affects Landlord and such failure is not cured by Tenant within thirty (30) days after Notice thereof from Landlord, unless such failure cannot with due diligence be cured within a period of thirty (30) days, in which case such failure shall not be deemed to be an Event of Default if Tenant proceeds promptly and with due diligence to cure the failure and diligently completes the curing thereof within one hundred twenty (120) days after such Notice from Landlord; provided, however, that such Notice shall be in lieu of and not in addition to any notice required under applicable law; and

(n) an assignment of Tenant's interest in this Master Lease (including pursuant to a Change in Control) shall have occurred without the consent of Landlord to the extent such consent is required under Article XXII or Tenant is otherwise in default of the provisions set forth in Section 22.1 below.

No Event of Default (other than a failure to make payment of money) shall be deemed to exist under this Section 16.1 during any time the curing thereof is prevented by an Unavoidable Delay, provided that upon the cessation of the Unavoidable Delay, Tenant remedies the default without further delay.

16.2 Certain Remedies. If an Event of Default shall have occurred and be continuing, Landlord may (a) terminate this Master Lease by giving Tenant no less than ten (10) days' Notice of such termination and the Term shall terminate and all rights of Tenant under this Master Lease shall cease, (b) seek damages as provided in Section 16.3 hereof, and/or (c) exercise any other right or remedy at law or in equity available to Landlord as a result of any Event of Default. Tenant shall pay as Additional Charges all costs and expenses incurred by or on behalf of Landlord, including reasonable attorneys' fees and expenses, as a result of any Event of Default hereunder. If an Event of Default shall have occurred and be continuing, whether or not this Master Lease has been terminated pursuant to the first sentence of this Section 16.2, Tenant shall, to the extent permitted by law (including applicable Communications Regulations), if required by Landlord to do so, immediately surrender to Landlord possession of all or any portion of the Leased Property (including any Tenant Capital Improvements of the Facilities) as to which Landlord has so demanded and quit the same and Landlord may, to the extent permitted by law (including applicable Communications Regulations), enter upon and repossess such Leased Property and any Capital Improvement thereto by reasonable force, summary proceedings, ejectment or otherwise, and, to the extent permitted by law (including applicable Communications Regulations), may remove Tenant and all other Persons and any of Tenant's Property from such Leased Property (including any such Tenant Capital Improvement thereto).

16.3 Damages. Subject to Landlord's option to receive liquidated damages under this Section 16.3, none of (i) the termination of this Master Lease, (ii) the repossession of the Leased Property (including any Capital Improvements to any Facility), (iii) the failure of Landlord to relet the Leased Property or any portion thereof, (iv) the reletting of all or any portion of the Leased Property, or (v) the inability of Landlord to collect or receive any rentals due upon any such reletting, shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive any such termination, repossession or reletting. Landlord and Tenant agree that Landlord shall have no obligation to mitigate Landlord's damages under this Master Lease. If any such termination of this Master Lease occurs (whether or not Landlord terminates Tenant's right to possession of the Leased Property), Tenant shall forthwith pay to Landlord all Rent due and payable under this Master Lease to and including the date of such termination. Thereafter:

Tenant shall forthwith pay to Landlord, at Landlord's option, as and for liquidated and agreed current damages for the occurrence of an Event of Default, either:

(a) the sum of:

(i) the worth at the time of award of the unpaid Rent which had been earned at the time of termination to the extent not previously paid by Tenant under this Section 16.3;

(ii) the worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided;

(iii) the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; *plus*

(iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Master Lease or which in the ordinary course of things would be likely to result therefrom.

As used in clauses (i) and (ii) above, the "worth at the time of award" shall be computed by allowing interest at the Overdue Rate. As used in clause (iii) above, the "worth at the time of award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of New York at the time of award plus one percent (1%) and reducing such amount by the portion of the unpaid Rent that Tenant proves could be reasonably avoided.

or

(b) if Landlord chooses not to terminate Tenant's right to possession of the Leased Property (whether or not Landlord terminates the Master Lease), each installment of said Rent and other sums payable by Tenant to Landlord under this Master Lease as the same becomes due and payable, together with interest at the Overdue Rate from the date when due until paid, and Landlord may enforce, by action or otherwise, any other term or covenant of this Master Lease (and Landlord may at any time thereafter terminate Tenant's right to possession of the Leased Property and seek damages under subparagraph (a) hereof, to the extent not already paid for by Tenant under this subparagraph (b)).

16.4 Receiver. Upon the occurrence and continuance of an Event of Default, and upon commencement of proceedings to enforce the rights of Landlord hereunder, but subject to any limitations of applicable law, Landlord shall be entitled, as a matter of right, to the appointment of a receiver or receivers acceptable to Landlord of the Leased Property and of the revenues, earnings, income, products and profits thereof, pending the outcome of such proceedings, with such powers as the court making such appointment shall confer.

16.5 Waiver. If Landlord initiates judicial proceedings or if this Master Lease is terminated by Landlord pursuant to this Article XVI, Tenant waives, to the extent permitted by applicable law, (i) any right of redemption, re-entry or repossession; and (ii) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt.

16.6 Application of Funds. Any payments received by Landlord under any of the provisions of this Master Lease during the existence or continuance of any Event of Default which are made to Landlord rather than Tenant due to the existence of an Event of Default shall be applied to Tenant's obligations in the order which Landlord may reasonably determine or as may be prescribed by the laws of the State.

ARTICLE XVII

17.1 Permitted Leasehold Mortgagees.

(a) On one or more occasions without Landlord's prior consent Tenant may mortgage or otherwise encumber Tenant's estate in and to the Leased Property (the "**Leasehold Estate**") to one or more Permitted Leasehold Mortgagees under one or more Permitted Leasehold Mortgages and pledge its right, title and interest under this Master Lease as security for such Permitted Leasehold Mortgages or any Debt Agreement secured thereby; provided that no Person shall be considered a Permitted Leasehold Mortgagee unless (1) such Person delivers to Landlord a written agreement (in form and substance reasonably satisfactory to Landlord) providing an express acknowledgement that, in the event of the exercise by the Permitted Leasehold Mortgagee of its rights under the Permitted Leasehold Mortgage, the Permitted Leasehold Mortgagee shall be required to secure the approval of Landlord for the replacement of Tenant with respect to the affected portion of the Leased Property and contain the Permitted Leasehold Mortgagee's acknowledgment that such approval may be granted or withheld by Landlord in accordance with the provisions of Article XXII of this Master Lease (provided that Landlord's approval shall not be required if the transfer is to a Discretionary Transferee that otherwise complies with the requirements set forth in Section 22.2(iii)), and (2) the underlying Permitted Leasehold Mortgage includes an express acknowledgement that any exercise of remedies thereunder that would affect the Leasehold Estate shall be subject to the terms of the Master Lease.

(b) Notice to Landlord.

(i) (1) If Tenant shall, on one or more occasions, mortgage Tenant's Leasehold Estate and if the holder of such Permitted Leasehold Mortgage shall provide Landlord with written notice of such Permitted Leasehold Mortgage together with a true copy of such Permitted Leasehold Mortgage and the name and address of the Permitted Leasehold Mortgagee, Landlord and Tenant agree that, following receipt of such written notice by Landlord, the provisions of this Section 17.1 shall apply in respect to each such Permitted Leasehold Mortgage.

(2) In the event of any assignment of a Permitted Leasehold Mortgage or in the event of a change of address of a Permitted Leasehold Mortgagee or of an assignee of such Mortgage, written notice of the new name and address shall be provided to Landlord.

(ii) Landlord shall promptly upon receipt of a communication purporting to constitute the notice provided for by subsection (b)(i) above acknowledge by an executed and notarized instrument receipt of such communication as constituting the notice provided for by subsection (b)(i) above and confirming the status of the Permitted Leasehold Mortgagee as such or, in the alternative, notify the Tenant and the Permitted Leasehold Mortgagee of the rejection of such communication as not conforming with the provisions of this Section 17.1 and specify the specific basis of such rejection.

(iii) After Landlord has received the notice provided for by subsection (b)(i) above, the Tenant, upon being requested to do so by Landlord, shall with reasonable promptness provide Landlord with copies of the note or other obligation secured by such Permitted Leasehold Mortgage and of any other documents pertinent to the Permitted Leasehold Mortgage as specified by the Landlord. If requested to do so by Landlord, Tenant shall thereafter also provide the Landlord from time to time with a copy of each amendment or other modification or supplement to such instruments. All recorded documents shall be accompanied by the appropriate recording stamp or other certification of the custodian of the relevant recording office as to their authenticity as true and correct copies of official records and all nonrecorded documents shall be accompanied by a certification by Tenant that such documents are true and correct copies of the originals. From time to time upon being requested to do so by Landlord, Tenant shall also notify Landlord of the date and place of recording and other pertinent recording data with respect to such instruments as have been recorded.

(c) Default Notice. Landlord, upon providing Tenant any notice of: (i) default under this Master Lease or (ii) a termination of this Master Lease, shall at the same time provide a copy of such notice to every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof. No such notice by Landlord to Tenant shall be deemed to have been duly given unless and until a copy thereof has been sent, in the manner prescribed in Section 35.1 of this Master Lease, to every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof. From and after such notice has been sent to a Permitted Leasehold Mortgagee, such Permitted Leasehold Mortgagee shall have the same period, after the giving of such notice, as is given Tenant after the giving of such notice to Tenant, plus in each instance, the additional

periods of time specified in Section 17.1(d) and Section 17.1(e) to remedy, commence remedying or cause to be remedied the defaults or acts or omissions which are specified in any such notice. Landlord shall accept such performance by or at the instigation of such Permitted Leasehold Mortgagee as if the same had been done by Tenant. Tenant authorizes each PermittedLeasehold Mortgagee (to the extent such action is authorized under the applicable Debt Agreement) to take any such action at such Permitted Leasehold Mortgagee's option and does hereby authorize entry upon the Leased Property by the Permitted Leasehold Mortgagee for such purpose.

(d) Notice to Permitted Leasehold Mortgagee. Anything contained in this Master Lease to the contrary notwithstanding, if any default shall occur which entitles Landlord to terminate this Master Lease, Landlord shall have no right to terminate this Master Lease on account of such default unless, following the expiration of the period of time given Tenant to cure such default or the act or omission which gave rise to such default, Landlord shall notify every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof of Landlord's intent to so terminate at least thirty (30) days in advance of the proposed effective date of such termination if such default is capable of being cured by the payment of money, and at least ninety (90) days in advance of the proposed effective date of such termination if such default is not capable of being cured by the payment of money ("**Termination Notice**"). The provisions of Section 17.1(e) shall apply if, during such thirty (30) or ninety (90) days (as the case may be) Termination Notice period, any Permitted Leasehold Mortgagee shall:

(i) notify Landlord of such Permitted Leasehold Mortgagee's desire to nullify such Termination Notice; and

(ii) pay or cause to be paid all Rent, Additional Charges, and other payments (i) then due and in arrears as specified in the Termination Notice to such Permitted Leasehold Mortgagee and (ii) which may become due during such thirty (30) or ninety (90) day (as the case may be) period (as the same may become due); and

(iii) comply or in good faith, with reasonable diligence and continuity, commence to comply with all nonmonetary requirements of this Master Lease then in default and reasonably susceptible of being complied with by such PermittedLeasehold Mortgagee, provided, however, that such Permitted Leasehold Mortgagee shall not be required during such ninety (90) day period to cure or commence to cure any default consisting of Tenant's failure to satisfy and discharge any charge or Encumbrance against the Tenant's interest in this Master Lease or the Leased Property, or any of Tenant's other assets junior in priority to the lien of the mortgage or other security documents held by such Permitted Leasehold Mortgagee; and

(iv) during such thirty (30) or ninety (90) day period, the Permitted Leasehold Mortgagee shall respond, with reasonable diligence, to requests for information from Landlord as to the Permitted Leasehold Mortgagee's (and related lenders') intent to pay such Rent and other charges and comply with this Master Lease.

(e) Procedure on Default.

(i) If Landlord shall elect to terminate this Master Lease by reason of any Event of Default of Tenant that has occurred and is continuing, and a Permitted Leasehold Mortgagee shall have proceeded in the manner provided for by Section 17.1(d), the specified date for the termination of this Master Lease as fixed by Landlord in its Termination Notice shall be extended for a period of six (6) months; provided that such Permitted Leasehold Mortgagee shall, during such six-month period (and during the period of any continuance referred to in subsection (e)(ii) below):

(1) pay or cause to be paid the Rent, Additional Charges and other monetary obligations of Tenant under this Master Lease as the same become due, and continue its good faith efforts to perform or cause to be performed all of Tenant's other obligations under this Master Lease, excepting (A) obligations of Tenant to satisfy or otherwise discharge any charge or Encumbrance against Tenant's interest in this Master Lease or the Leased Property or any of Tenant's other assets junior in priority to the lien of the mortgage or other security documents held by such Permitted Leasehold Mortgagee and (B) past nonmonetary obligations then in default and not reasonably susceptible of being cured by such Permitted Leasehold Mortgagee; and

(2) if not enjoined or stayed pursuant to a bankruptcy or insolvency proceeding or other judicial order, diligently continue to pursue acquiring or selling Tenant's interest in this Master Lease and the Leased Property by foreclosure of the Permitted Leasehold Mortgage or other appropriate means and diligently prosecute the same to completion.

(ii) If at the end of such six (6) month period such Permitted Leasehold Mortgagee is complying with subsection (e)(i) above, this Master Lease shall not then terminate, and the time for completion by such Permitted Leasehold Mortgagee of its proceedings shall continue (provided that for the time of such continuance, such Permitted Leasehold Mortgagee is in compliance with subsection (e)(i) above) (x) so long as such Permitted Leasehold Mortgagee is enjoined or stayed pursuant to a bankruptcy or insolvency proceeding or other judicial order and if so enjoined or stayed, thereafter for so long as such Permitted Leasehold Mortgagee proceeds to complete steps to acquire or sell Tenant's interest in this Master Lease by foreclosure of the Permitted Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity but not to exceed twelve (12) months after the Permitted Leasehold Mortgagee is no longer so enjoined or stayed from prosecuting the same and in no event longer than twenty-four (24) months from the date of Landlord's initial notification to Permitted Leasehold Mortgagee pursuant to Section 17.1(d) hereof, and (y) if such Permitted Leasehold Mortgagee is not so enjoined or stayed, thereafter for so long as such Permitted Leasehold Mortgagee proceeds to complete steps to acquire or sell Tenant's interests in this Master Lease by foreclosure of the Permitted Leasehold Mortgage or by other appropriate means with reasonable diligence and continuity but not to exceed twelve (12) months from the date of Landlord's initial notification to Permitted Leasehold Mortgagee pursuant to Section 17.1(d) hereof. Nothing in this Section 17.1(e), however, shall be construed to extend this Master Lease beyond the original term thereof as extended by any options to extend the term of this Master Lease properly exercised by Tenant or a Permitted Leasehold Mortgagee in accordance with Section 1.4, nor to require a Permitted Leasehold Mortgagee

to continue such foreclosure proceeding after the default has been cured. If the default shall be cured pursuant to the terms and within the time periods allowed in Sections 17.1(d) and 17.1(e) and the Permitted Leasehold Mortgagee shall discontinue such foreclosure proceedings, this Master Lease shall continue in full force and effect as if Tenant had not defaulted under this Master Lease.

(iii) If a Permitted Leasehold Mortgagee is complying with Section 17.1(e)(i), upon the acquisition of Tenant's Leasehold Estate herein by a Discretionary Transferee this Master Lease shall continue in full force and effect as if Tenant had not defaulted under this Master Lease, provided that such Discretionary Transferee cures all outstanding defaults that can be cured through the payment of money and all other defaults that are reasonably susceptible of being cured.

(iv) For the purposes of this Section 17.1, the making of a Permitted Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Master Lease nor of the Leasehold Estate hereby created, nor shall any Permitted Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Master Lease or of the Leasehold Estate hereby created so as to require such Permitted Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of the Tenant to be performed hereunder; but the purchaser at any sale of this Master Lease (including a Permitted Leasehold Mortgagee if it is the purchaser at foreclosure) and of the Leasehold Estate hereby created in any proceedings for the foreclosure of any Permitted Leasehold Mortgage, or the assignee or transferee of this Master Lease and of the Leasehold Estate hereby created under any instrument of assignment or transfer in lieu of the foreclosure of any Permitted Leasehold Mortgage, shall be subject to Article XXII hereof (including the requirement that such purchaser assume the performance of the terms, covenants or conditions on the part of the Tenant to be performed hereunder and meet the qualifications of Discretionary Transferee or be reasonably consented to by Landlord in accordance with Section 22.2(i) hereof).

(v) Any Permitted Leasehold Mortgagee or other acquirer of the Leasehold Estate of Tenant pursuant to foreclosure, assignment in lieu of foreclosure or other proceedings in accordance with the requirements of Section 22.2(iii) of this Master Lease may, upon acquiring Tenant's Leasehold Estate, without further consent of Landlord, sell and assign the Leasehold Estate in accordance with the requirements of Section 22.2(iii) of this Master Lease and enter into Permitted Leasehold Mortgages in the same manner as the original Tenant, subject to the terms hereof.

(vi) Notwithstanding any other provisions of this Master Lease, any sale of this Master Lease and of the Leasehold Estate hereby created in any proceedings for the foreclosure of any Permitted Leasehold Mortgage, or the assignment or transfer of this Master Lease and of the Leasehold Estate hereby created in lieu of the foreclosure of any Permitted Leasehold Mortgage, shall be deemed to be a permitted sale, transfer or assignment of this Master Lease and of the Leasehold Estate hereby created to the extent that the successor tenant under this Master Lease is a Discretionary Transferee and the transfer otherwise complies with the requirements of Section 22.2(iii) of this Master Lease or the transferee is reasonably consented to by Landlord in accordance with Section 22.2(i) hereof.

(f) New Lease. In the event of the termination of this Master Lease other than due to a default as to which the Permitted Leasehold Mortgagee had the opportunity to, but did not, cure the default as set forth in Sections 17.1(d) and 17.1(e) above, Landlord shall provide each Permitted Leasehold Mortgagee with written notice that this Master Lease has been terminated ("**Notice of Termination**"), together with a statement of all sums which would at that time be due under this Master Lease but for such termination, and of all other defaults, if any, then known to Landlord. Landlord agrees to enter into a new lease ("**New Lease**") of the Leased Property with such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee (in each case if a Discretionary Transferee) for the remainder of the term of this Master Lease, effective as of the date of termination, at the rent and additional rent, and upon the terms, covenants and conditions (including all options to renew but excluding requirements which have already been fulfilled) of this Master Lease, provided:

(i) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall make a binding, written, irrevocable commitment to Landlord for such New Lease within thirty (30) days after the date such Permitted Leasehold Mortgagee receives Landlord's Notice of Termination of this Master Lease given pursuant to this Section 17.1(f);

(ii) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall pay or cause to be paid to Landlord at the time of the execution and delivery of such New Lease, any and all sums which would at the time of execution and delivery thereof be due pursuant to this Master Lease but for such termination and, in addition thereto, all reasonable expenses, including reasonable attorney's fees, which Landlord shall have incurred by reason of such termination and the execution and delivery of the New Lease and which have not otherwise been received by Landlord from Tenant or other party in interest under Tenant; and

(iii) Such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall agree to remedy any of Tenant's defaults of which said Permitted Leasehold Mortgagee was notified by Landlord's Notice of Termination (or in any subsequent notice) and which can be cured through the payment of money or are reasonably susceptible of being cured by Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee.

(g) New Lease Priorities. If more than one Permitted Leasehold Mortgagee shall request a New Lease pursuant to Section 17.1(f)(i), Landlord shall enter into such New Lease with the Permitted Leasehold Mortgagee whose mortgage is senior in lien, or with its Permitted Leasehold Mortgagee Designee acting for the benefit of such Permitted Leasehold Mortgagee prior in lien foreclosing on Tenant's interest in this Master Lease. Landlord, without liability to Tenant or any Permitted Leasehold Mortgagee with an adverse claim, may rely upon a title insurance policy issued by a reputable title insurance company as the basis for determining the appropriate Permitted Leasehold Mortgagee who is entitled to such New Lease.

(h) Permitted Leasehold Mortgagee Need Not Cure Specified Defaults Nothing herein contained shall require any Permitted Leasehold Mortgagee as a condition to its exercise of the right hereunder to cure any default of Tenant not reasonably susceptible of being cured by such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee (including but not limited to the default referred to in Section 16.1(c), (d), (e), (f) (if the levy or attachment is in favor of such Permitted Leasehold Mortgagee (provided such levy is extinguished upon foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure) or is junior to the lien of such Permitted Leasehold Mortgagee and would be extinguished by the foreclosure of the Permitted Leasehold Mortgage that is held by such Permitted Leasehold Mortgagee), or (l) (as related to the Indebtedness secured by a Permitted Leasehold Mortgage that is junior to the lien of the Permitted Leasehold Mortgagee and such junior lien would be extinguished by the foreclosure of the Permitted Leasehold Mortgage that is held by such Permitted Leasehold Mortgagee) and any other sections of this Master Lease which may impose conditions of default not susceptible to being cured by a Permitted Leasehold Mortgagee or a subsequent owner of the Leasehold Estate through foreclosure hereof), in order to comply with the provisions of Sections 17.1(d) and 17.1(e), or as a condition of entering into the New Lease provided for by Section 17.1(f).

(i) Casualty Loss. A standard mortgagee clause naming each Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof may be added to any and all insurance policies required to be carried by Tenant hereunder on condition that the insurance proceeds are to be applied in the manner specified in this Master Lease and the Permitted Leasehold Mortgage shall so provide; except that the Permitted Leasehold Mortgage may provide a manner for the disposition of such proceeds, if any, otherwise payable directly to the Tenant (but not such proceeds, if any, payable jointly to the Landlord and Tenant, to Landlord, or to the Facility Mortgagee) pursuant to the provisions of this Master Lease.

(j) Arbitration; Legal Proceedings. Landlord shall give prompt notice to each Permitted Leasehold Mortgagee (for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof) of any arbitration or legal proceedings between Landlord and Tenant involving obligations under this Master Lease.

(k) No Merger. So long as any Permitted Leasehold Mortgage is in existence, unless all Permitted Leasehold Mortgagees for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof shall otherwise expressly consent in writing, the fee title to the Leased Property and the Leasehold Estate of Tenant therein created by this Master Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said Leasehold Estate by Landlord or by Tenant or by a third party, by purchase or otherwise.

(l) Notices. Notices from Landlord to the Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof shall be provided in the method provided in Section 35.1 hereof to the address or fax number furnished Landlord pursuant to Section 17.1(b), and those from the Permitted Leasehold Mortgagee to Landlord shall be mailed to the address designated pursuant to the provisions of Section 35.1 hereof. Such notices, demands and requests shall be given in the manner described in this Section 17.1 and in Section 35.1 and shall in all respects be governed by the provisions of those sections.

(m) Limitation of Liability. Notwithstanding any other provision hereof to the contrary, (i) Landlord agrees that any Permitted Leasehold Mortgagee's liability to Landlord in its capacity as Permitted Leasehold Mortgagee hereunder howsoever arising shall be limited to and enforceable only against such Permitted Leasehold Mortgagee's interest in the Leasehold Estate and the other collateral granted to such Permitted Leasehold Mortgagee to secure the obligations under its Debt Agreement, and (ii) each Permitted Leasehold Mortgagee agrees that Landlord's liability to such Permitted Leasehold Mortgagee hereunder howsoever arising shall be limited to and enforceable only against Landlord's interest in the Leased Property, and no recourse against Landlord shall be had against any other assets of Landlord whatsoever.

(n) Sale Procedure. If an Event of Default shall have occurred and be continuing, the Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof with the most senior lien on the Leasehold Estate shall have the right to make all determinations and agreements on behalf of Tenant under Article XXXVI (including, without limitation, requesting that the sale process described in Article XXXVI be commenced, the determination and agreement of the Communications Assets FMV, the Successor Tenant Rent, and the potential Successor Tenants that should be included in the process, and negotiation with such Successor Tenants), in each case, in accordance with and subject to the terms and provisions of Article XXXVI, including without limitation the requirement that Successor Tenant meet the qualifications of Discretionary Transferee.

(o) Third Party Beneficiary. Each Permitted Leasehold Mortgagee (for so long as such Permitted Leasehold Mortgagee holds a Permitted Leasehold Mortgage) is an intended third-party beneficiary of this Article XVII entitled to enforce the same as if a party to this Master Lease.

17.2 Landlord's Right to Cure Tenant's Default. If Tenant shall fail to make any payment or to perform any act required to be made or performed hereunder when due or within any cure period provided for herein, Landlord, without waiving or releasing any obligation or default, may, but shall be under no obligation to, make such payment or perform such act for the account and at the expense of Tenant, and may, to the extent permitted by law, enter upon the Leased Property for such purpose and take all such action thereon as, in Landlord's opinion, may be necessary or appropriate therefor. No such entry shall be deemed an eviction of Tenant. All sums so paid by Landlord and all costs and expenses, including reasonable attorneys' fees and expenses, so incurred, together with interest thereon at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Landlord, shall be paid by Tenant to Landlord on demand as an Additional Charge.

ARTICLE XVIII

18.1 Sale of the Leased Property. Subject to the terms of Section 18.2 and Article XXXI, Landlord may, without the consent or approval of Tenant, sell all (and not less than all) of the Leased Property to a single buyer who is not a Competitor. In connection with such sale, Landlord and the buyer shall concurrently enter into an assignment agreement pursuant to which

Landlord assigns to such buyer all of its rights, title and interest under this Master Lease, and the buyer agrees to perform all of the obligations, terms, covenants and conditions of Landlord hereunder from and after the effective date of the sale. For the avoidance of doubt, each entity comprising Landlord must assign 100% of its right, title and interest under this Master Lease to the buyer in order for an assignment of the Master Lease to be permitted under the terms of this Section 18.1.

18.2 Restrictions on Transfers in Landlord. Subject to the rights of a Foreclosure Purchaser under Article XXXI, Landlord shall not, without Tenant's prior written consent, (i) sell or otherwise transfer any Equity Interests in Landlord or CS&L Parent that results in a Competitor (whether directly or through Subsidiaries of Competitor and whether in a single transaction or in a series of unrelated or related transactions) acquiring beneficial ownership and control of ten percent (10%) or more of the Equity Interests in Landlord or CS&L Parent, (ii) sell any or all of Landlord's assets relating to the Facilities to a Competitor (whether directly or through Subsidiaries of the Competitor and whether in a single transaction or in a series of unrelated or related transactions), (iii) merge or consolidate with or into a Competitor (whether directly or through Landlord's Subsidiaries) or (iv) sell or otherwise transfer any Equity Interests in any entity comprising Landlord that would result in CS&L Parent not being the beneficial owner, whether directly or indirectly, of one hundred percent (100%) of the Equity Interests in such entity unless the Equity Interests that are sold or transferred are convertible into Equity Interests in CS&L Parent.

ARTICLE XIX

19.1 Holding Over. If Tenant shall for any reason remain in possession of the Leased Property of a Facility after the expiration or earlier termination of the Term with respect to such Facility without the consent of Landlord (other than Tenant remaining in possession of a Facility in accordance with Section 36.3) such possession shall be as a month-to-month tenant during which time Tenant shall pay as Rent each month twice the monthly Rent applicable to the prior Lease Year for such Facility, as reasonably determined by Landlord, together with all Additional Charges and all other sums payable by Tenant pursuant to this Master Lease. During such period of month-to-month tenancy, Tenant shall be obligated to perform and observe all of the terms, covenants and conditions of this Master Lease, but shall have no rights hereunder other than the right, to the extent given by law to month-to-month tenancies, to continue its occupancy and use of the Leased Property of, and/or any Tenant Capital Improvements to, such Facility. Nothing contained herein shall constitute the consent, express or implied, of Landlord to the holding over of Tenant after the expiration or earlier termination of this Master Lease.

ARTICLE XX

20.1 Risk of Loss. The risk of loss or of decrease in the enjoyment and beneficial use of the Leased Property as a consequence of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise, or in consequence of foreclosures, attachments, levies or executions (other than by Landlord and Persons claiming from, through or under Landlord) is assumed by Tenant, and except as otherwise provided herein no such event shall entitle Tenant to any abatement of Rent.

ARTICLE XXI

21.1 General Indemnification. In addition to the other indemnities contained herein, and notwithstanding the existence of any insurance carried by or for the benefit of Landlord or Tenant, and without regard to the policy limits of any such insurance, Tenant shall protect, indemnify, save harmless and defend Landlord from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorneys', consultants' and experts' fees and expenses (collectively, "**Claims**"), imposed upon or incurred by or asserted by third parties against Landlord by reason of: (i) any accident, injury to or death of Persons or loss of or damage to property occurring on or about the Leased Property or adjoining sidewalks under the control of Tenant; (ii) any use, misuse, maintenance or repair by Tenant or its Subsidiaries of the Leased Property; (iii) any failure on the part of Tenant to perform or comply with any of the terms of this Master Lease; (iv) the non-performance of any of the terms and provisions of any and all existing and future subleases of the Leased Property to be performed by any party thereunder; (v) any claim for malpractice, negligence or misconduct committed by any Person on or working from the Leased Property; (vi) any claims or actions for trespass with respect to the Leased Property; (vii) the violation by Tenant of any Legal Requirement and (viii) any carrier of last resort obligations which are Tenant's responsibility pursuant to Section 36.4. Any amounts which become payable by Tenant under this Article XXI shall be paid within ten (10) days after liability therefor is determined by a final non appealable judgment or settlement or other agreement of the parties, and if not timely paid shall bear interest at the Overdue Rate from the date of such determination to the date of payment. Tenant, at its sole cost and expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Landlord; it being agreed and understood that in no event shall Landlord have the right to enter into any settlement with respect to any claim, action or proceeding for which Tenant has an obligation to indemnify Landlord hereunder without obtaining Tenant's prior consent. For purposes of this Article XXI, any acts or omissions of Tenant, or by employees, agents, assignees, contractors, subcontractors or others acting for or on behalf of Tenant (whether or not they are negligent, intentional, willful or unlawful), shall be strictly attributable to Tenant. Landlord shall be obligated to (a) deliver Notice to Tenant of any Claims for which it is seeking Tenant to indemnify Landlord from pursuant to this Section 21.1 promptly after such Claim is imposed on or incurred by Landlord, and (b) mitigate any damages it incurs or is reasonably expected to incur in connection with such Claim.

ARTICLE XXII

22.1 Subletting and Assignment. Tenant shall not, without Landlord's prior written consent, which, except as specifically set forth herein, may be withheld in Landlord's reasonable discretion, voluntarily or by operation of law assign (which term includes any transfer, sale, encumbering, pledge or other transfer or hypothecation) this Master Lease, sublet all or any part of the Leased Property of any Facility (including, without limitation, any rights granted by Tenant through a dark fiber agreement, a dim fiber agreement or a collocation agreement) or engage the services of any Person (other than any of Tenant's Subsidiaries) for the management or operation of any Facility (each of the aforesaid acts being referred to herein as a "**Transfer**") (provided that the foregoing shall not restrict a transferee of Tenant from retaining a manager necessary for such transferee's satisfying the requirement set forth in clause (a)(1) of the definition of "Discretionary COC Transferee" or prevent Tenant or its Subsidiaries from

outsourcing or contracting with third parties to perform services that remain under the supervision of Tenant or its Subsidiaries). Tenant acknowledges that Landlord is relying upon the expertise of Tenant in the operation of the Facilities and that Landlord entered into this Master Lease with the expectation that Tenant (or Tenant's Subsidiaries on behalf of Tenant) would remain in and operate such Facilities during the entire Term and for that reason, except as set forth herein, Landlord retains reasonable discretion in approving or disapproving any assignment or sublease. Any Change in Control shall constitute an assignment of Tenant's interest in this Master Lease within the meaning of this Article XXII and the provisions requiring consent contained herein shall apply.

22.2 Permitted Assignments. Notwithstanding the foregoing, and subject to Section 40.1, Tenant may:

(i) with Landlord's prior written consent, which consent shall not be unreasonably withheld, allow to occur or undergo a Change in Control (including without limitation a transfer or assignment of this Master Lease to any third party in conjunction with a sale by Tenant of all or substantially all of Tenant's assets relating to the Facilities);

(ii) without Landlord's prior written consent, assign this Master Lease or sublease the Leased Property to any of Tenant's Subsidiaries if all of the following are first satisfied: (x) Tenant remains fully liable hereunder; (y) the use of the Leased Property continues to comply with the requirements of this Master Lease; and (z) Landlord in its reasonable discretion shall have approved the form and content of all documents for such assignment or sublease and received an executed counterpart thereof; and

(iii) without Landlord's prior written consent:

(x) undergo a Change in Control of the type referred to in clause (iii) of the definition of Change in Control (such Change in Control, a "**Tenant COC**") if (1) such Person acquiring such beneficial ownership or control is a Discretionary COC Transferee, and (2) the Parent Company of such Discretionary COC Transferee, if any, has become a Guarantor and provided a Lease Guaranty on terms reasonably satisfactory to Landlord or, if such Discretionary COC Transferee does not have a Parent Company, such Discretionary COC Transferee has become a Guarantor and provided a Lease Guaranty on terms reasonably satisfactory to Landlord;

(y) assign this Master Lease to any Person in an assignment that does not constitute a Foreclosure Assignment if (1) such Person is a Discretionary Transferee, (2) such Discretionary Transferee agrees in writing to assume the obligations of the Tenant under this Master Lease without amendment or modification other than as provided below, and (3) the Parent Company of such Discretionary Transferee, if any, has become a Guarantor and provided a Lease Guaranty on terms reasonably satisfactory to Landlord or, if such Discretionary Transferee does not have a Parent Company, such Discretionary Transferee has become a Guarantor and provided a Lease Guaranty on terms reasonably satisfactory to Landlord; or

(z) (i) assign this Master Lease by way of foreclosure of the Leasehold Estate or an assignment-in-lieu of foreclosure to any Person (any such assignment, a "**Foreclosure Assignment**") or (ii) undergo a Change in Control whereby a Person acquires beneficial ownership and control of 100% of the Equity Interests in Tenant as a result of the purchase at a foreclosure on a permitted pledge of the Equity Interests in Tenant or an assignment in lieu of such foreclosure (a "**Foreclosure COC**") or (iii) effect the first subsequent sale or assignment of the Leasehold Estate or Change in Control after a Foreclosure Assignment or a Foreclosure COC whereby a Person so acquires the Leasehold Estate or beneficial ownership and control of 100% of the Equity Interests in Tenant or the Person who acquired the Leasehold Estate in connection with the Foreclosure Assignment, in each case, effected by a Permitted Leasehold Mortgagee or a Permitted Leasehold Mortgagee Foreclosing Party, to the extent such Permitted Leasehold Mortgagee or Permitted Leasehold Mortgagee Designee has been diligently attempting to expedite such first subsequent sale from the time it has initiated foreclosure proceedings taking into account the interest of such Permitted Leasehold Mortgagee or Permitted Leasehold Mortgagee Designee in maximizing the proceeds of such disposition if (1) such Person is a Discretionary Transferee, (2) in the case of any Foreclosure Assignment, if such Discretionary Transferee is not a Permitted Leasehold Mortgagee Designee such Discretionary Transferee agrees in writing to assume the obligations of the Tenant under this Master Lease without amendment or modification other than as provided below (which written assumption, in the case of a Permitted Leasehold Mortgagee Foreclosing Party, may be made by a Subsidiary of a Permitted Leasehold Mortgagee or a Permitted Leasehold Mortgagee Designee) and (3) if such Discretionary Transferee is not a Permitted Leasehold Mortgagee Foreclosing Party, the Parent Company of such Discretionary Transferee, if any, has become a Guarantor and provided a Lease Guaranty on terms reasonably satisfactory to Landlord or, if such Discretionary Transferee does not have a Parent Company, such Discretionary Transferee has become a Guarantor and provided a Lease Guaranty on terms reasonably satisfactory to Landlord;

provided that no such Change in Control or assignment referred to in this Section 22.2(iii) shall be permitted without Landlord's prior written consent unless, and in which case such consent shall not be unreasonably withheld, (A) the use of the Leased Property at the time of such Change in Control or assignment and immediately after giving effect thereto is permitted by Section 7.2 hereof, and (B) Landlord in its reasonable discretion shall have approved the form and content of all documents for such assignment and assumption and received an executed

counterpart thereof (provided no such approval shall be required in the case of aTenant COC, so long as (A) Tenant remains obligated under the Master Lease, (B) the requirements for a Lease Guaranty from the Parent Company, Discretionary Transferee or Discretionary COC Transferee, as applicable, are met, and (C) any modifications to this Master Lease required pursuant to the next succeeding paragraph are made); and

(iv) without Landlord's prior written consent, pledge or mortgage its Leasehold Estate to a Permitted Leasehold Mortgagee.

Upon the effectiveness of any Change in Control or assignment permitted pursuant to this Section 22.2, such Discretionary COC Transferee, Discretionary Transferee or the Parent Company of such Discretionary COC Transferee or Discretionary Transferee, as applicable and Landlord shall make such amendments and other modifications to this Master Lease as are reasonably requested by either party to give effect to such Change in Control or assignment and such technical amendments as may be necessary or appropriate in the reasonable opinion of such requesting party in connection with such Change in Control or assignment including, without limitation, changes to the definition of Change in Control to include Parent Company (or, if the Discretionary COC Transferee or the Discretionary Transferee does not have a Parent Company, the Discretionary COC Transferee or Discretionary Transferee, as applicable) and in the provisions of this Master Lease regarding delivery of financial statements and other reporting requirements with respect to Tenant and the delivery of a Lease Guaranty by Guarantor. After giving effect to any such Change in Control or assignment, unless the context otherwise requires, references to Tenant hereunder shall be deemed to refer to the Discretionary COC Transferee, the Discretionary Transferee or the Parent Company of such Discretionary COC Transferee or Discretionary Transferee, as applicable.

22.3 Permitted Sublease Agreements and Usage Arrangements. Notwithstanding the provisions of Section 22.1, but subject to compliance with the provisions of this Section 22.3 and of Section 40.1, (a) Tenant shall be permitted to grant any of its rights and privileges under this Master Lease to any of Tenant's Subsidiaries and Landlord acknowledges that the performance of any obligations or agreements by any of Tenant's Subsidiaries on behalf of Tenant shall satisfy Tenant's obligations to perform such obligation or agreement hereunder, (b) the Specified Subleases shall be permitted without any further consent from Landlord, (c) provided that no Event of Default shall have occurred and be continuing, Tenant may enter into any sublease agreement (including, but not limited to, any rights granted by Tenant or any of its Subsidiaries through a dark fiber agreement, a dim fiber agreement, or a collocation agreement) without the prior written consent of Landlord, provided, further that, (i) with respect to clauses (b) or (c), the route miles pursuant to such sublease does not constitute greater than thirty percent (30%) in the aggregate of the route miles of all the Facilities in the aggregate then subject to this Master Lease (such portion, a "**Material Portion**") (and any such route miles for any Material Portion will require Landlord's prior written consent, which consent may not be unreasonably withheld except that no such consent shall be required to the extent (x) permitted under the Specified Subleases (y) the subtenant under such sublease is a Discretionary Transferee or (z) with respect to any collocation agreement, Tenant (or its Subsidiaries) is obligated to enter into such collocation agreement in order to discharge its obligations under any Communication License or any Communications Regulations); (ii) all sublease agreements under clauses (b) and (c) of this

Section 22.3 (other than a sublease with a Discretionary Transferee) are made in the normal course of the Primary Intended Use and to third party users or operators of portions of the Leased Property in furtherance of the Primary Intended Use or are required to discharge Tenant or its Subsidiaries' obligations under any Communications License or Communications Regulations and (iii) Landlord shall have the right to reasonably approve the identity of any subtenants under this Section 22.3 (except with respect to any third parties under any collocation arrangements, dim fiber arrangements and dark fiber agreements or any subtenants under the Specified Subleases and any permitted assignment by such subtenants with respect to such Specified Sublease) that will be operating all or portions of the Leased Property for its Primary Intended Use to ensure that all are adequately capitalized and competent and experienced for the operations which they will be conducting; provided however, that if any subtenant is a Discretionary Transferee, then such subtenant shall be deemed approved by Landlord. Upon the occurrence and during the continuance of an Event of Default that is monetary in nature, Landlord shall have the right to collect all rents, profits and charges under any sublease (including, but not limited to, any rights granted by Tenant or any of its Subsidiaries through a dark fiber agreement, a dim fiber agreement, or a collocation agreement) to the extent permitted by applicable law and apply the net amount collected to the Rent, but no such collection shall be deemed (i) a waiver by Landlord of any of the provisions of this Master Lease, (ii) an acceptance by Landlord of such subtenant or party as a tenant or (iii) a release of Tenant from the future performance of its obligations hereunder. If reasonably requested by Tenant in connection with a sublease permitted under clause (c) above, Landlord and such sublessee shall enter into a subordination, non-disturbance and attornment agreement with respect to such sublease in a form reasonably satisfactory to Landlord (and if a Facility Mortgage is then in effect, Landlord shall use reasonable efforts to cause the Facility Mortgagee to enter into such subordination, non-disturbance and attornment agreement).

22.4 Required Assignment and Subletting Provisions. Any assignment and/or sublease (including, but not limited to, any rights granted by Tenant or any of its Subsidiaries pursuant to a dark fiber agreement, a dim fiber agreement or a collocation agreement) must meet the following conditions:

(i) in the case of a sublease, it shall be subject and subordinate to all of the terms and conditions of this Master Lease;

(ii) the use of the applicable Facility (or portion thereof) shall not conflict with any Legal Requirement or any other provision of this Master Lease;

(iii) except as otherwise provided herein, no subtenant or assignee shall be permitted to further sublet all or any part of the applicable Leased Property or assign this Master Lease or its sublease except insofar as the same would be permitted if it were a sublease by Tenant under this Master Lease (it being understood that any subtenant under Section 22.3(a) may pledge and mortgage its subleasehold estate (or allow the pledge of its equity interests) to a Permitted Leasehold Mortgagee);

(iv) in the case of a sublease, in the event of cancellation or termination of this Master Lease for any reason whatsoever or of the surrender of this Master Lease (whether voluntary, involuntary or by operation of law) prior to the expiration date of

such sublease, including extensions and renewals granted thereunder, then, subject to Article XXXVI, at Landlord's option, the subtenant shall make full and complete attornment to Landlord for the balance of the term of the sublease, which attornment shall be evidenced by an agreement in form and substance satisfactory to Landlord and which the subtenant shall execute and deliver within five (5) days after request by Landlord and the subtenant shall waive the provisions of any law now or hereafter in effect which may give the subtenant any right of election to terminate the sublease or to surrender possession in the event any proceeding is brought by Landlord to terminate this Master Lease;

(v) in the event the subtenant receives a written notice from Landlord stating that this Master Lease has been cancelled, surrendered or terminated, then, subject to Article XXXVI, the subtenant shall thereafter be obligated to pay all rentals accruing under said sublease directly to Landlord (or as Landlord shall so direct); all rentals received from the subtenant by Landlord shall be credited against the amounts owing by Tenant under this Master Lease; and

(vi) the term of the sublease shall expire no later than the day preceding the expiration date of the then current Term.

22.5 Costs. Tenant shall reimburse Landlord for Landlord's reasonable costs and expenses incurred in conjunction with the processing and documentation of any assignment, subletting or management arrangement (but expressly excluding any costs and expenses incurred by Landlord in connection with Landlord's review of any collocation arrangements, dark fiber agreements and dim fiber agreements which shall be borne solely by Landlord), including reasonable attorneys', architects', engineers' or other consultants' fees whether or not such sublease, assignment or management agreement is actually consummated.

22.6 No Release of Tenant's Obligations; Exception. No assignment (other than a permitted transfer pursuant to Section 22.2(i) or Section 22.2(iii)(y) or Section 22.2(iii)(z)(1) or Section 22.2(iii)(z)(3), in connection with a sale or assignment of the Leasehold Estate), subletting or management agreement shall relieve Tenant of its obligation to pay the Rent and to perform all of the other obligations to be performed by Tenant hereunder. The liability of Tenant and any immediate and remote successor in interest of Tenant (by assignment or otherwise), and the due performance of the obligations of this Master Lease on Tenant's part to be performed or observed, shall not in any way be discharged, released or impaired by any (i) stipulation which extends the time within which an obligation under this Master Lease is to be performed, (ii) waiver of the performance of an obligation required under this Master Lease that is not entered into for the benefit of Tenant or such successor, or (iii) failure to enforce any of the obligations set forth in this Master Lease, provided that Tenant shall not be responsible for any additional obligations or liability arising as the result of any modification or amendment of this Master Lease by Landlord and any assignee of Tenant that is not an Affiliate of Tenant.

22.7 Public Offering. Notwithstanding anything that may be to the contrary in this Article XXII, this Master Lease shall not restrict any Transfer of any stock of Tenant as a result of a public offering of Tenant's stock which (a) constitutes a bona fide public distribution of such stock pursuant to a firm commitment underwriting or a plan of distribution registered under the Securities Act of 1933 and (b) results in such stock being listed for trading on the American

Stock Exchange, the New York Stock Exchange, or any other recognized stock exchange whether within or outside of the United States or authorized for quotation on the NASDAQ National Market immediately upon the completion of such public offering. In addition, so long as such stock of Tenant is listed for trading on any such exchange or authorized for quotation on such market, the transfer or exchange of such stock shall not be deemed a Transfer hereunder unless such a transfer or exchange constitutes a Change in Control.

ARTICLE XXIII

23.1 Officer's Certificates and Financial Statements.

(a) Officer's Certificate. Each of Landlord and Tenant shall, at any time and from time to time upon receipt of not less than ten (10) Business Days' prior written request from the other party hereto, furnish an Officer's Certificate certifying (i) that this Master Lease is unmodified and in full force and effect, or that this Master Lease is in full force and effect as modified and setting forth the modifications; (ii) the Rent and Additional Charges payable hereunder and the dates to which the Rent and Additional Charges have been paid; (iii) that the address for notices to be sent to the party furnishing such Officer's Certificate is as set forth in this Master Lease (or, if such address for notices has changed, the correct address for notices to such party); (iv) whether or not, to its actual knowledge, such party or the other party hereto is in compliance in all material respects with the covenants, agreements and conditions contained in this Master Lease (together with back-up calculation and information reasonably necessary to support such determination); (v) that Tenant is in possession of the Leased Property; and (vi) responses to such other questions or statements of fact as such other party, any ground or underlying landlord, any purchaser or any current or prospective Facility Mortgagee or Permitted Leasehold Mortgagee shall reasonably request, provided that such questions or statements of fact are included in the written notice requesting the Officer's Certificate. Landlord's or Tenant's failure to deliver such statement within such time shall constitute an acknowledgement by such failing party that, to such party's knowledge, (x) this Master Lease is unmodified and in full force and effect except as may be represented to the contrary by the other party; (y) the other party is not in default in the performance of any covenant, agreement or condition contained in this Master Lease; and (z) the other matters set forth in such request, if any, are true and correct. Notwithstanding the foregoing, in no event shall Landlord or Tenant be required to deliver an Officer's Certificate under this Section 23.1(a) more than two (2) times in any calendar year. Any such certificate furnished pursuant to this Article XXIII may be relied upon by the receiving party and any current or prospective Facility Mortgagee, Permitted Leasehold Mortgagee, ground or underlying landlord or purchaser of the Leased Property. Tenant shall deliver a Notice to Landlord within two (2) Business Days of obtaining knowledge of the occurrence of any material default hereunder. Such Notice shall include a detailed description of the default and the actions Tenant has taken or shall take, if any, to remedy such default.

(b) Statements. Tenant shall furnish the following statements (each a "**Financial Statement**" and collectively the "**Financial Statements**") to Landlord:

(i) as soon as available and in no event later than ninety (90) days after the end of each Fiscal Year, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for

such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by PricewaterhouseCoopers LLP or other independent public accountants of recognized national standing (without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of Tenant and its consolidated Subsidiaries in accordance with GAAP and the applicable requirements of Regulation S-X;

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

(iii) concurrently with any delivery of financial statements under clause (i) or (ii) above, a certificate of a Financial Officer of Tenant certifying as to whether a default has occurred under this Master Lease and, if a default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto; and

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

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

(vi) prompt Notice to Landlord of any action, proposal or investigation by any agency or entity, or complaint to such agency or entity, (any of which is called a "**Proceeding**"), known to Tenant, the result of which Proceeding would reasonably be expected to be to revoke or suspend or terminate or modify in a way adverse to Tenant, or fail to renew or fully continue in effect, any license or certificate or operating authority pursuant to which Tenant carries on any part of the Primary Intended Use of all or any portion of the Leased Property.

(c) Other than postings on the SEC's website, any financial statement or other materials required to be delivered pursuant to Section 23.1(b) shall be deemed to have been delivered on the date on which such information is posted on Tenant's website on the Internet or by

Landlord on an IntraLinks or similar site to which Landlord has been granted access or shall be available on the SEC's website on the Internet at www.sec.gov; provided that Tenant shall give Notice of any such posting to Landlord, and Tenant shall deliver paper copies of any such documents to Landlord if Landlord requests Tenant to deliver such paper copies. Notwithstanding anything contained herein, in every instance Tenant shall be required to provide paper copies of any certificate required by Section 23.1(b)(iii) to Landlord. If any Financial Statement or other materials required to be delivered under this Master Lease shall be required to be delivered on any date that is not a Business Day, such information may be delivered to Landlord on the next succeeding Business Day after such date; and

(d) Tenant further agrees to provide the financial and operational reports to be delivered to Landlord under this Master Lease in such electronic format(s) as may reasonably be required by Landlord from time to time in order to (i) facilitate Landlord's financial and reporting requirements and (ii) permit Landlord to calculate any rent, fee or other payments due under any Pole Agreements or Permits. Tenant also agrees that Landlord shall have audit rights with respect to such information to the extent required to confirm Tenant's compliance with the Master Lease terms (including, calculation of Net Income).

(e) Tenant agrees upon request of Landlord (which request is received by Tenant with reasonable advance notice to allow it to perform its obligations hereunder), the Tenant shall provide such information that Landlord reasonably requires to comply with its reporting and filing obligations pursuant to the Sarbanes-Oxley Act of 2002 including:

(i) preparation of the narrative(s) for processes determined to materially impact Landlord's Financial Statements;

(ii) access during reasonable business hours to Tenant management (including Tenant internal audit management) responsible for activities outlined in the narrative(s);

(iii) incur reasonable efforts to design control activities for all key internal controls over financial reporting, associated information technology general controls and other entity-level controls (collectively "Key Internal Controls") (as required to maintain compliance with the Sarbanes-Oxley Act of 2002);

(iv) incur reasonable efforts to enable Landlord and its external auditors to test the operating effectiveness of the Key Internal Controls over financial reporting identified; and

(v) incur reasonable efforts to attempt to remediate, within a reasonable amount of time prior to each calendar year end, any deficient controls identified by Landlord or its external auditors and to work with Landlord and its external auditors to identify compensating or mitigating controls which can be tested by Landlord and its external auditor and deemed to be operating effectively for the same period of time as the deficient control operated.

Both parties acknowledge and agree that Tenant will charge Landlord for Tenant's reasonable costs to perform these obligations including its out-of-pocket costs and reasonable allocations for internal labor.

(f) Notwithstanding the foregoing, Tenant shall not be obligated (1) to provide information or assistance that could give Landlord or its Affiliates a "competitive" advantage with respect to markets in which Tenant or Tenant's Subsidiaries might be competing at any time (it being understood that Landlord shall retain audit rights with respect to such information to the extent required to confirm Tenant's compliance with the Master Lease terms (and Landlord's compliance with the SEC, Internal Revenue Service and other legal and regulatory requirements) and provided that appropriate measures are in place to ensure that only Landlord's auditors and attorneys (and not Landlord) are provided access to such information) or (2) to provide information that is subject to the quality assurance immunity or is subject to attorney-client privilege or the attorney work product doctrine.

(g) Tenant shall maintain adequate books and records of all Permits, Easements and Pole Agreement and all payments (and supporting documentation relating to such payments) made thereunder for no less than five (5) years after the end of each Fiscal Year with respect to the books and records maintained during such Fiscal Year. Tenant's books and records for the Permits, Easements and Pole Agreements shall be maintained in a manner consistent with the other books and records maintained by Tenant. Landlord shall have the right from time to time during normal business hours upon reasonable notice to Tenant to examine and audit such books and records at the office of Tenant or other Person maintaining such books and records and to make such copies or extracts thereof as Landlord shall desire.

(h) Notwithstanding anything to the contrary contained herein, Tenant agrees that upon request of Landlord, it shall from time to time provide such information that Landlord requires in order for Landlord to comply with its reporting and filing obligations with the SEC (including, without limitation, any requirements imposed by Regulation S-X (including, to the extent necessary, obtaining a consent from Tenant's external audit firm for inclusion of their report on Tenant's financial statement in Landlord's SEC filings)) and further agrees that Landlord may include such information in its filings and submissions to the SEC.

23.2 Confidentiality; Public Offering Information. (a) The parties recognize and acknowledge that they may receive certain Confidential Information of the other party. Subject to Section 23.1(g), each party agrees that neither such party nor any of its Representatives acting on its behalf shall, during or within five (5) years after the term of the termination or expiration of this Master Lease, directly or indirectly use any Confidential Information of the other party or disclose Confidential Information of the other party to any person for any reason or purpose whatsoever, except as reasonably required in order to comply with the obligations and provisions of this Master Lease.

(b) Notwithstanding anything to the contrary set forth in Section 23.2(a), in the event that a party or any of its Representatives is requested or becomes legally compelled (pursuant to any legal, governmental, administrative or regulatory order, authority or process) to disclose any Confidential Information of the other party but specifically excluding any disclosures required to be made by Landlord under Section 23.1(g), it will, to the extent reasonably practicable and not

prohibited by law, provide the party to whom such Confidential Information belongs prompt written notice of the existence, terms or circumstances of such event so that the party to whom such Confidential Information belongs may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Section 23.2. In the event that such protective order or other remedy is not obtained or the party to whom such Confidential Information belongs waives compliance with this Section 23.2, the party compelled to disclose such Confidential information will furnish only that portion of the Confidential Information or take only such action as, based upon the advice of your legal counsel, is legally required and will use commercially reasonable efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished. The party compelled to disclose the Confidential Information shall cooperate with any action reasonably requested by the party to whom such Confidential information belongs to obtain a protective order or other reliable assurance that confidential treatment will be accorded to the Confidential Information.

(c) The parties agree that, except as required by law, no party hereto shall issue any press release relating to the terms of this Master Lease without the prior written approval of the other party, which approval may be granted or withheld in such party's sole discretion.

23.3 Agreements with Respect to Certain Information. Notwithstanding anything to the contrary in Section 23.2:

(a) Without limiting the disclosures permitted to be made by Landlord under Section 23.1(g), Tenant specifically agrees that Landlord may include financial information and such information concerning the operation of the Facilities (1) which is publicly available or (2) the inclusion of which is approved by Tenant in writing, which approval may not be unreasonably withheld, in offering memoranda or prospectuses or confidential information memoranda, or similar publications or marketing materials, rating agency presentations, investor presentations or disclosure documents in connection with syndications, private placements or public offerings of Landlord's or its Subsidiaries' securities or loans, and any other reporting requirements under applicable federal and state laws, including those of any successor to Landlord, provided that, to the extent such information is not publicly available, the recipients thereof shall be obligated to maintain the confidentiality thereof pursuant to Section 23.2 hereof or pursuant to confidentiality provisions substantially similar thereto and to comply with all federal, state and other securities laws applicable with respect to such information. Unless otherwise agreed by Tenant, Landlord shall not revise or change the wording of information previously publicly disclosed by Tenant and furnished to Landlord or any its Subsidiaries pursuant to Section 23.1 or this Section 23.3 and Landlord's Form 10-Q or Form 10-K (or supplemental report filed in connection therewith) shall not disclose the operational results of the Facilities prior to Tenant's or its Affiliate's public disclosure thereof so long as Tenant or such Affiliate reports such information in a timely manner consistent with historical practices and SEC disclosure requirements. Tenant agrees to provide such other reasonable information and, if necessary, reasonable participation in road shows and other presentations at Landlord's sole cost and expense, with respect to Tenant and its Leased Property to facilitate a public or private debt or equity offering or syndication by Landlord or its Subsidiaries to satisfy Landlord's SEC disclosure requirements or the disclosure requirements of any of its Subsidiaries. In this regard, Landlord shall provide to Tenant a copy of any information prepared by Landlord to be published, and Tenant shall have a reasonable period of time (not to exceed three (3) Business Days) after receipt of such information to notify Landlord of any corrections.

(b) Landlord shall have the right to share Confidential Information of Tenant contained in the Financial Statements with its Subsidiaries and their respective officers, employees, directors, Facility Mortgagee, agents and lenders party to material debt instruments entered into by Landlord or its Subsidiaries, actual or prospective arrangers, underwriters, investors or lenders with respect to Indebtedness or Equity Interests that may be issued by Landlord or its Subsidiaries, rating agencies, accountants, attorneys and other consultants (the "**Landlord Representatives**"), provided that (i) such Landlord Representative is not a Competitor and is advised of the confidential nature of such information and agrees, to the extent such information is not publicly available, to maintain the confidentiality thereof pursuant to Section 23.2 hereof or pursuant to confidentiality provisions substantially similar thereto and to comply with all federal, state and other securities laws applicable with respect to such information and (ii) neither it nor any Landlord Representative shall be permitted to engage in any transactions with respect to the stock or other equity or debt securities or syndicated loans of Tenant based on any such non-public information provided by or on behalf of Landlord or its Subsidiaries (provided that this provision shall not govern the provision of information by Tenant).

(c) In addition to the foregoing, Landlord agrees that, upon request of Tenant, it shall from time to time provide such information as may be reasonably requested by Tenant with respect to Landlord's capital structure and/or any financing secured by this Master Lease or the Leased Property in connection with Tenant's review of the treatment of this Master Lease under GAAP. Tenant shall have the right to share such information with Tenant's Subsidiaries and their respective officers, employees, directors, Permitted Leasehold Mortgagees, agents and lenders party to material debt instruments entered into by Tenant or Tenant's Subsidiaries, actual or prospective arrangers, underwriters, investors or lenders with respect to Indebtedness or Equity Interests that may be issued by Tenant or Tenant's Subsidiaries, rating agencies, accountants, attorneys and other consultants (the "**Tenant Representatives**") so long as such Tenant Representative is advised of the confidential nature of such information and agrees, to the extent such information is not publicly available, (i) to maintain the confidentiality thereof pursuant to Section 23.2 hereof and to comply with all federal, state and other securities laws applicable with respect to such information and (ii) not to engage in any transactions with respect to the stock or other equity or debt securities or syndicated loans of Landlord or its Subsidiaries based on any such non-public information provided by or on behalf of Tenant or Tenant's Subsidiaries (provided that this provision shall not govern the provision of information by Landlord).

ARTICLE XXIV

24.1 Landlord's Right to Inspect. Upon reasonable advance notice to Tenant, Tenant shall permit Landlord and its authorized representatives to inspect its Leased Property during usual business hours. Landlord shall take care to minimize disturbance of the operations on the Leased Property, except in the case of emergency.

ARTICLE XXV

25.1 No Waiver. No delay, omission or failure by Landlord to insist upon the strict performance of any term hereof or to exercise any right, power or remedy hereunder and no acceptance of full or partial payment of Rent during the continuance of any default or Event of Default shall impair any such right or constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Master Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

ARTICLE XXVI

26.1 Remedies Cumulative. To the extent permitted by law, each legal, equitable or contractual right, power and remedy of Landlord now or hereafter provided either in this Master Lease or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Landlord of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Landlord of any or all of such other rights, powers and remedies.

ARTICLE XXVII

27.1 Acceptance of Surrender. No surrender to Landlord of this Master Lease or of any Leased Property or any part thereof, or of any interest therein, shall be valid or effective unless agreed to and accepted in writing by Landlord, and no act by Landlord or any representative or agent of Landlord, other than such a written acceptance by Landlord, shall constitute an acceptance of any such surrender.

ARTICLE XXVIII

28.1 No Merger. There shall be no merger of this Master Lease or of the leasehold estate created hereby by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, (i) this Master Lease or the leasehold estate created hereby or any interest in this Master Lease or such leasehold estate and (ii) the fee estate in the Leased Property.

ARTICLE XXIX

29.1 Conveyance by Landlord. If Landlord or any successor owner of the Leased Property shall convey the Leased Property in accordance with the terms of this Master Lease other than as security for a debt, and the grantee or transferee expressly assumes all obligations of Landlord arising after the date of the conveyance, Landlord or such successor owner, as the case may be, shall thereupon be released from all future liabilities and obligations of the Landlord under this Master Lease (other than any obligation of Landlord hereunder to provide a Funding Commitment whether such obligation arises prior to, on or after the date of such conveyance) arising or accruing from and after the date of such conveyance or other transfer and all such future liabilities and obligations shall thereupon be binding upon the new owner; it being agreed and understood that Landlord and any successor owner shall remain jointly and severally liable for any obligation to provide a Funding Commitment to Tenant that arises from and after the date of such conveyance.

ARTICLE XXX

30.1 Quiet Enjoyment. So long as this Master Lease is in full force and effect, Tenant shall peaceably and quietly have, hold and enjoy the Leased Property for the Term, free of any claim or other action by Landlord or anyone claiming by, through or under Landlord, but subject to all covenants, conditions, restrictions, easements, Encumbrances and other matters affecting the Leased Property as of the Commencement Date or thereafter provided for in this Master Lease or consented to by Tenant. No failure by Landlord to comply with the foregoing covenant shall give Tenant any right to cancel or terminate this Master Lease or abate, reduce or make a deduction from or offset against the Rent or any other sum payable under this Master Lease, or to fail to perform any other obligation of Tenant hereunder. Notwithstanding the foregoing, Tenant shall have the right, by separate and independent action to pursue any claim it may have against Landlord as a result of a breach by Landlord of the covenant of quiet enjoyment contained in this Article XXX.

ARTICLE XXXI

31.1 Landlord's Financing. Without the consent of Tenant but subject to the terms of this Article XXXI, Landlord may from time to time, directly or indirectly, create or otherwise cause to exist any Facility Mortgage upon the Leased Property or any portion thereof or interest therein. This Master Lease is and at all times shall be subject and subordinate to any such Facility Mortgage which may now or hereafter affect the Leased Property or any portion thereof or interest therein and to all renewals, modifications, consolidations, replacements, restatements and extensions thereof or any parts or portions thereof; provided, however, that the subjection and subordination of this Master Lease and Tenant's leasehold interest hereunder to any Facility Mortgage shall be conditioned upon the execution by the holder of each Facility Mortgage and delivery to Tenant of a nondisturbance and attornment agreement substantially in the form attached hereto as Exhibit C (or in a form otherwise reasonably acceptable to Tenant and the Facility Mortgagee or prospective Facility Mortgagee, as the case may be), and executed by Tenant as well as Landlord, which will bind such holder of such Facility Mortgage and its successors and assigns as well as any person who acquires any portion of the Leased Property in a foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure or a successor owner of the Leased Property (each, a "**Foreclosure Purchaser**") and which provides that so long as there is not then outstanding and continuing an Event of Default under this Master Lease, the holder of such Facility Mortgage, and any Foreclosure Purchaser shall disturb neither Tenant's leasehold interest or possession of the Leased Property in accordance with the terms hereof, nor any of its rights, privileges and options, and shall give effect to this Master Lease, including the provisions of Article XVII which benefit any Permitted Leasehold Mortgagee (as if such Facility Mortgagee or Foreclosure Purchaser were the landlord under this Master Lease (it being understood that the exercise of any rights and remedies by the Facility Mortgagee or Foreclosure Purchaser shall be subject to the terms and provisions of this Master Lease (including the provisions of Article XVI and Article XXXVI) if an Event of Default has occurred and is continuing at the time such party acquires any portion of the Leased Property in a foreclosure or similar proceeding or in a transfer in lieu)). Except for the documents described in the preceding sentences, this provision shall be self-operative and no further instrument of subordination shall be required to give it full force and effect. If, in connection with obtaining any Facility Mortgage for the Leased Property or any portion thereof or interest therein, a Facility Mortgagee or prospective Facility Mortgagee

shall request (A) reasonable cooperation from Tenant, Tenant shall provide the same at no cost or expense to Tenant, it being understood and agreed that Landlord shall be required to reimburse Tenant for all reasonable costs and expenses so incurred by Tenant, including, but not limited to, its reasonable attorneys' fees, or (B) reasonable amendments or modifications to this Master Lease as a condition thereto, Tenant hereby agrees to execute and deliver the same so long as any such amendments or modifications do not (i) increase Tenant's monetary obligations under this Master Lease, (ii) adversely increase Tenant's non-monetary obligations under this Master Lease in any material respect, (iii) diminish Tenant's rights under this Master Lease in any material respect or (iv) amend in any respect the provisions set forth in Section 3.4, Section 10.2(b), Section 16.1, Article XXII, Section 34.1, Article XXXVI and Section 41.14 and the definitions related thereto.

31.2 Attornment. If Landlord's interest in the Leased Property or any portion thereof or interest therein is sold, conveyed or terminated upon the exercise of any remedy provided for in any Facility Mortgage Documents (or in lieu of such exercise), or otherwise by operation of law: (a) at the request and option of the new owner or superior lessor, as the case may be, Tenant shall attorn to and recognize the new owner or superior lessor as Tenant's "landlord" under this Master Lease or enter into a new lease substantially in the form of this Master Lease with the new owner or superior lessor, and Tenant shall take such actions to confirm the foregoing within ten (10) days after request so long as no provision in such new lease (i) increases Tenant's monetary obligations under this Master Lease, (ii) adversely increases Tenant's non-monetary obligations under this Master Lease in any material respect, (iii) diminishes Tenant's rights under this Master Lease in any material respect or (iv) amends in any respect the provisions set forth in Section 3.4, Section 10.2(b), Section 16.1, Article XXII, Section 34.1, Article XXXVI and Section 41.14 and the definitions related thereto and (b) the new owner or superior lessor shall not be (i) liable for any act or omission of Landlord under this Master Lease occurring prior to such sale, conveyance or termination, unless such act or omission is then continuing and reasonably susceptible to cure by the new owner or superior lessor acting as a prudent landlord; (ii) subject to any offset, abatement or reduction of rent because of any default of Landlord under this Master Lease occurring prior to such sale, conveyance or termination, except where such offset, abatement or reduction of rent arises out of (1) failure of Landlord to fund Capital Improvements pursuant to Section 10.2(b) or (2) a default of the Landlord that is continuing at the time the new owner or superior lessor acquires title to the Leased Property and is reasonably susceptible to cure by the new owner or superior lessor, Tenant has given the new owner or superior lessor notice thereof, and the new owner or superior lessor fails to cure the same after having received such notice thereof; or (iii) bound by any previous modification or amendment to this Master Lease or any previous prepayment of more than one month's Rent, unless such modification, amendment or prepayment shall have been approved in writing by such Facility Mortgagee (to the extent such approval was required at the time of such amendment or modification or prepayment under the terms of the applicable Facility Mortgage Documents) or, in the case of such prepayment, such prepayment of rent has actually been delivered to such new owner or superior lessor or in either case, such modification, amendment or prepayment occurred before Landlord provided Tenant with notice of the Facility Mortgage and the identity and address of the Facility Mortgagee.

ARTICLE XXXII

32.1 Hazardous Substances. Tenant shall not allow any Hazardous Substance to be located in, on, under or about the Leased Property or incorporated in any Facility; provided, however,

that Hazardous Substances may be brought, kept, used or disposed of in, on or about the Leased Property in quantities and for purposes similar to those brought, kept, used or disposed of in, on or about similar facilities used for purposes similar to the Primary Intended Use or in connection with the construction of facilities similar to the applicable Facility or to the extent in existence at any Facility and which are brought, kept, used and disposed of in material compliance with Legal Requirements. Tenant shall not allow the Leased Property to be used as a waste disposal site or for the manufacturing, handling, storage, distribution or disposal of any Hazardous Substance other than in the ordinary course of the business conducted at the Leased Property and in material compliance with applicable Legal Requirements.

32.2 Notices. Tenant shall provide to Landlord, within five (5) Business Days after Tenant's receipt thereof, a copy of any notice, or notification with respect to, (i) any violation of a Legal Requirement relating to Hazardous Substances located in, on, or under the Leased Property or any adjacent property; (ii) any enforcement, cleanup, removal, or other governmental or regulatory action instituted, completed or threatened with respect to the Leased Property; (iii) any claim made or threatened by any Person against Tenant or the Leased Property relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from or claimed to result from any Hazardous Substance; and (iv) any reports made to any federal, state or local environmental agency arising out of or in connection with any Hazardous Substance in, on, under or removed from the Leased Property, including any complaints, notices, warnings or assertions of violations in connection therewith.

32.3 Remediation. If Tenant becomes aware of a material violation of any Legal Requirement relating to any Hazardous Substance in, on, under or about the Leased Property or any adjacent property, or if Tenant, Landlord or the Leased Property becomes subject to any order of any federal, state or local agency to repair, close, detoxify, decontaminate or otherwise remediate the Leased Property, Tenant shall immediately notify Landlord of such event and, at its sole cost and expense, cure such violation or effect such repair, closure, detoxification, decontamination or other remediation. If Tenant fails to implement and diligently pursue any such cure, repair, closure, detoxification, decontamination or other remediation, Landlord shall have the right, but not the obligation, to carry out such action and to recover from Tenant all of Landlord's costs and expenses incurred in connection therewith.

32.4 Indemnity. Tenant shall indemnify, defend, protect, save, hold harmless, and reimburse Landlord for, from and against any and all costs, losses (including, losses of use or economic benefit or diminution in value), liabilities, damages, assessments, lawsuits, deficiencies, demands, claims and expenses (collectively, "**Environmental Costs**") (whether or not arising out of third-party claims and regardless of whether liability without fault is imposed, or sought to be imposed, on Landlord) incurred in connection with, arising out of, resulting from or incident to, directly or indirectly, before (except to the extent first discovered after the end of the Term) or during (but not after) the Term or such portion thereof during which the Leased Property is leased to Tenant (i) the production, use, generation, storage, treatment, transporting, disposal, discharge, release or other handling or disposition of any Hazardous Substances from, in, on or about the Leased Property (collectively, "**Handling**"), including the effects of such Handling of any Hazardous Substances on any Person or property within or outside the boundaries of the Leased Property, (ii) the presence of any Hazardous Substances in, on, under or about the Leased Property and (iii) the violation of any Environmental Law. "Environmental Costs" include

interest, costs of response, removal, remedial action, containment, cleanup, investigation, design, engineering and construction, damages (including actual and consequential damages) for personal injuries and for injury to, destruction of or loss of property or natural resources, relocation or replacement costs, penalties, fines, charges or expenses, attorney's fees, expert fees, consultation fees, and court costs, and all amounts paid in investigating, defending or settling any of the foregoing.

Without limiting the scope or generality of the foregoing, Tenant expressly agrees that, in the event of a breach by Tenant in its obligations under this Section 32.4 that is not cured within any applicable cure period, Tenant shall reimburse Landlord for any and all reasonable costs and expenses incurred by Landlord in connection with, arising out of, resulting from or incident to, directly or indirectly, before (with respect to any period of time in which Tenant or its Affiliate was in possession and control of the applicable Leased Property) or during (but not after) the Term or such portion thereof during which the Leased Property is leased to Tenant of the following:

(a) in investigating any and all matters relating to the Handling of any Hazardous Substances, in, on, from, under or about the Leased Property;

(b) in bringing the Leased Property into compliance with all Legal Requirements; and

(c) in removing, treating, storing, transporting, cleaning-up and/or disposing of any Hazardous Substances used, stored, generated, released or disposed of in, on, from, under or about the Leased Property or off-site other than in the ordinary course of the business conducted at the Leased Property and in compliance with applicable Legal Requirements.

If any claim is made by Landlord for reimbursement for Environmental Costs incurred by it hereunder, Tenant agrees to pay such claim promptly, and in any event to pay such claim within sixty (60) calendar days after receipt by Tenant of Notice thereof and any amount not so paid within such sixty (60) calendar day period shall bear interest at the Overdue Rate from the date due to the date paid in full.

32.5 Environmental Inspections. In the event Landlord has a reasonable basis to believe that Tenant is in breach of its obligations under this Article XXXII, Landlord shall have the right, from time to time, during normal business hours and upon not less than five (5) days' Notice to Tenant, except in the case of an emergency in which event no notice shall be required, to conduct an inspection of the Leased Property to determine the existence or presence of Hazardous Substances on or about the Leased Property. Landlord shall have the right to enter and inspect the Leased Property, conduct any testing, sampling and analyses it deems necessary and shall have the right to inspect materials brought into the Leased Property. Landlord may, in its discretion, retain such experts to conduct the inspection, perform the tests referred to herein, and to prepare a written report in connection therewith. All reasonable costs and expenses incurred by Landlord under this Section 32.5 shall be paid on demand as Additional Charges by Tenant to Landlord. Failure to conduct an environmental inspection or to detect unfavorable conditions if such inspection is conducted shall in no fashion be intended as a release of any liability for environmental conditions subsequently determined to be associated with or to have occurred

during Tenant's tenancy. Tenant shall remain liable for any environmental condition related to or having occurred during its tenancy regardless of when such conditions are discovered and regardless of whether or not Landlord conducts an environmental inspection at the termination of this Master Lease. The obligations set forth in this Article XXXII shall survive the expiration or earlier termination of this Master Lease.

ARTICLE XXXIII

33.1 Memorandum of Lease. Upon Tenant's request, Landlord and Tenant shall enter into one or more short form memoranda of this Master Lease, in form suitable for recording in each county or other applicable location in which the Leased Property is located. Tenant shall pay all costs and expenses of recording any such memorandum and shall fully cooperate with Landlord in removing from record any such memorandum upon the expiration or earlier termination of the Term with respect to the applicable Facility.

33.2 Tenant Financing. If, in connection with granting any Permitted Leasehold Mortgage or entering into a Debt Agreement, Tenant shall reasonably request (A) reasonable cooperation from Landlord, Landlord shall provide the same at no cost or expense to Landlord, it being understood and agreed that Tenant shall be required to reimburse Landlord for all such costs and expenses so incurred by Landlord, including, but not limited to, its reasonable attorneys' fees, or (B) reasonable amendments or modifications to this Master Lease as a condition thereto, Landlord hereby agrees to execute and deliver the same so long as any such amendments or modifications do not (i) increase Landlord's monetary obligations under this Master Lease, (ii) adversely increase Landlord's non-monetary obligations under this Master Lease in any material respect, (iii) diminish Landlord's rights under this Master Lease in any material respect, (iv) adversely impact the value of the Leased Property or (v) adversely impact Landlord's (or any Affiliate of Landlord's) tax treatment or position.

ARTICLE XXXIV

34.1 Expert Valuation Process. (a) If it becomes necessary to determine the Maximum Foreseeable Loss, and the parties are unable to agree thereon, then the same shall be determined by two Experts, one such Expert to be selected by Landlord to act on its behalf and the other such Expert to be selected by Tenant to act on its behalf. Landlord or Tenant, as applicable, shall cause its Expert to, within forty-five (45) days after the applicable Valuation Request Notice (the "**Initial Valuation Period**"), determine the Maximum Foreseeable Loss as of the relevant date (giving effect to the impact, if any, of inflation from the date of the Expert's decision to the relevant date); provided, however, that if either party shall fail to appoint its Expert within the time permitted, or if two Experts shall have been so appointed but only one such Expert shall have made such determination within such forty-five (45) day period, then the determination of such sole Expert shall be final and binding upon the parties. For purposes of clarity, the "relevant date" with respect to any determination of the Maximum Foreseeable Loss shall be deemed to be the date on which Tenant must adjust the amount of insurance carried pursuant to Article XIII. A written report of each Expert shall be delivered and addressed to each of Landlord and Tenant. This provision for determination by an expert valuation process shall be specifically enforceable to the extent such remedy is available under applicable law, and any determination hereunder shall be final and binding upon the parties except as otherwise provided by applicable law.

(b) If the two Experts shall have been appointed and shall have made their determinations within the respective requisite periods set forth above and if the difference between the amounts so determined shall not exceed ten percent (10%) of the lesser of such amounts then the Maximum Foreseeable Loss shall be an amount equal to fifty percent (50%) of the sum of the amounts so determined. If the difference between the amounts so determined shall exceed ten percent (10%) of the lesser of such amounts, then such two Experts shall have ten (10) days to appoint a third Expert meeting the above requirements, but if such Experts fail to do so, then either party may request the American Arbitration Association or any successor organization thereto to appoint an Expert meeting the above requirements (such Expert, the "**Third Expert**") within ten (10) days of such request, and both parties shall be bound by any appointment so made within such ten (10) day period. If no such Expert shall have been appointed within such ten (10) days or within the Initial Valuation Period, whichever is earlier, either Landlord or Tenant may apply to any court having jurisdiction to have such appointment made by such court. Any Expert appointed by the original Experts, by the American Arbitration Association or by such court shall be instructed to determine the Maximum Foreseeable Loss within thirty (30) days (together with the Initial Valuation Period, the "**Valuation Period**") after appointment of such Expert.

(c) If a Third Expert is appointed in accordance with Section 34.1(b), then suchThird Expert shall choose which of the determinations made by the other two (2) Experts shall be final and binding, and such chosen determination shall be final and binding upon Landlord and Tenant as the Maximum Foreseeable Loss.

(d) Landlord and Tenant shall each pay the fees and expenses of the Expert appointed by it and each shall pay one-half (1/2) of the fees and expenses of the Third Expert.

ARTICLE XXXV

35.1 Notices. Any notice, request or other communication to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid and return receipt requested, by hand delivery or express courier service or by an overnight express service to the following address:

To Tenant:	Windstream Holdings, Inc. 4001 Rodney Parham Road Little Rock, AR 72212 Attention: Chief Financial Officer
With a copy to: (that shall not constitute notice)	Windstream Holdings, Inc. 4001 Rodney Parham Road Mailstop: B1F03-71A Little Rock, AR 72212 Attention: Legal Department

To Landlord:	c/o Communications Sales & Leasing, Inc. 10802 Executive Center Drive Benton Building, Suite 300 Little Rock, AR 72211 Attention: Controller
And with copy to (which shall not constitute notice):	c/o Communications Sales & Leasing, Inc. 10802 Executive Center Drive Benton Building, Suite 300 Little Rock, AR 72211 Attention: General Counsel

or to such other address as either party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted.

ARTICLE XXXVI

36.1 Transfer of Tenant's Property and Operational Control of the Facilities.

(a) Upon (i) Tenant's election or deemed election not to extend the Master Lease for any Facility by the Renewal Election Outside Date (a "**Non-Renewal Event**"), (ii) the expiration of the final Renewal Term (the "**Final Lease Expiration**") or (iii) the delivery by Landlord of a Notice (a "**Lease Termination Notice**") to Tenant exercising Landlord's right to terminate this Master Lease or repossess the Leased Property in accordance with the terms of this Master Lease, Tenant shall transfer (or cause to be transferred) upon such expiration or earlier termination of the Term with respect to any Facility that is subject to such expiration or earlier termination (each an "**Affected Facility**") or as soon thereafter as Landlord shall request, the Communication Assets to a successor lessee or operator (or lessees or operators) of such Affected Facility (collectively, the "**Successor Tenant**") designated pursuant to Section 36.2 for consideration to be received by Tenant (or Tenant's Subsidiaries) from the Successor Tenant in an amount equal to the Fair Market Value of the Communications Assets (the "**Communications Assets FMV**") as either (x) negotiated and agreed in writing by Tenant and the Successor Tenant (the "**Negotiated Communications Assets FMV**") in accordance with Section 36.2(c)(i) or (y) if (A) the Tenant and Successor Tenant have not agreed in writing on the Communications Assets FMV for an Affected Facility by the date that is ninety (90) days prior to the expiration of the Term (other than in connection with the Final Lease Expiration) or (B) a Lease Termination Notice has been delivered to Tenant and remains in effect or the Final Lease Expiration shall have occurred, then such Communications Assets FMV shall be determined, and Tenant's transfer of the Communication Assets to a Successor Tenant in consideration for a payment in such amount shall be determined and transferred, in accordance with the provisions of Section 36.2. Notwithstanding the foregoing, in the event (i) the Credit Agreement Agent has notified Landlord that a default or event of default (beyond all applicable notice and cure periods) has occurred and is continuing under the Credit Agreement or the transfer of the Communication Assets would constitute a sale of all or substantially all of the Tenant's assets on a consolidated basis (each a "**Credit Agreement Agent Trigger Event**"), (ii) the Successor Tenant is a Person

other than the Credit Agreement Agent (acting on behalf of the lenders under the Credit Agreement) or its designee and (iii) the Negotiated Communications Assets FMV is less than Credit Agreement Payoff Amount of which Landlord receives notices from Credit Agreement Agent, then Tenant and Successor Tenant shall be deemed to not have agreed on the Communications Assets FMV and the Communications Assets FMV shall be determined in accordance with Section 36.2. For the purpose of clarification, except as provided in Section 36.2(d), the Communication Assets must be transferred in whole (and not in part) to the Successor Tenant in exchange for the Communications Assets FMV.

(b) For purposes of determining the Communication Assets, Landlord and Tenant acknowledge that there may be instances where Tenant provides services to a customer at multiple locations, some of which are directly served by an Affected Facility and some of which are not directly served by an Affected Facility. In such circumstances, Landlord and Tenant have agreed not to divide the customer relationship between Tenant and the Successor Tenant. Therefore, Landlord and Tenant agree that in such circumstances, Tenant will retain the entire customer relationship unless the revenue generated by the customer relationship is predominately derived from services provided to customer locations directly served by an Affected Facility, in which case the entire customer relationship will be included as part of the Communication Assets to be sold to a Successor Tenant under this Article XXXVI.

36.2 Determination of Successor Lessee and Communications Assets FMV.

(a) The determination of the Communications Assets FMV and the transfer of the Communications Assets to a Successor Tenant in consideration for the Communications Assets FMV shall be effected by (i) first, determining the Successor Tenant Rent in accordance with Section 1.4(b) in the case of a Non-Renewal Event or Section 41.14 in the case of a Final Lease Expiration or a termination of this Master Lease (ii) second, identifying and designating in accordance with the terms of Section 36.2(b), a pool of qualified potential Successor Tenants (each, a "**Qualified Successor Tenant**") prepared to lease the Affected Facility at the Successor Tenant Rent and to bid for the Communications Assets of the Affected Facility, and (iii) third, subject to and in accordance with the terms of Section 36.2(c)(ii), determining the highest price a Qualified Successor Tenant would agree to pay for the Communications Assets of the Affected Facility and setting such highest price as the Communications Assets FMV in exchange for which Tenant shall be required to transfer such Communications Assets. Landlord will enter into a lease with such Qualified Successor Tenant on substantially the same terms and conditions of this Master Lease (except that (1) the Leased Property shall only include the Leased Property pertaining to the Affected Facility, (2) the term shall be ten (10) years, (3) the rent shall be the Successor Tenant Rent, and (4) the references to Discretionary COC Transferee shall be deleted from the Master Lease and, to the extent not duplicative, the term Discretionary Transferee shall be substituted in its place).

(b) Designating Potential Successor Tenants. Landlord will select three (3) (one of which will be Landlord or an Affiliate of Landlord) and Tenant will select four (4) (one of which will be the Credit Agreement Agent or its designee) (for a total of up to seven (7)) potential Qualified Successor Tenants prepared to lease the Affected Facility for the Successor Tenant Rent, each of whom must meet the criteria established for a Discretionary Transferee, or in the case of Credit Agreement Agent or its designee, a Discretionary COC Transferee (and

none of whom may be Tenant or an Affiliate of Tenant). Landlord and Tenant must designate their proposed Qualified Successor Tenants within one hundred eighty (180) days prior to the expiration of the Term or, in the case of a termination of this Master Lease, within thirty (30) days after delivery of the Lease Termination Notice. In the event that Landlord or Tenant fails to designate such party's allotted number of potential Qualified Successor Tenants, the other party may designate additional potential Qualified Successor Tenants such that the total number of potential Qualified Successor Tenants does not exceed seven (7); provided that, in the event the total number of potential Qualified Successor Tenants is less than seven (7), the transfer process will still proceed as set forth in Section 36.2(c) below.

(c) Determining Communications Assets FMV.

(i) Tenant will have a three (3) month period to enter into a definitive agreement specifying the Negotiated Communication Assets FMV and all other terms and conditions for the sale of the Communication Assets of the Affected Facility with one of the Qualified Successor Tenants (such agreement, a "**Communications Assets Sale Agreement**") which three (3) month period will commence immediately upon the conclusion of the steps set forth above in Section 36.2(b); provided, however, that (x) if Landlord is notified by the Credit Agreement Agent that a Credit Agreement Agent Trigger Event exists, unless the Successor Tenant is the Credit Agreement Agent (acting on behalf of the lenders under the Credit Agreement) or its designee, such Negotiated Communications Assets FMV shall be not less than the Credit Agreement Payoff Amount of which Landlord receives notice from the Credit Agreement Agent and (y) notwithstanding the foregoing, if a Lease Termination Notice has been delivered to Tenant or the Final Lease Expiration shall have occurred, Landlord and Tenant shall immediately engage a Qualified Third Party Auctioneer and the following clause (ii) shall instead be applicable (in lieu of any such three (3) month period).

(ii) If (A) Tenant does not enter into a Communications Assets Sale Agreement in accordance with the terms set forth in Section 36.2(c)(i) or (B) a Lease Termination Notice has been delivered to Tenant or the Final Lease Expiration shall have occurred, Landlord and Tenant shall engage a Qualified Third Party Auctioneer to conduct an auction for the Communication Assets among the seven (7) potential successor lessees in a manner reasonably designed to maximize the value of the Communication Assets and, subject to the terms of this Section 36.2(c)(ii), Tenant will be required to transfer the Communication Assets to the Qualified Successor Tenant submitting the highest Qualified Communications Assets Bid. Except for a bid submitted by the Credit Agreement Agent (or its designee) which may be in the form of a "credit bid" of the indebtedness and other obligations outstanding under the Credit Agreement, if the Credit Agreement Agent has notified Landlord that a Credit Agreement Agent Trigger Event exists, all bids shall provide the purchase price proposed to be paid for the Communication Assets, and at least seventy-five percent (75%) of such purchase price must consist of cash or cash equivalents (each such bid, a "**Qualified Communications Assets Bid**"). Tenant shall select the highest Qualified Communications Assets Bid for the sale of the Communications Assets within fifteen (15) days after receipt of the Qualified Communications Assets Bids (the "**Selection Period**"), provided that in the event (x) the Credit Agreement Agent has notified Landlord that a Credit Agreement

Agent Trigger Event exists and (y) Tenant desires to select a Qualified Communications Assets Bid as the highest bid that offers cash or cash equivalents in an amount less than the Credit Agreement Payoff Amount that has been identified by the Credit Agreement Agent in a notice to Landlord, then Tenant shall be deemed to designate the Credit Agreement Agent to make such selection. Notwithstanding the foregoing, if the Credit Agreement Agent has been designated by Tenant to select the highest Qualified Communications Assets Bid pursuant to the immediately preceding sentence and the Credit Agreement Agent fails to make such selection within the Selection Period, the Credit Agreement Agent shall be deemed to have waived its right to select the highest Qualified Communications Assets Bid and Tenant shall select the highest Qualified Communications Assets Bid within the five-day period that immediately follows the Selection Period.

(d) Notwithstanding anything in the contrary in this Article XXXVI, the transfer of the Communication Assets will be conditioned upon the approval of the applicable regulatory agencies of the transfer of the applicable Communications Licenses, Pole Agreements, Easements and Permits and any other assets to the Successor Tenant and/or the issuance of new licenses as required by applicable Communications Regulations and the relevant regulatory agencies both with respect to operating and suitability criteria, as the case may be.

36.3 Operation Transfer. (a) Upon designation of a Successor Tenant (pursuant to either Sections 36.1 or 36.2, as the case may be), Tenant shall reasonably cooperate and take all actions reasonably necessary (including providing all reasonable assistance to Successor Tenant) to effectuate the transfer of operational control of the Affected Facility to Successor Tenant in an orderly manner so as to minimize to the maximum extent possible any disruption to the continued orderly operation of the Affected Facility for its Primary Intended Use. Concurrently with the transfer of the Communications Assets to Successor Tenant, Landlord and Successor Tenant shall execute a new master lease in accordance with the terms set forth in Section 36.2(a).

(b) Notwithstanding the expiration or earlier termination of the Term and anything to the contrary herein, unless Landlord consents to the contrary, in the event the transfer of the Communication Assets and operational control of the Affected Facility by Tenant to Successor Tenant is not completed by the expiration or earlier termination of the Term (or Tenant and Landlord agree on an alternative arrangement), Landlord and Tenant hereby agree to enter into a management agreement (the "**Management Agreement**") in a form reasonably acceptable to both parties pursuant to which Tenant shall agree to (or shall cause Tenant's Subsidiaries to agree to) continue to (and Landlord shall permit Tenant to maintain possession of the Leased Property to the extent necessary to) operate the Affected Facility in accordance with all Legal Requirements, Communications Regulations, Communications Licenses, Permits, Easements and Pole Agreements and on such other terms which are customary in the transfer to a Successor Tenant of a facility similar to the Affected Facility for a management fee equal to 110% of the reasonable operating costs (which operating expenses may include, without limitation, an allocable share of overhead and administrative costs) and 100% of the reasonable capital expenditures incurred by Tenant to continue operating the Affected Facility in accordance with the Management Agreement (which costs shall be evidenced by reasonably detailed backup information) for a term commencing upon the expiration or earlier termination of the Term with respect to the Affected Facility and ending on the date that Tenant transfers the Communications

Assets and operational control for the Affected Facility to a Successor Tenant (or Tenant and Landlord agree on an alternative arrangement); it being agreed and understood that (i) Tenant shall not be obligated to pay Rent for the Affected Facility during the term of the Management Agreement, (ii) Landlord shall be responsible for all costs and expenses relating to operation and maintenance of the Affected Facility except as otherwise set forth in the Management Agreement and (iii) all profits, rents and revenues relating to the Affected Facility from and after the expiration or earlier termination of the Term with respect to the Affected Facility shall belong to Landlord (except for Landlord's obligation to pay the management fee described above).

(c) Upon the expiration or earlier termination of the Term with respect to any Affected Facility, Tenant and Landlord (or the Successor Tenant) shall cooperate with one another for a reasonable period in order to ensure that (i) a fully operational Affected Facility is transferred to Landlord or the Successor Tenant and (ii) any necessary authorizations, and legal title to Permits, Pole Agreements, and Easements not previously transferred to Landlord have been transferred to Landlord or Successor Tenant; it being agreed that Tenant shall enter into a Transition Services Agreement for a reasonable term and otherwise consistent with the terms described in the attached Exhibit D promptly following Landlord's (or Successor Tenant's) request in connection therewith. Upon expiration or earlier termination of the Term and following Landlord's request, Tenant shall promptly deliver copies of all of Tenant's books and records relating to the Easements, Permits and Pole Agreements for the Affected Facility.

36.4 Carrier of Last Resort. Each of Landlord and Tenant hereby acknowledge and agree that in no event shall any of Tenant's "carrier of last resort obligations" under any Legal Requirements become the obligations of Landlord with respect to any Facility, and that such obligations shall remain the obligations solely of Tenant, in the event (i) the Term expires and there are no remaining Renewal Terms under Section 1.4, (ii) the Term expires as to such Facility due to Tenant's election not to extend the Term for any Renewal Term under Section 1.4 with respect to such Facility, or (iii) the Master Lease is terminated as to such Facility in accordance with the terms hereof.

ARTICLE XXXVII

37.1 Attorneys' Fees. If Landlord or Tenant brings an action or other proceeding against the other to enforce or interpret any of the terms, covenants or conditions hereof or any instrument executed pursuant to this Master Lease, or by reason of any breach or default hereunder or thereunder, the party prevailing in any such action or proceeding and any appeal thereupon shall be paid all of its costs and reasonable outside attorneys' fees incurred therein. In addition to the foregoing and other provisions of this Master Lease that specifically require Tenant to reimburse, pay or indemnify against Landlord's attorneys' fees, Tenant shall pay, as Additional Charges, all of Landlord's reasonable outside attorneys' fees incurred in connection with the enforcement of this Master Lease (except to the extent provided above), including reasonable attorneys' fees incurred in connection with the review, negotiation or documentation of any subletting, assignment, or management arrangement or any consent requested in connection therewith, and the collection of past due Rent.

ARTICLE XXXVIII

38.1 Brokers. Tenant warrants that it has not had any contact or dealings with any Person or real estate broker which would give rise to the payment of any fee or brokerage commission in connection with this Master Lease, and Tenant shall indemnify, protect, hold harmless and defend Landlord from and against any liability with respect to any fee or brokerage commission arising out of any act or omission of Tenant. Landlord warrants that it has not had any contact or dealings with any Person or real estate broker which would give rise to the payment of any fee or brokerage commission in connection with this Master Lease, and Landlord shall indemnify, protect, hold harmless and defend Tenant from and against any liability with respect to any fee or brokerage commission arising out of any act or omission of Landlord.

ARTICLE XXXIX

39.1 Anti-Terrorism Representations. Tenant hereby represents and warrants that neither Tenant, nor, to the knowledge of Tenant, any persons or entities holding any legal or beneficial interest whatsoever in Tenant, are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("**OFAC**"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons" (collectively, "**Prohibited Persons**"). Tenant hereby represents and warrants to Landlord that no funds tendered to Landlord by Tenant under the terms of this Master Lease are or will be directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. If the foregoing representations are untrue at any time during the Term and Landlord suffers actual damages as a result thereof, an Event of Default will be deemed to have occurred, without the necessity of notice to Tenant.

Tenant will not during the Term of this Master Lease knowingly engage in any transactions or dealings, or knowingly be otherwise associated with, any Prohibited Persons in connection with the use or occupancy of the Leased Property. A breach of the representations contained in this Section 39.1 by Tenant as a result of which Landlord suffers actual damages shall constitute a material breach of this Master Lease and shall entitle Landlord to any and all remedies available hereunder, or at law or in equity.

ARTICLE XL

40.1 REIT Protection. (a) The parties hereto intend that Rent and other amounts paid by Tenant hereunder will qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto and this Agreement shall be interpreted consistent with this intent.

(b) Anything contained in this Master Lease to the contrary notwithstanding, Tenant shall not without Landlord's advance written consent (which consent shall not be

unreasonably withheld) (i) sublet, assign or enter into a management arrangement for the Leased Property on any basis such that the rental or other amounts to be paid by the subtenant, assignee or manager thereunder would be based, in whole or in part, on either (x) the income or profits derived by the business activities of the subtenant, assignee or manager or (y) any other formula such that any portion of any amount received by Landlord would fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto; (ii) sublet, assign or enter into a management arrangement for the Leased Property to any Person (other than a "taxable REIT subsidiary" (within the meaning of Section 856(l) of the Code) of Landlord) in which Landlord owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Code); or (iii) sublet, assign or enter into a management arrangement for the Leased Property in any other manner which could cause any portion of the amounts received by Landlord pursuant to this Master Lease or any sublease to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto, or which could cause any other income of Landlord to fail to qualify as income described in Section 856(c)(2) of the Code. Anything contained in this Master Lease to the contrary notwithstanding, for so long as Tenant owns shares of Landlord, Tenant shall not without Landlord's advance written consent (which consent shall not be unreasonably withheld) sublet, assign or enter into a management arrangement for the Leased Property to any Person in which Tenant owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Code). The requirements of this Section 40.1(b) shall likewise apply to any further subleasing by any subtenant.

(c) Anything contained in this Master Lease to the contrary notwithstanding, the parties acknowledge and agree that Landlord, in its sole discretion, may assign this Master Lease or any interest herein to another Person (including without limitation, a "taxable REIT subsidiary" (within the meaning of Section 856(l) of the Code)) in order to maintain Landlord's status as a "real estate investment trust" (within the meaning of Section 856(a) of the Code); provided, however, Landlord shall be required to (i) comply with any applicable legal requirements related to such transfer, (ii) comply with any restrictions set forth in Section 18.1 with respect to a sale of the Leased Property and (iii) give Tenant Notice of any such assignment; and provided, further, that any such assignment shall be subject to all of the rights of Tenant hereunder.

(d) Anything contained in this Master Lease to the contrary notwithstanding, upon request of Landlord, Tenant shall cooperate with Landlord in good faith and at no cost or expense to Tenant, and provide such documentation and/or information as may be in Tenant's possession or under Tenant's control and otherwise readily available to Tenant as shall be reasonably requested by Landlord in connection with verification of Landlord's "real estate investment trust" (within the meaning of Section 856(a) of the Code) compliance requirements. Anything contained in this Master Lease to the contrary notwithstanding, Tenant shall take such reasonable action as may be requested by Landlord from time to time in order to ensure compliance with the Internal Revenue Service requirement that Rent allocable for purposes of Section 856 of the Code to personal property, if any, at the beginning and end of a calendar year does not exceed fifteen percent (15%) of the total Rent due hereunder as long as such compliance does not (i) increase Tenant's monetary obligations under this Master Lease or (ii) materially and adversely increase Tenant's nonmonetary obligations under this Master Lease or (iii) materially diminish Tenant's rights under this Master Lease.

ARTICLE XLI

41.1 Survival. Anything contained in this Master Lease to the contrary notwithstanding, all claims against, and liabilities and indemnities of Tenant or Landlord arising prior to the expiration or earlier termination of the Term shall survive such expiration or termination.

41.2 Severability. If any term or provision of this Master Lease or any application thereof shall be held invalid or unenforceable, the remainder of this Master Lease and any other application of such term or provision shall not be affected thereby.

41.3 Non-Recourse. Tenant specifically agrees to look solely to the Leased Property for recovery of any judgment from Landlord (and Landlord's liability hereunder shall be limited solely to its interest in the Leased Property, and no recourse under or in respect of this Master Lease shall be had against any other assets of Landlord whatsoever). It is specifically agreed that no constituent partner in Landlord or officer or employee of Landlord shall ever be personally liable for any such judgment or for the payment of any monetary obligation to Tenant. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord, or any action not involving the personal liability of Landlord. Furthermore, except as otherwise expressly provided herein, in no event shall Landlord or Tenant ever be liable to the other party for any indirect, special, punitive or consequential damages suffered by Tenant or Landlord, as applicable, from whatever cause.

41.4 Successors and Assigns. This Master Lease shall be binding upon Landlord and its successors and assigns and, subject to the provisions of Article XXII, upon Tenant and its successors and assigns.

41.5 Governing Law. THIS MASTER LEASE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY. ACCORDINGLY, IN ALL RESPECTS THIS MASTER LEASE (AND ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OR CONFLICTS OF LAW) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA, EXCEPT THAT ALL PROVISIONS HEREOF RELATING TO THE CREATION OF THE LEASEHOLD ESTATE AND ALL REMEDIES SET FORTH IN ARTICLE XVI RELATING TO RECOVERY OF POSSESSION OF THE LEASED PROPERTY OF ANY FACILITY (SUCH AS AN ACTION FOR UNLAWFUL DETAINER, IN REM ACTION OR OTHER SIMILAR ACTION) SHALL BE CONSTRUED AND ENFORCED ACCORDING TO, AND GOVERNED BY, THE LAWS OF THE STATE IN WHICH THE LEASED PROPERTY IS LOCATED.

41.6 Waiver of Trial by Jury. EACH OF LANDLORD AND TENANT ACKNOWLEDGES THAT IT HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS TO TRIAL BY JURY UNDER THE CONSTITUTION OF THE UNITED STATES AND THE STATE. EACH OF LANDLORD AND TENANT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS MASTER LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR (ii) IN ANY MANNER CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF LANDLORD AND TENANT WITH RESPECT TO THIS MASTER LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREINAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; EACH OF LANDLORD AND TENANT HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY, AND THAT EITHER PARTY MAY FILE A COPY OF THIS SECTION WITH ANY COURT AS CONCLUSIVE EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

41.7 Entire Agreement. This Master Lease and the Exhibits and Schedules hereto constitute the entire and final agreement of the parties with respect to the subject matter hereof, and may not be changed or modified except by an agreement in writing signed by the parties and, with respect to the provisions set forth in Section 40.1, no such change or modification shall be effective without the explicit reference to such section by number and paragraph. Landlord and Tenant hereby agree that all prior or contemporaneous oral understandings, agreements or negotiations relative to the leasing of the Leased Property are merged into and revoked by this Master Lease.

41.8 Headings. All titles and headings to sections, subsections, paragraphs or other divisions of thisMaster Lease are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other contents of such sections, subsections, paragraphs or other divisions, such other content being controlling as to the agreement among the parties hereto.

41.9 Counterparts. This Master Lease may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument.

41.10 Interpretation. Both Landlord and Tenant have been represented by counsel and this Master Lease and every provision hereof has been freely and fairly negotiated. Consequently, all provisions of this Master Lease shall be interpreted according to their fair meaning and shall not be strictly construed against any party.

41.11 Time of Essence. TIME IS OF THE ESSENCE OF THIS MASTER LEASE AND EACH PROVISION HEREOF IN WHICH TIME OF PERFORMANCE IS ESTABLISHED.

41.12 Further Assurances. The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Master Lease. In addition, Landlord agrees to, at Tenant's sole cost and expense, reasonably cooperate with all applicable regulatory authorities in connection with the administration of their regulatory jurisdiction over Tenant and Tenant's Subsidiaries, including the provision of such documents and other information as may be requested by regulatory authorities relating to Tenant or any of Tenant's Subsidiaries or to this Master Lease and which are within Landlord's reasonable control to obtain and provide.

41.13 Communications Regulations. Notwithstanding anything to the contrary in this Master Lease or any agreement formed pursuant to the terms hereof, each of Tenant, Landlord, and each of Tenant's or Landlord's successors and assigns agrees to cooperate with any regulatory authority in connection with the administration of their regulatory jurisdiction over the parties hereto, including, without limitation, the provision of such documents or other information as may be requested by any such regulatory authorities relating to Tenant, Landlord, Tenant's or Landlord's successors and assigns or to this Master Lease or any agreement formed pursuant to the terms hereof.

41.14 Appraiser. (a) If it becomes necessary to determine the Renewal Rent and/or the Successor Tenant Rent pursuant to Section 1.4(b) or Section 36.2(a), and the parties are unable to agree thereon, the same shall be determined by two independent appraisal firms, in which one or more of the members, officers or principals of such firm are members of the American Society of Appraisers and such member has a minimum of 10 years' experience in appraising facilities similar in scope and use as the Leased Property (each, an "**Appraiser**" and collectively, the "**Appraisers**"), one such Appraiser to be selected by Landlord to act on its behalf and the other such Appraiser to be selected by Tenant to act on its behalf. Landlord or Tenant, as applicable, shall cause its Appraiser to, within ninety (90) days after the Appraisal Commencement Date or Tenant's receipt of the Lease Termination Notice or within ten (10) months prior to the Final Lease Expiration (the "**Initial Appraisal Period**"), as applicable, determine the Renewal Rent or the Successor Tenant Rent, as applicable, as of the relevant date (giving effect to the impact, if any, of inflation from the date of the Appraiser's decision to the relevant date); provided, however, that if either party shall fail to appoint its Appraiser within the time permitted, or if two Appraisers shall have been so appointed but only one such Appraiser shall have made such determination within such ninety (90) day period, then the determination of such sole Appraiser shall be final and binding upon the parties. For purposes of clarity, the "relevant date" with respect to any determination of the Renewal Rent or the Successor Tenant Rent, as applicable, shall be deemed to be the date on which such applicable Renewal Term or lease term is to commence. A written report of each Appraiser shall be delivered and addressed to each of Landlord and Tenant; it being agreed and understood that the report delivered in connection with the appraisal process initiated under Section 1.4(b) shall include the Renewal Rent and/or Successor Tenant Rent, as applicable, for each of the Facilities. This provision for determination by appraisal shall be specifically enforceable to the extent such remedy is available under applicable law, and any determination hereunder shall be final and binding upon the parties except as otherwise provided by applicable law.

(b) If the two Appraisers shall have been appointed by Landlord and Tenant, then such two Appraisers shall agree on a third Appraiser (the "**Third Appraiser**") that meets the above requirements no later than thirty (30) days after the Appraisal Commencement Date or

Tenant's receipt of the Lease Termination Notice or twelve (12) months prior to the Final Expiration Date, as applicable, which Third Appraiser shall perform the services set forth in Section 41.14(c) to the extent such services are so required. If the two Appraisers shall have been appointed and shall have made their determinations within the respective requisite periods set forth above and if the difference between the amounts so determined shall not exceed ten percent (10%) of the lesser of such amounts, then the Renewal Rent or the Successor Tenant Rent, as applicable, shall be an amount equal to fifty percent (50%) of the sum of the amounts so determined. If the difference between the amounts so determined shall exceed ten percent (10%) of the lesser of such amounts, then the Third Appraiser shall perform the services set forth in Section 41.14(c) below. If the two Appraisers are unable to agree on the selection of the Third Appraiser by the last day of the Initial Appraisal Period, then either party may request the American Arbitration Association or any successor organization thereto to appoint the Third Appraiser meeting the above requirements within twenty (20) days of such request, and both parties shall be bound by any appointment so made within such twenty (20) day period. If no such Appraiser shall have been appointed within such twenty (20) day period or within the Initial Appraisal Period, whichever is earlier, either Landlord or Tenant may apply to any court having jurisdiction to have such appointment made by such court. Any Appraiser appointed by the original Appraisers, by the American Arbitration Association or by such court shall be instructed to determine the Renewal Rent or Successor Tenant Rent, as applicable, within sixty (60) days after the Initial Appraisal Period.

(c) If a Third Appraiser is appointed in accordance with Section 41.14(b), then such Third Appraiser shall choose (without any modifications) which of the determinations made by the other two (2) Appraisers shall be final and binding, and such chosen determination shall be final and binding upon Landlord and Tenant as the Renewal Rent or the Successor Tenant Rent, as applicable.

(d) Landlord and Tenant shall each pay the fees and expenses of the Appraiser appointed by it and each shall pay one-half (1/2) of the fees and expenses of the Third Appraiser.

41.15 Dispute Resolution. The following procedures shall be used to resolve any dispute arising out of or in connection with this Master Lease (each, a "**Dispute**"):

(a) Following the written request of either Landlord or Tenant (a "**Request**"), the VP Representatives of each of Landlord and Tenant shall meet in person to attempt to resolve the Dispute that is the subject of the Request no later than twenty (20) days after the date of such Request. If, for any reason, the VP Representatives do not resolve the Dispute at their meeting, then the SVP Representatives of each of Landlord and Tenant shall meet in person to attempt to resolve the Dispute no later than twenty-five (25) days after the date of the VP Representatives' meeting. A meeting date and place shall be established by mutual agreement of Landlord and Tenant. However, if the parties are unable to agree, the meeting shall take place at Landlord's offices.

(b) If a Request is delivered by either Landlord or Tenant, the parties agree to make a diligent, good faith attempt to resolve the Dispute that is the subject of such Request during the forty-five day period described in clause (a) above.

(c) All negotiations in connection with the Dispute shall be conducted in strict confidence, non-binding and without prejudice to the rights of the parties in any future legal proceedings.

41.16 No Third Party Beneficiaries. Landlord and Tenant hereby acknowledge that they do not intend for any other Person to constitute a third-party beneficiary hereof, except for any permitted successors and/or assigns.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, this Master Lease has been executed by Landlord and Tenant as of the date first written above.

LANDLORD:

CSL ALABAMA SYSTEM, LLC
CSL ARKANSAS SYSTEM, LLC
CSL FLORIDA SYSTEM, LLC
CSL GEORGIA SYSTEM, LLC
CSL IOWA SYSTEM, LLC
CSL KENTUCKY SYSTEM, LLC
CSL MISSISSIPPI SYSTEM, LLC
CSL MISSOURI SYSTEM, LLC
CSL NEW MEXICO SYSTEM, LLC
CSL OHIO SYSTEM, LLC
CSL OKLAHOMA SYSTEM, LLC
CSL TEXAS SYSTEM, LLC
CSL REALTY, LLC
CSL GEORGIA REALTY, LLC,
CSL TENNESSEE REALTY, LLC

By: /s/ Kenneth A. Gunderman
Name: Kenneth A. Gunderman
Title: President & CEO

CSL NORTH CAROLINA SYSTEM, LP
CSL NORTH CAROLINA REALTY, LP

By: CSL NORTH CAROLINA REALTY, GP, LLC,
as its General Partner

By: /s/ Kenneth A. Gunderman
Name: Kenneth A. Gunderman
Title: President & CEO

CSL NATIONAL, LP

By: CSL NATIONAL GP, LLC,
as its General Partner

By: /s/ Kenneth A. Gunderman
Name: Kenneth A. Gunderman
Title: President & CEO

TENANT:

WINDSTREAM HOLDINGS, INC.,
a Delaware corporation

By: /s/ Tony Thomas
Name: Tony Thomas
Title: President & CEO

EXHIBIT A

LIST OF FACILITIES

AL-CLEC	1	Alabama CLEC
AL-ILEC	2	Alabama ILEC
AR-CLEC	3	Arkansas CLEC
AR-ILEC	4	Arkansas ILEC
CENTRAL-CLEC	5	Central US CLEC (Includes properties in KS, ND,MT & WY)
EAST-CLEC	6	Eastern US CLEC (Includes properties in CT, DC, MA, ME, NH, RI & VT)
FL-CLEC	7	Florida CLEC
FL-ILEC	8	Florida ILEC
GA-CLEC	9	Georgia CLEC
GA-ILEC	10	Georgia ILEC
IA-CLEC	11	Iowa CLEC
IA-ILEC	12	Iowa ILEC
IL-CLEC	13	Illinios CLEC
IN-CLEC	14	Indiana CLEC
KY-CLEC	15	Kentucky CLEC
KY-ILEC	16	Kentucky ILEC
MI-CLEC	17	Michigan CLEC
MO-CLEC	18	Missouri CLEC
MO-ILEC	19	Missouri ILEC
MS-CLEC	20	Mississippi CLEC
MS-ILEC	21	Mississippi ILEC
NC-CLEC	22	North Carolina CLEC
NC-ILEC	23	North Carolina ILEC
NM-Combined	24	New Mexico ILEC & CLEC
OH-CLEC	25	Ohio CLEC
OH-ILEC	26	Ohio ILEC
OK-CLEC	27	Oklahoma CLEC
OK-ILEC	28	Oklahoma ILEC
PA-CLEC	29	Pennsylvania CLEC
TN-CLEC	30	Tennessee CLEC
TX-CLEC	31	Texas CLEC
TX-ILEC	32	Texas ILEC
VA-CLEC	33	Virginia CLEC
WEST-CLEC	34	Western US CLEC (Includes properties in AZ, ID, NV, OR & WA)
WI-CLEC	35	Wisconsin CLEC
WV-CLEC	36	West Virginia CLEC

EXHIBIT B

DISTRIBUTION SYSTEM DEMARCATION POINTS

Meet Point	Distribution System	Excluded Assets (Retained)
Central Office, Remote Office or Hut	Fiber distribution panel and every connection thereto which is connected on the outside plant side of such fiber distribution panel; all copper cable splice cases and vaults in which it is contained; all conduit installed for any cabling purposes on any Improvements.	All copper and fiber jumper cables between the fiber distribution panel or cable value, and the Equipment and racking located in the Central office Building, Remote Office Building or Hut.
Pad or WOMP mounted Equipment	WOMP or pad and the splice tray which houses fiber splices.	Cabinet mounted on the WOMP or pad, all Electronics inside such cabinet, and the cable or fiber jumpers inside the cabinet from the splice tray to electronics.
Business Demarcation	All fiber/copper to customer demarcation point.	Any equipment at the customer demarcation point.
Consumer Network Interface Device	All fiber/copper leading up to the Network Interface Device (i.e. customer demarcation point)	Network Interface Device

EXHIBIT C

FORM OF SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT

This **SUBORDINATION, NON-DISTURBANCE, AND ATTORNMENT AGREEMENT** (the "***Agreement***") is dated as of , and is by and among [LENDER], a [ ] [ ] (together with its successors and assigns, "***Lender***"[1]), Communications Sales & Leasing, Inc., a Delaware corporation, and the entities set forth on **Schedule I** attached hereto (collectively, "***Landlord***"), and Windstream Holdings, Inc., a Delaware corporation ("***Tenant***").

WHEREAS, by a Master Lease (as amended, modified or supplemented, the "***Lease***") dated as of [ ], between Landlord (or Landlord's predecessor in title) and Tenant, Landlord leased the Leased Property to Tenant, as said Leased Property is more particularly described in the Lease (such Leased Property hereinafter referred to as the "***Premises***");

WHEREAS, Lender has made or intends to make a loan to Landlord (the "***Loan***"), which Loan shall be evidenced by one or more promissory notes (as the same may be amended, modified, restated, severed, consolidated, renewed, replaced, or supplemented from time to time, the "***Promissory Note***") and secured by, among other things, that certain Mortgage or Deed of Trust, Assignment of Leases and Rents and Security Agreement (as the same may be amended, restated, replaced, severed, split, supplemented or otherwise modified from time to time, the "***Mortgage***") encumbering the real property located in more particularly described on **Exhibit A** annexed hereto and made a part hereof (the "***Property***");[2]

WHEREAS, Tenant acknowledges that Lender will rely on this Agreement in making the Loan to Landlord;

WHEREAS, Lender and Tenant desire to evidence their understanding with respect to the Mortgage and the Lease as hereinafter provided; and

WHEREAS, pursuant to Section 31.1 of the Lease, Tenant has agreed to deliver this Agreement and will subordinate the Lease to the Mortgage and to the lien thereof and, in consideration of Tenant's delivery of this Agreement, Lender has agreed not to disturb Tenant's possessory rights in the Premises under the Lease on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the parties hereto hereby agree as follows:

---

1 References to "Lender" may be modified to reflect an agent, trustee or other representative acting for a group of debt holders.
2 Subject to modification to reflect terms and type of financing secured by the applicable mortgage.

1. Tenant covenants, stipulates and agrees that the Lease and all of Tenant's right, title and interest in and to the Property thereunder is hereby, and shall at all times continue to be, subordinated and made secondary and inferior in each and every respect to the Mortgage and the lien thereof, to all of the terms, conditions and provisions thereof and to any and all advances made or to be made thereunder, so that at all times the Mortgage shall be and remain a lien on the Property prior to and superior to the Lease for all purposes, subject to the provisions set forth herein. Subordination is to have the same force and effect as if the Mortgage and such renewals, modifications, consolidations, replacements and extensions had been executed, acknowledged, delivered and recorded prior to the Lease, any amendments or modifications thereof and any notice thereof.

2. Lender agrees that if Lender exercises any of its rights under the Mortgage, including entry or foreclosure of the Mortgage or exercise of a power of sale under the Mortgage, Lender, or any person who acquires any portion of the Property in a foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure, (a) will not terminate or disturb Tenant's right to use, occupy and possess the Premises, nor any of Tenant's rights, privileges and options under the terms of the Lease, so long as Tenant is not in default beyond any applicable grace period under any term, covenant or condition of the Lease and (b) will be bound by the provisions of Article XVII of the Lease for the benefit of each Permitted Leasehold Mortgagee. In addition, Lender or any person prosecuting such rights and remedies agrees that so long as the Lease has not been terminated on account of Tenant's default that has continued beyond applicable notice and cure periods, Lender or such other person, as the case may be, shall not name or join Tenant as a defendant in any exercise of Lender's or such person's rights and remedies arising upon a default under the Mortgage unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord. In the latter case, Lender or any person prosecuting such rights and remedies may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise adversely affect Tenant's rights under the Lease or this Agreement in such action.

3. If, at any time Lender (or any person, or such person's successors or assigns, who acquires the interest of Landlord under the Lease through foreclosure of the Mortgage or otherwise) shall succeed to the rights of Landlord under the Lease as a result of a default or event of default under the Mortgage, Tenant shall attorn to and recognize such person so succeeding to the rights of Landlord under the Lease (herein sometimes called "***Successor Landlord***") as Tenant's landlord under the Lease, said attornment to be effective and self-operative without the execution of any further instruments.

4. Landlord authorizes and directs Tenant to honor any written demand or notice from Lender instructing Tenant to pay rent or other sums to Lender rather than Landlord (a "***Payment Demand***"), regardless of any other or contrary notice or instruction which Tenant may receive from Landlord before or after Tenant's receipt of such Payment Demand. Tenant may rely upon any notice, instruction, Payment Demand, certificate, consent or other document from, and signed by, Lender and shall have no duty to Landlord to investigate the same or the circumstances under which the same was given. Any payment made by Tenant to Lender or in response to a Payment Demand shall be deemed proper payment by Tenant of such sum pursuant to the Lease.

5. If Lender shall become the owner of the Property or the Property shall be sold by reason of foreclosure or other proceedings brought to enforce the Mortgage or if the Property shall be transferred by deed in lieu of foreclosure, Lender or any Successor Landlord shall not be:

(a) liable for any act or omission of any prior landlord (including Landlord) or bound by any obligation to make any payment to Tenant which was required to be made prior to the time Lender succeeded to any prior landlord (including Landlord) provided however, that if a prior landlord (including Landlord) agrees to fund a Capital Improvement under the terms of the Lease and landlord then defaults on the obligation to fund such Capital Improvement, in no event shall such Capital Improvement (other than a TCI Replacement) be deemed to be part of the Leased Property unless Lender cures the default by providing the unfunded amount to Tenant or Tenant exercises its offset right under Section 3.4 of the Master Lease.

(b) obligated to cure any defaults of any prior landlord (including Landlord) which occurred, or to make any payment to Tenant which was required to be paid by any prior landlord (including Landlord), prior to the time that Lender or any Successor Landlord succeeded to the interest of such landlord under the Lease; or

(c) obligated to perform any construction obligations of any prior landlord (including Landlord) under the Lease or liable for any defects (latent, patent or otherwise) in the design, workmanship, materials, construction or otherwise with respect to improvements and buildings constructed on the Property; or

(d) subject to any offsets, defenses or counterclaims which Tenant may be entitled to assert against any prior landlord (including Landlord); or

(e) bound by any payment of rent or additional rent by Tenant to any prior landlord (including Landlord) for more than one month in advance; or

(f) bound by any amendment, modification, termination or surrender of the Lease made without the written consent of Lender.

Notwithstanding the foregoing, Tenant reserves its right to any and all claims or causes of action (i) against Landlord for prior losses or damages and (ii) against the Successor Landlord for all losses or damages arising from and after the date that such Successor Landlord takes title to the Property.

6. Tenant hereby represents, warrants, covenants and agrees to and with Lender:

(a) to deliver to Lender, by certified mail, return receipt requested, a duplicate of each notice of default delivered by Tenant to Landlord at the same time as such notice is given to Landlord and no such notice of default shall be deemed given by Tenant under the Lease unless and until a copy of such notice shall have been so delivered to Lender. Lender shall have the right (but shall not be obligated) to cure such default. Tenant shall accept performance by Lender or its designee of any term, covenant, condition or

agreement to be performed by Landlord under the Lease with the same force and effect as though performed by Landlord. Tenant further agrees to afford Lender or the designee a period of thirty (30) days beyond any period afforded to Landlord or its designee for the curing of such default during which period Lender or its designee may elect (but shall not be obligated) to seek to cure such default, or, if such default cannot be cured within that time, then such additional time as may be reasonably necessary to cure such default (including but not limited to commencement of foreclosure proceedings) which in no event shall exceed one hundred eighty days (180) days following the expiration of such 30-day period during which period Lender or its designee may elect (but shall not be obligated) to seek to cure such default, prior to taking any action to terminate the Lease. If the Lease shall terminate for any reason, upon Lender's written request given within thirty (30) days after such termination, Tenant, within fifteen (15) days after such request, shall execute and deliver to Lender (or its designee to the extent constituting a permitted successor landlord under the Lease) a new lease of the Premises for the remainder of the term of the Lease and upon all of the same terms, covenants and conditions of the Lease;

(b) that Tenant is the sole owner of the leasehold estate created by the Lease; and

(c) to promptly certify in writing to Lender, in connection with any proposed assignment of the Mortgage, whether or not any default on the part of Landlord then exists under the Lease and to deliver to Lender any tenant estoppel certificates required under the Lease.

7. Tenant acknowledges that the interest of Landlord under the Lease is assigned to Lender solely as security for the Promissory Note[3], and Lender shall have no duty, liability or obligation under the Lease or any extension or renewal thereof, unless Lender shall specifically undertake such liability in writing or Lender becomes and then only with respect to periods in which Lender becomes, the fee owner of the Property.

8. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.[4]

9. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns (including, without limitation, any successor holder of the Promissory Note[5]) and may be amended, supplemented, waived or modified only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought. Each Permitted Leasehold Mortgagee (as defined in the Lease) (for so long as such Permitted Leasehold Mortgagee (as

3 Subject to modification to reflect terms of debt.
4 Subject to modification solely and to the extent the law of any jurisdiction in which the Premises are located is required to govern the subordination of Tenant's interests in such jurisdiction.
5 Subject to modification to reflect terms of debt.

defined in the Lease) holds a Permitted Leasehold Mortgage (as defined in the Lease)) is an intended third party beneficiary of Section 2(b) entitled to enforce the same as if a party to this Agreement.

10. All notices to be given under this Agreement shall be in writing and shall be deemed served upon receipt by the addressee if served personally or, if mailed, upon the first to occur of receipt or the refusal of delivery as shown on a return receipt, after deposit in the United States Postal Service certified mail, postage prepaid, addressed to the address of Landlord, Tenant or Lender appearing below. Such addresses may be changed by notice given in the same manner. If any party consists of multiple individuals or entities, then notice to any one of same shall be deemed notice to such party.

Lender's Address:	[ ] Attn:
With a copy to:	[ ]
Tenant's Address:	Windstream Holdings, Inc. 4001 Rodney Parham Road Little Rock, AR 72212 Attention: Chief Financial Officer
With a copy to:	Windstream Holdings, Inc. 4001 Rodney Parham Road Mailstop: B1F03-71A Little Rock, AR 72212 Attention: Legal Department
Landlord's Address:	c/o Communications Sales & Leasing, Inc. 10802 Executive Center Drive Benton Building, Suite 300 Little Rock, AR 72211 Attention: Controller
With a copy to:	c/o Communications Sales & Leasing, Inc. 10802 Executive Center Drive Benton Building, Suite 300 Little Rock, AR 72211 Attention: General Counsel

11. If this Agreement conflicts with the Lease, then this Agreement shall govern as between the parties and any Successor Landlord, including upon any attornment pursuant to this Agreement. This Agreement supersedes, and constitutes full compliance with, any provisions in the Lease that provide for subordination of the Lease to, or for delivery of nondisturbance agreements by the holder of, the Mortgage.

12. In the event Lender shall acquire Landlord's interest in the Premises, Tenant shall look only to the estate and interest, if any, of Lender in the Property for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money in the event of any default by Lender as a Successor Landlord under the Lease or under this Agreement, and no other property or assets of Lender shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease, the relationship of the landlord and tenant under the Lease or Tenant's use or occupancy of the Premises or any claim arising under this Agreement.

13. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect, and shall be liberally construed in favor of Lender.

14. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

[*REMAINDER OF PAGE INTENTIONALLY LEFT BLANK*]

EXHIBIT D

DESCRIPTION OF TRANSITION SERVICES

Tenant will provide transition support services for shared corporate services that are customarily provided to a purchaser of a division or select assets of a larger company on the following general terms and conditions:

1. **Description of Services** The scope of services will be services that are required for, and have been historically provided by Tenant or its subsidiaries to support, the operations of the Communication Assets, but which cannot be provided by Successor Tenant because the necessary personnel or assets are not transferred to or acquired by theSuccessor Tenant. The services will be negotiated by the parties and may include all or some of the following:

   Accounting, accounts payable, accounts receivable, and billing;

   Human resources and payroll;

   Information technology services including infrastructure, desktop support, network and communications, operations;

   Procurement purchasing services, contractor management and vendor management;

   Customer services and support including call center;

   Network operations support;

   Engineering support services; and

   Legal support services.

2. **Service Fees** Tenant will charge service fees equal to 110% of the reasonable costs incurred to provide the services, and these costs will include an appropriate allocation of overhead costs and applicable taxes.

3. **Term** The term of services will vary but will generally range from 30 days to up to eighteen months.

4. **Performance Standards** Performance standards for services should be no greater than those applicable to the services provided prior to the transfer of the Communication Assets.

5. **Other Terms** The remaining terms of the agreement should be consistent with transition services provided by Tenant in other dispositions and will include termination rights, dispute escalation and resolution provisions, limited licenses of non-transferrable intellectual property, indemnification, limitations of liability, force majeure and confidentiality.

EXHIBIT E

FAIR MARKET RENTAL CALCULATION

Landlord or Tenant, as applicable, will identify the Facilities from Exhibit A of this Master Lease that will be subject to appraisal, each such Facility being referred to herein as an "Appraised Facility". This exhibit sets forth the framework that shall be utilized by the Appraiser(s) in determining the Fair Market Rental for each Appraised Facility.

Definitions, for purposes of this exhibit:

Fair Market Rental - The rental price that a willing renter and a willing landlord, with neither being required to act, and both having reasonable knowledge of the relevant facts.

Calculation of Fair Market Rental shall be based on the following inputs determined by appraiser:

Fair Market Rental Formula
Fair Market Rental = PMT(rate, nper, pv, [fv], [type])

rate = Fair Lease Rate
nper = Renewal Term
pv = Fair Market Value Residual Value
fv = 0
type = 1 (lease payment due at beginning of period)

Fair Market Value - Shall be consistent with the meaning in IRS Regulation Section 20.2031-1(b) and will reflect the premise of in-continued-use. Fair market value is defined as the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

Residual Value The uninflated future value of the Appraised Facility as of the expiration date of the Renewal Term, but in any case shall be based on IRS guidelines and methods consistent with that of lease transactions.

Fair Lease Rate The rate of return used in the determination of the Fair Market Rental. The Fair Lease Rate shall be supported in Appraiser's report by market comparable rates of return which may include analysis of a variety of factors including the Landlord's weighed average cost of capital, the risk free rate of return, financing terms, asset/equity returns, and a market based risk premium.

All other capitalized terms shall have the meaning set forth in the Master Lease Agreement, unless otherwise defined herein.

Appraisal Process and Instructions:

(a) In determining the Fair Market Rental for purposes of establishing Renewal Rent, and/or determining Successor Tenant Rent, the appraisal methods and process shall be consistent with the valuation analysis performed for the Initial Term (the "Initial Term Appraisal"), except that a valuation analysis will be performed separately for each Appraised Facility and will not assume that any other Facilities will be part of the Leased Property comprising the Appraised Facility In addition to providing a recommendation for the Fair Market Rental for each Appraised Facility, the Appraiser will also provide recommendations for each of the following values for each Appraised Facility: (i) Fair Market Value, as of the inception date of the Renewal Term, (ii) Residual Value, (iii) remaining economic life as of the inception date of the Renewal Term, and (iv) Fair Lease Rate. In determining the Fair Market Rental and providing the recommendations under clauses (i) through (iv) in the immediately preceding sentence, Landlord shall be deemed to be the sole owner of the Easements, Permits and Pole Agreements without any deduction in value as a result of Tenant holding legal title to any such Easement, Permits and Pole Agreements subject to Tenant's obligation to convey legal title to Landlord in accordance with Section 9.2(f) of the Master Lease.

(b) Landlord and Tenant agree to promptly provide all information associated with each Appraised Facility that is reasonably requested by Appraiser to facilitate the Appraiser review and determination of Fair Market Rental. Tenant and Landlord shall be prepared to provide any fixed asset data, network specifications, construction documents, capital investment records, historical and projected financial results, business plans, operational performance records, customer and market share data, and other information that may be reasonably requested by Appraiser for each Appraised Facility.

(c) In determining the Fair Market Value, Residual Value, remaining economic life, and Fair Lease Rate of each Appraised Facility as of the inception date of the Renewal Term, the Appraiser will follow generally accepted appraisal procedures including but not limited to the following:

(i) Collect and reconcile data representative for each Appraised Facility, including, but not limited to financial information, business plans, operational performance metrics, customer and market share data, etc.

(ii) Perform valuation analyses for each Appraised Facility to estimate Fair Market Value and Residual Value utilizing the Cost, Market, and Income approaches, as applicable. The analyses will be consistent with the methods and assumptions used in the Initial Term Appraisal.

(iii) Develop determination of Fair Lease Rate based on the financing terms, asset/equity returns, weighted average cost of capital, and other financial metrics observable in market comparable transactions.

(iv) Review key assumptions such as replacement cost new, obsolescence adjustments, total economic life, and remaining economic life with Tenant and Landlord management.

(v) Prepare a written report providing recommendations for Fair Market Value, Residual Value, remaining economic life and Fair Lease Rate for each Appraised Facility as well as describing the procedures performed, assumptions made, and valuation methods applied.

To the extent the Appraiser determines Fair Market Rental to be a single amount, such amount will be considered the appraiser's determination of Renewal Rent, or Successor Tenant Rent, as applicable. To the extent the Appraiser provides a range of amounts which represent his/her determination of Fair Market Rental, then the Renewal Rent, or Successor Tenant Rent, as applicable, shall be an amount equal to fifty percent (50%) of the sum of highest and lowest determinations of Fair Market Rental by such Appraiser.

SCHEDULE 1

LANDLORD

CSL Alabama System, LLC

CSL Arkansas System, LLC

CSL Florida System, LLC

CSL Georgia System, LLC

CSL Iowa System, LLC

CSL Kentucky System, LLC

CSL Mississippi System, LLC

CSL Missouri System, LLC

CSL New Mexico System, LLC

CSL Ohio System, LLC

CSL Oklahoma System, LLC

CSL Texas System, LLC

CSL Realty, LLC

CSL Georgia Realty, LLC

CSL North Carolina System, LP

CSL North Carolina Realty, LP

CSL Tennessee Realty, LLC

SCHEDULE 7.2

LIST OF TENANT'S SUBSIDIARIES

Name of Subsidiary	State of Organization
Allworx Corp.	DE
Birmingham Data Link, LLC	AL
BOB, LLC	IL
Buffalo Valley Management Services, Inc.	DE
Cavalier IP TV, LLC	DE
Cavalier Services, LLC	DE
Cavalier Telephone Mid-Atlantic, L.L.C.	DE
Cavalier Telephone, L.L.C.	VA
Cinergy Communications Company of Virginia, LLC	VA
Conestoga Enterprises, Inc.	PA
Conestoga Management Services, Inc.	DE
Conestoga Wireless Company	PA
D&E Communications, LLC	DE
D&E Management Services, Inc.	NV
D&E Networks, Inc.	PA
D&E Wireless, Inc.	PA
Equity Leasing, Inc.	NV
Georgia Windstream, LLC	DE
Heart of the Lakes Cable Systems, Inc.	MN

Name of Subsidiary	State of Organization
Hosted Solutions Charlotte, LLC	DE
Hosted Solutions Raleigh, LLC	DE
Infocore, Inc.	PA
Intellifiber Networks, LLC	VA
Iowa Telecom Data Services, L.C.	IA
Iowa Telecom Technologies, LLC	IA
IWA Services, LLC	IA
KDL Holdings, LLC	DE
LDMI Telecommunications, LLC	MI
McLeodUSA Information Services LLC	DE
McLeodUSA Purchasing, LLC	IA
McLeodUSA Telecommunications Services, L.L.C.	IA
MPX, Inc.	DE
Nashville Data Link, LLC	TN
Network Telephone, LLC	FL
Norlight Telecommunications of Virginia, LLC	VA
Oklahoma Windstream, LLC	OK
PaeTec Communications of Virginia, LLC	VA
PaeTec Communications, LLC	DE
PAETEC Holding, LLC	DE
PAETEC iTEL, L.L.C.	NC
PAETEC Realty LLC	NY

Name of Subsidiary	State of Organization
PAETEC, LLC	DE
PCS Licenses, Inc.	NV
Progress Place Realty Holding Company, LLC	NC
RevChain Solutions, LLC	DE
SM Holdings, LLC	DE
Southwest Enhanced Network Services, LLC	DE
Talk America of Virginia, LLC	VA
Talk America, LLC.	DE
Teleview, LLC	GA
Texas Windstream, LLC	TX
The Other Phone Company, LLC	FL
TriNet, LLC	GA
US LEC Communications LLC	NC
US LEC of Alabama LLC	NC
US LEC of Florida LLC	NC
US LEC of Georgia LLC	DE
US LEC of Maryland LLC	NC
US LEC of North Carolina LLC	NC
US LEC of Pennsylvania LLC	NC
US LEC of South Carolina LLC	DE
US LEC of Tennessee LLC	DE
US LEC of Virginia LLC	DE

Name of Subsidiary	State of Organization
Valor Telecommunications of Texas, LLC	DE
WaveTel NC License Corporation	DE
WIN Sales & Leasing, Inc.	MN
Windstream Accucomm Networks, LLC	GA
Windstream Accucomm Telecommunications, LLC	GA
Windstream Alabama, LLC	AL
Windstream Arkansas, LLC	DE
Windstream Baker Solutions, Inc.	IA
Windstream Buffalo Valley, Inc.	PA
Windstream Cavalier, LLC	DE
Windstream Communications Kerrville, LLC	TX
Windstream Communications Telecom, LLC	TX
Windstream Communications, LLC	DE
Windstream Concord Telephone, LLC	NC
Windstream Conestoga, Inc.	PA
Windstream Services, LLC	DE
Windstream CTC Internet Services, Inc.	NC
Windstream D&E Systems, LLC	DE
Windstream D&E, Inc.	PA
Windstream Direct, LLC	MN
Windstream EN-TEL, LLC	MN
Windstream Florida, LLC	FL

Name of Subsidiary	State of Organization
Windstream Georgia Communications, LLC	GA
Windstream Georgia Telephone, LLC	GA
Windstream Georgia, LLC	GA
Windstream Holding of the Midwest, Inc.	NE
Windstream Hosted Solutions, LLC	DE
Windstream Intellectual Property Services, Inc.	DE
Windstream Iowa Communications, LLC	DE
Windstream Iowa-Comm, LLC	IA
Windstream IT-Comm, LLC	IA
Windstream KDL, LLC	KY
Windstream KDL-VA, LLC	VA
Windstream Kentucky East, LLC	DE
Windstream Kentucky West, LLC	KY
Windstream Kerrville Long Distance, LLC	TX
Windstream Lakedale Link, Inc.	MN
Windstream Lakedale, Inc.	MN
Windstream Leasing, LLC	DE
Windstream Lexcom Communications, LLC	NC
Windstream Lexcom Entertainment, LLC	NC
Windstream Lexcom Long Distance, LLC	NC
Windstream Lexcom Wireless, LLC	NC
Windstream Mississippi, LLC	DE

Name of Subsidiary	State of Organization
Windstream Missouri, LLC.	MO
Windstream Montezuma, LLC	IA
Windstream Nebraska, Inc.	DE
Windstream Network Services of the Midwest, Inc.	NE
Windstream New York, Inc.	NY
Windstream Norlight, LLC	KY
Windstream North Carolina, LLC	NC
Windstream NorthStar, LLC	MN
Windstream NTI, LLC	WI
Windstream NuVox Arkansas, LLC	DE
Windstream NuVox Illinois, LLC	DE
Windstream NuVox Indiana, LLC	DE
Windstream NuVox Kansas, LLC	DE
Windstream NuVox Missouri, LLC	DE
Windstream NuVox Ohio, LLC	DE
Windstream NuVox Oklahoma, LLC	DE
Windstream NuVox, LLC	DE
Windstream of the Midwest, Inc.	NE
Windstream Ohio, LLC	OH
Windstream Oklahoma, LLC	DE
Windstream Pennsylvania, LLC	DE
Windstream SHAL Networks, Inc.	MN

Name of Subsidiary	State of Organization
Windstream SHAL, LLC	MN
Windstream South Carolina, LLC	SC
Windstream Southwest Long Distance, LLC	DE
Windstream Standard, LLC	GA
Windstream Sugar Land, LLC	TX
Windstream Supply, LLC	OH
Windstream Systems of the Midwest, Inc.	NE
Windstream Western Reserve, LLC	OH
Xeta Technologies, Inc.	OK

EXHIBIT 14

Gunderman Rebuttal Testimony to the Kentucky Public Service Commission

STITES & HARBISON PLLC
ATTORNEYS

421 West Main Street
Frankfort, KY 40601
[502] 223-3477
[502] 223-4124 Fax

November 10, 2014

R. Benjamin Crittenden
(502) 209-1216
(502) 223-4388 FAX
bcrittenden@stites.com

RECEIVED
NOV 10 2014
PUBLIC SERVICE COMMISSION

Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: *Application of Windstream Kentucky East, LLC and Windstream Kentucky West, LLC (1) for a Declaratory Ruling that Approval is Not Required for the Transfer of a Portion of their Assets; (2) Alternatively for Approval of the Transfer of Assets; (3) for a Declaratory Ruling that Communications Sales and Leasing, Inc. is Not Subject to KRS 278.020(1); and (4) for All Other Required Approvals and Relief*, Case No. 2014-00283.

Dear Mr. Derouen:

Enclosed for filing please find an original and ten copies of the Rebuttal Testimony of Robert E. Gunderman on behalf of Windstream Kentucky East, LLC and Windstream Kentucky West, LLC. Copies have been mailed and provided via e-mail to counsel for the other parties of record.

Sincerely,

R. Benjamin Crittenden

RBC

PLAINTIFF'S DEPOSITION EXHIBIT 37 11/2/17 LS
PENGAD 800-631-6989

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter Of:

The Application Of Windstream Kentucky East, LLC And Windstream Kentucky West, LLC For (1) A Declaratory Ruling That Approval Is Not Required For The Transfer Of A Portion Of Their Assets; (2) Alternatively For Approval Of The Transfer Of Assets; (3) For A Declaratory Ruling That Communications Sales and Leasing, Inc. Is Not Subject To KRS 278.020(1); and (4) For All Other Required Approvals And Relief

CASE NO. 2014-00283

REBUTTAL TESTIMONY OF

ROBERT E. GUNDERMAN

ON BEHALF OF WINDSTREAM KENTUCKY EAST, LLC

AND WINDSTREAM KENTUCKY WEST, LLC

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Robert E. Gunderman. I am employed by Windstream Holdings, Inc. and my position is Interim Chief Financial Officer and Treasurer. My business address is 4001 Rodney Parham Road, Little Rock, Arkansas 72212.

Q. ARE YOU THE SAME ROBERT E. GUNDERMAN THAT FILED DIRECT TESTIMONY IN THIS PROCEEDING ON BEHALF OF WINDSTREAM KENTUCKY EAST, LLC AND WINDSTREAM KENTUCKY WEST, LLC?

A. Yes, I am.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to address issues raised by the Communications Workers of America's witness, Randy Barber, concerning the financial impacts of the transaction at issue in this proceeding.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Not at this time.

III. ISSUES RAISED IN THE DIRECT TESTIMONY OF RANDY BARBER

Q. ON PAGE 6 OF HIS DIRECT TESTIMONY, MR. BARBER STATES THAT THE SALES PRICE FOR THE TRANSACTION WILL BE APPROXIMATELY $3.2 BILLION ON A COMPANY-WIDE BASIS. DO YOU AGREE?

A. The transaction is a spin-off and therefore the owners (i.e. shareholders of Windstream) are the same both before and after the separation. As such, it is not appropriate to

characterize the transaction as a sale. $3.2 billion represents the reduction of existing debt of Windstream.

Q. ON PAGE 7 OF HIS DIRECT TESTIMONY, MR. BARBER STATES THAT SUBSTITUTING THE LEASE OBLIGATION FOR INTEREST AND DEPRECIATION ASSOCIATED WITH OWNERSHIP OF THE SUBJECT ASSETS WILL RESULT IN REDUCED FREE CASH FLOW. DO YOU AGREE?

A. I agree. As illustrated on Schedule RB-1, Windstream will have modestly less free cash flow following the Transaction. However, it is important to note that Windstream will also have $3.2 billion in less debt as a result of the Transaction. Windstream is also reducing its dividend to ten cents in concert with the transaction. As a result of the debt reduction and dividend reduction, Windstream will have more capital available going forward. Additionally, Windstream can partner with CSL to expand or enhance the fiber distribution system instead of requiring Windstream cash flows to fund the investments. With CSL's expected low cost of capital, CSL will be an attractive alternative source of capital for funding investments.

Q. ON PAGE 8 OF HIS DIRECT TESTIMONY, MR. BARBER EXPRESSES CONCERN THAT BY SUBSTITUTING A DISCRETIONARY CASH OUTLAY (DIVIDENDS) FOR A NON-DISCRETIONARY CASH OUTLAY (LEASE PAYMENT) WINDSTREAM'S FLEXIBILITY TO RESPOND TO BUSINESS CONDITIONS WILL BE LIMITED GOING FORWARD. DO YOU AGREE?

A. Mr. Barber's concern appears to be based primarily upon his Exhibit RB-1, which represents Windstream's 2014 financial performance. Importantly, the lease payment,

which is tax deductible for income tax purposes, did not create a cash benefit in 2014 due to accelerated depreciation deductions in the preceding years (referred to as bonus depreciation) which led to minimal cash tax payments in the 2014 fiscal year. Windstream expects to become a cash tax payer in future years. Mr. Barber shows a decline in free cash flow of $322 million ($830 million to $508 million) but this ignores the tax deductibility of the lease payment. The lease payment will generate a tax benefit of $247 million (or 38% effective tax rate related to the $650 million lease payment) so the expected loss of free cash would be substantially less in future periods going forward. In other words, the $650 million lease payment has a free cash flow impact of $403 million, due to its tax deductibility.

Mr. Barber's testimony also insufficiently accounts for the fact that Windstream's outstanding debt will be reduced by $3.2 billion. Finally, as described in my testimony above, CSL will also be a potential funding partner for future investments. The financial flexibility achieved through the combination of these actions, together with the planned changes in the dividend structure, provides a better platform for addressing the financial and capital needs today and in the future.

Q. ON PAGE 9 OF HIS DIRECT TESTIMONY, MR. BARBER STATES THAT HE CANNOT DETERMINE WHETHER THE TRANSACTION WILL INCREASE OR DECREASE NET CASH AVAILABLE TO THE OPERATING COMPANIES BECAUSE THAT WILL DEPEND ON INTEREST EXPENSE, DEPRECIATION EXPENSE, AND OTHER FACTORS FOR THE OPERATING COMPANIES BEFORE AND AFTER THE TRANSACTION. PLEASE EXPLAIN ANY

FINANCIAL CHANGES THE OPERTING COMPANIES WILL EXPERIENCE AS A RESULT OF THE TRANSACTION.

A. The Master Lease Agreement will be made between CSL and Windstream Holdings, Inc., and not directly with the Operating Companies. Both before and after the transaction, the Operating Companies will distribute their excess free cash flow to Windstream Holdings, Inc. for general corporate uses including principal and interest payments on debt, dividend distributions, and (following the transaction) payment of the rent on the lease.

Q. ON PAGE 9 OF HIS DIRECT TESTIMONY, MR. BARBER QUESTIONS THE PROPOSED ACCOUNTING TREATMENT FOR THE TRANSACTION. PLEASE ADDRESS THIS ISSUE.

A. The accounting treatment for the Transaction is consistent with how the assets will be distributed to CSL and leased back to Windstream. The accounting has been reviewed and approved by Windstream's external auditors, a nationally recognized accounting firm. Moreover, Windstream has reviewed and discussed the accounting treatment with the Securities and Exchange Commission ("SEC") and the SEC has not raised any concerns.

Q. ON PAGE 9 OF HIS DIRECT TESTIMONY, MR. BARBER RAISES OPERATIONAL CONCERNS FOR CWA MEMBERS, INCLUDING THEIR ABILITY TO ACCESS POLES AND CONDUITS FOLLOWING THE TRANSACTION. PLEASE ADDRESS MR. BARBER'S CONCERNS ON THIS ISSUE.

A. As explained in detailed in the Application and my direct testimony, after the transaction closes the Operating Companies will have long term, exclusive use of the Subject Assets,

including all poles and conduits. The Operating Companies will continue to maintain and expand the network, and the personnel responsible for maintenance and expansion of the network prior to the Transaction will retain those responsibilities after the transaction closes. The Operating Companies' employees, including CWA members, will see no change in their ability to access poles, conduits or any other part of the network as a result of the Transaction.

Q. ON PAGE 10 OF HIS DIRECT TESTIMONY, MR. BARBER QUESTIONS WHETHER THE ACCOUNTING TREATMENT OF THE LEASE WILL IMPAIR WINDSTREAM'S ABILITY TO PAY DIVIDENDS, AFFECT COVENANT REQUIREMENTS ON DEBT, AND HAVE OTHER, UNIDENTIFIED FINANCIAL IMPLICATIONS. PLEASE ELABORATE ON THESE ISSUES.

A. The accounting treatment of the lease will not impair Windstream's ability to pay dividends. The dividends distributions are not limited by GAAP equity but rather the fair value of Windstream's equity. It is widely understood that GAAP or book value often does not equate to fair value. In the present case, this is evidenced by Windstream's equity market capitalization of approximately $6 billion on November 7, 2014. Moreover, GAAP equity has no bearing on the ability to issue equity in the future. The combination of lower debt and a more sustainable dividend level will improve Windstream's ability to raise both debt and equity capital in the future. Also, the accounting treatment will not impair Windstream's compliance with its debt covenants. Specifically, the accounting of the transaction as a long term lease obligation does not impair (or detriment) the covenant calculations given the characterization of the liability

as long term lease obligation for GAAP. Also, Windstream Corporation's indentures do not require any consents to effect the Transaction.

Q. ON PAGE 10 OF HIS DIRECT TESTIMONY, MR. BARBER STATES THAT WINDSTREAM HAS NOT SHOWN HOW THE DIFFERENCE BETWEEN ITS BOOKS FOR TAX PURPOSES AND GAAP WILL AFFECT RATEMAKING. PLEASE ADDRESS THIS ISSUE.

A. As an initial matter, the Operating Companies made it clear in their Application and responses requests for information that the Transaction will not result in any rate changes. After the Transaction closes, the Operating Companies will continue to bill under the existing rates included in tariffs or contracts. Additionally, the Operating Companies have elected alternative regulation and their rates are not subject to rate-of-return regulation. Therefore, the Transaction will not have any impact on future ratemaking. With regard to pole attachment rates, as discussed in responses to information requests from the Commission Staff and the Kentucky Cable Telecommunications Association, the Operating Companies will continue to maintain all necessary information needed to support future rate changes in accordance with Commission orders.

Q. ON PAGE 10 OF HIS DIRECT TESTIMONY, MR. BARBER STATES THAT WINDSTREAM WILL BE REQUIRED TO TAKE A WRITE OFF REPRESENTING THE DISCOUNTED PRESENT VALUE OF THE LEASE PAYMENTS TO CSL, WHICH ALLEGEDLY WILL EFFECT WINDSTREAM'S SHAREHOLDER EQUITY OR ITS ABILITY TO RAISE CAPITAL IN THE FUTURE. PLEASE ADDRESS THIS CONCERN.

A. As set forth in my testimony above, the transaction significantly improves Windstream's ability to raise both debt and equity. The lease payments will result in a reduction of book equity under GAAP, but as discussed above, the ability to raise capital is not related to book equity. The ability to raise capital will be improved by this Transaction, because it significantly reduces long term debt and increases financial flexibility by reducing the dividend and creating the potential to source capital investment funds from CSL.

Q. ON PAGE 11 OF HIS DIRECT TESTIMONY, MR. BARBER STATES THAT A SEPTEMBER 12, 2014 LETTER FILED WITH THE PUBLIC UTILITIES COMMISSION OF OHIO MAKES IT UNCLEAR WHETHER LEASE PAYMENTS WILL BE DEDUCTIBLE FOR TAX PURPOSES. PLEASE ADDRESS THIS ISSUE.

A. The lease payments are deductible by Windstream for Federal Income Tax purposes.

Q. ON PAGE 11 OF HIS DIRECT TESTIMONY, MR. BARBER STATES THAT THE APPLICATION DOES NOT DISCUSS WHAT HAPPENS AT THE CONCLUSION OF THE LEASE. PLEASE ADDRESS THIS ISSUE.

A. I would first like to emphasize that the Lease has an initial term of 15 years, and up to four (4) renewal terms of five (5) years each, at Windstream's sole option (provided that there is no event of default), so that the Lease should remain in effect for a minimum of 35 years. At that point, Windstream and CSL could negotiate an extension or a replacement for the Lease, or they could allow it to expire. Of course, it is impossible to predict what technological and economic changes may have occurred by that time; it is at least theoretically possible that, by 2050, the Subject Assets could be considered obsolete and have little practical value. It is much more likely, however, that there will continue to

be demand for some kind of telecommunications capabilities delivered to homes and businesses over fixed transmission facilities, as there has been since telephone technology was developed in the late 19th century, even though the nature of the facilities and the services they enable will probably continue to change.

Nevertheless, the Lease contains a transition provision under which, if the term does expire without a new agreement in place, the Operating Companies will continue to operate the Subject Assets on an interim basis until a new lessee has been identified, and until all regulatory approvals required under the laws in effect at that time have been obtained.

IV. CONLUSION

Q. PLEASE SUMMARIZE YOUR REBUTTAL TESTIMONY.

A. Through the Application and responses to requests for information issued by the Commission Staff and KCTA, the Operating Companies have provided the Commission with sufficient information determine that the Transaction will be beneficial to the Applicants and their customers. The Transaction will not result in any harm to Windstream's employees, including those who are members of the CWA. Accordingly, the Commission should grant Windstream's Application.

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

EXHIBIT 15

2018 Uniti 10-K

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from _____ to _____**

Commission File Number 001-36708

Uniti Group Inc.

(Exact name of Registrant as specified in its Charter)

Maryland	**46-5230630**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
10802 Executive Center Drive Benton Building Suite 300 Little Rock, Arkansas	**72211**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (501) 850-0820

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $0.0001 Par Value	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on The NASDAQ Global Select Market on June 30, 2018, was $2,842,783,509

The number of shares of the Registrant's common stock outstanding as of March 6, 2019 was 183,103,947.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement relating to the 2019 annual meeting of stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Over 30% of ITS's total revenue is on Uniti Fiber's network, which is expected to increase under Uniti Fiber's ownership. The results of operations of ITS are reflected in the Fiber Infrastructure segment beginning October 19, 2018.

Hurricane Michael. During October 2018 Hurricane Michael made landfall as a Category 4 hurricane. The storm resulted in significant damage to the Uniti Fiber network in Florida's Bay County and surrounding areas. Shortly after landfall we dedicated substantial internal and third-party resources to repair and replace the damaged network, as well as to make enhancements to the network in the impacted areas. As of December 31, 2018, we incurred $3.0 million of costs associated with the restoration efforts and wrote off $3.7 million of network assets that were destroyed. We anticipate full recovery of these costs and expense through insurance proceeds.

Acquisition and Lease-back of CableSouth Media, LLC Fiber Assets. On October 9, 2018, we completed the acquisition of fiber assets from CableSouth Media, LLC ("CableSouth") for cash consideration of $31 million. In the transaction, Uniti acquired 43,000 fiber strand miles located across Arkansas, Louisiana and Mississippi, of which 34,000 fiber strand miles were leased back to CableSouth on a triple-net basis. Uniti has exclusive use of 9,000 fiber strand miles, which are adjacent to Uniti Fiber's southern network footprint. The initial lease term is 20 years with four 5-year renewal options at CableSouth's discretion. Annual cash rent is initially $2.9 million with a fixed annual escalator of 2.0%. The results of this transaction are recorded within our Leasing segment.

Acquisition and Lease-back of U.S. TelePacific Holding Corp. Fiber Assets. On September 19, 2018, we completed the acquisition and lease-back of the California fiber assets of U.S. Telepacific Holding Corp. ("TPx"), for total cash consideration of $70 million. On May 1, 2018, we completed the acquisition and lease-back of the non-California fiber assets of TPx, which included exclusive use fiber strand miles in Texas, for total cash consideration of $25 million. The initial lease term is 15 years with five 5-year renewal options at TPx's discretion. Initial annual cash rent related to the non-California and California assets is $8.8 million with a fixed annual escalator of 1.5%. The results of these transactions are recorded within our Leasing segment.

IRS Private Letter Ruling. During July 2018, we received a favorable private letter ruling ("PLR") from the Internal Revenue Service ("IRS") in connection with our request for guidance to clarify the treatment of income the Company receives from certain communication infrastructure assets. In the PLR, the IRS addressed and favorably ruled that the revenues generated from certain communication infrastructure assets that presently are part of our TRSs would be considered rent from real property.

Dark Fiber Acquisition and Anchor Tenant Lease. On May 10, 2018, the Company acquired from CenturyLink, Inc. 30 long-haul intercity dark fiber routes totaling 11,000 route miles and 270,000 fiber strand miles across 25 states. This transaction was approved by the U.S. Department of Justice as a condition of the merger between CenturyLink, Inc. and Level 3 Communications, Inc., and adds attractive, high demand assets to Uniti Leasing. Simultaneously with this purchase, the Company executed an anchor tenant lease with a Fortune 100 company for 11% of the fiber strand miles. During August 2018, the Company executed a lease agreement with a national multiple system operator ("MSO") on existing Uniti Leasing fiber. The lease term will be 20 years covering approximately 9,900 route miles or 41,000 fiber strand miles. Annual results related to the agreements are reported within our Leasing segment.

Comparison of the years ended December 31, 2018 and 2017

The following tables sets forth, for the periods indicated, our results of operations expressed as dollars and as a percentage of total revenues:

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(Thousands)	Year Ended December 31, 2018	% of Revenues	Year Ended December 31, 2017	% of Revenues
Revenues:				
Leasing	$ 699,847	68.8%	$ 685,099	74.8%
Fiber Infrastructure	289,239	28.4%	202,791	22.1%
Tower	14,617	1.4%	10,055	1.1%
Consumer CLEC	13,931	1.4%	18,087	2.0%
Total revenues	1,017,634	100.0%	916,032	100.0%
Costs and Expenses:				
Interest expense, net	319,591	31.4%	305,994	33.4%
Depreciation and amortization	451,750	44.4%	434,205	47.4%
General and administrative expense	85,198	8.4%	72,045	7.9%
Operating expense (exclusive of depreciation and amortization)	137,065	13.4%	102,176	11.2%
Transaction related costs	17,410	1.7%	38,005	4.1%
Other (income) expense	(4,504)	(0.4%)	11,284	1.2%
Total costs and expenses	1,006,510	98.9%	963,709	105.2%
Income (loss) before income taxes	11,124	1.1%	(47,677)	(5.2%)
Income tax benefit	(5,421)	(0.5%)	(38,849)	(4.2%)
Net income (loss)	16,545	1.6%	(8,828)	(1.0%)
Net income attributable to noncontrolling interests	358	0.0%	611	0.1%
Net income (loss) attributable to shareholders	16,187	1.6%	(9,439)	(1.0%)
Participating securities' share in earnings	(2,594)	(0.2%)	(1,509)	(0.2%)
Dividends declared on convertible preferred stock	(2,624)	(0.3%)	(2,624)	(0.3%)
Amortization of discount on convertible preferred stock	(2,980)	(0.3%)	(2,980)	(0.3%)
Net income (loss) attributable to common shareholders	$ 7,989	0.8%	$ (16,552)	(1.8%)

The following table sets forth, for the years ended December 31, 2018 and 2017, revenues and Adjusted EBITDA of our reportable segments:

	Year Ended December 31, 2018					
(Thousands)	Leasing	Fiber Infrastructure	Towers	Consumer CLEC	Corporate	Total of Reportable Segments
Revenues	$ 699,847	$ 289,239	$ 14,617	$ 13,931	$ -	$ 1,017,634
Adjusted EBITDA	$ 697,545	$ 123,389	$ 355	$ 3,353	$ (21,759)	$ 802,883
Adjusted EBITDA margin	99.7 %	42.7 %	2.4 %	24.1 %	-	78.9 %
Less:						
Interest expense, net						319,591
Depreciation and amortization	337,126	105,651	6,704	1,994	275	451,750
Other income						(4,504)
Transaction related costs						17,410
Stock-based compensation						8,064
Income tax benefit						(5,421)
Other						(552)
Net income						$ 16,545

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	Year Ended December 31, 2017					
(Thousands)	Leasing	Fiber Infrastructure	Towers	Consumer CLEC	Corporate	Total of Reportable Segments
Revenues	$ 685,099	$ 202,791	$ 10,055	$ 18,087	$ -	$ 916,032
Adjusted EBITDA	$ 683,651	$ 83,987	$ (831)	$ 4,556	$ (21,839)	$ 749,524
Adjusted EBITDA margin	99.8 %	41.4 %	(8.3 %)	25.2 %	-	81.8 %
Less:						
Interest expense, net						305,994
Depreciation and amortization	347,999	78,307	4,907	2,607	385	434,205
Other expense						11,284
Transaction related costs						38,005
Stock-based compensation						7,713
Income tax benefit						(38,849)
Net loss						$ (8,828)

Revenues

Leasing - Leasing revenues are primarily attributable to rental revenue from leasing our Distribution Systems to Windstream Holdings pursuant to the Master Lease. Under the Master Lease, Windstream Holdings is responsible for the costs related to operating the Distribution Systems, including property taxes, insurance, and maintenance and repair costs. As a result, we do not record an obligation related to the payment of property taxes, as Windstream makes direct payments to the taxing authorities. The Master Lease has an initial term of 15 years with four 5-year renewal options and encompasses properties located in 29 states. Cash rent under the Master Lease is currently $657 million and is subject to an annual escalation of 0.5% each May through the initial term. Rental revenues over the initial term of the Master Lease are recognized in the financial statements on a straight-line basis, representing approximately $670.8 million per year.

The Master Lease provides that tenant funded capital improvements ("TCIs"), defined as maintenance, repair, overbuild, upgrade or replacement to the leased network, including without limitation, the replacement of copper distribution systems with fiber distribution systems, automatically become property of Uniti upon their construction by Windstream. We receive non-monetary consideration related to TCIs as they automatically become our property, and we recognize the cost basis of TCIs that are capital in nature as real estate investments and deferred revenue. We depreciate the real estate investments over their estimated useful lives and amortize the deferred revenue as additional leasing revenues over the same depreciable life of the TCI assets.

For the year ended December 31, 2018, we recognized $693.9 million of revenue under the Master Lease, which included $23.1 million of non-cash TCI revenue and $15.1 million of non-cash straight-line rental revenue. For the year ended December 31, 2017, we recognized $685.1 million of revenue under the Master Lease, which included $14.3 million of non-cash TCI revenue and $17.3 million of non-cash straight-line rental revenue. The increase in TCI revenue is attributable to continued investment by Windstream in TCIs. Windstream invested $153.6 million in TCIs during the year ended December 31, 2018, a decrease from $228.0 million it invested in TCIs during the year ended December 31, 2017. Since the inception of the Master Lease, Windstream has invested a total of $607.1 million in such improvements.

Because a substantial portion of our revenue and cash flows are derived from lease payments by Windstream pursuant to the Master Lease, there could be a material adverse impact on our consolidated results of operations, liquidity, financial condition and/or ability to pay dividends and service debt if Windstream were to default under the Master Lease or otherwise experiences operating or liquidity difficulties and becomes unable to generate sufficient cash to make payments to us. In recent years, Windstream has experienced annual declines in its total revenue, sales and cash flow, and has had its credit ratings downgraded by nationally recognized credit rating agencies multiple times over the past 12 months. In addition, Windstream has been involved in litigation with an entity who acquired certain Windstream debt securities and thereafter issued a notice of default as to such securities

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relating to our spin-off from Windstream. On December 7, 2017, the entity issued a notice of acceleration to Windstream claiming that the alleged default had matured into an "event of default" and that the principal amount, along with accrued interest, of such securities was due and payable immediately. Windstream challenged the matter in federal court and a trial was held in July 2018. On February 15, 2019, the federal court judge issued a ruling against Windstream, finding that Windstream's attempts to waive such default were not valid; that an "event of default" occurred with respect to such debt securities; and that the holder's acceleration of such debt in December 2017 was effective.

In response to the adverse outcome, on February 25, 2019, Windstream filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York.

In bankruptcy, Windstream has the option to assume or reject the Master Lease. While we believe that the Master Lease is essential to Windstream's operations, it is difficult to predict what could occur in a restructuring, and even a temporary disruption in payments to us may require us to fund certain expenses and obligations (e.g., real estate taxes and maintenance expenses) to preserve the value of our properties and avoid the imposition of liens on our properties and could impact our ability to fund other cash obligations, including dividends necessary to maintain REIT status, non-essential capital expenditures and, in an extreme case, our debt service obligations. See Item 1A Risk Factors for additional information concerning the impact Windstream's bankruptcy may have on our operations and financial condition. A rejection by Windstream of the Master Lease or its inability or unwillingness to meet its rent and other obligations under the Master Lease could materially adversely affect our consolidated results of operations, liquidity, and financial condition, including our ability to service debt and pay dividends to our stockholders as required to maintain our status as a REIT.

Windstream is a publicly traded company and is subject to the periodic filing requirements of the Securities Exchange Act of 1934, as amended. Windstream filings can be found at www.sec.gov. Windstream filings are not incorporated by reference in this Annual Report on Form 10-K.

For the year ended December 31, 2018, we recognized $6.0 million of leasing revenues from non-Windstream triple-net leasing and dark fiber indefeasible rights of use ("IRU") arrangements. No such revenues were recognized for the year ended December 31, 2017.

Fiber Infrastructure - For the years ended December 31, 2018 and 2017, we recognized $289.2 and $202.8 of revenue, in our Fiber Infrastructure segment. The increase is primarily attributable to the timing of the acquisitions of Southern Light, LLC ("Southern Light") and Hunt Telecommunications LLC ("Hunt"), which were both acquired on July 3, 2017. Southern Light and Hunt contributed revenues of $132.8 million and $61.9 million, to our consolidated results for the year-ended December 31, 2018 and for the period from the date of acquisition through December 31, 2017, respectively. In addition, we acquired ITS on October 19, 2018, which contributed $8.9 million of revenues from the date of acquisition to December 31, 2018. Revenue components for the Fiber Infrastructure segment for the years ended December 31, 2018 and 2017 consisted of the following:

	Year Ended December 31,			
	2018		2017	
(Thousands)	Amount	% of Segment Revenues	Amount	% of Segment Revenues
Fiber Infrastructure revenues:				
Lit backhaul services	$ 132,361	45.8%	$ 117,574	58.0%
Enterprise and wholesale	63,519	22.0%	36,542	18.0%
E-Rate and government	74,752	25.8%	43,021	21.2%
Dark fiber and small cells	14,115	4.9%	5,200	2.6%
Other services	4,492	1.5%	454	0.2%
Total Fiber Infrastructure revenues	$ 289,239	100.0%	$ 202,791	100.0%

At December 31, 2018, we had approximately 18,200 customer connections, up from 16,750 customer connections at December 31, 2017.

EXHIBIT 16

Eichler Dep. Tr.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
No. 17 Civ. 7857 (JMF)
----------)
U.S. BANK NATIONAL ASSOCIATION, solely in its capacity as indenture trustee of Windstream Services, LLC's 6 3/8% Senior Notes due 2023,

Plaintiff-Counterclaim Defendant,

vs.

WINDSTREAM SERVICES, LLC,

Defendant-Counterclaimant,

vs.

AURELIUS CAPITAL MASTER, LTD.,

Counterclaim Defendant.

----------)

VIDEOTAPED 30(b)(6) DEPOSITION OF WINDSTREAM SERVICES, LLC by
JOHN EICHLER
New York, New York
November 2, 2017

Reported by:
Linda Salzman
JOB NO. 133133

November 2, 2017
3:15 p.m.

Videotaped 30(b)(6) Deposition of WINDSTREAM SERVICES, LLC by JOHN EICHLER, held at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York, pursuant to Notice, before Linda Salzman, a Notary Public of the State of New York.

APPEARANCES:

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BY: EDWARD FRIEDMAN, ESQ.
CHRIS COLORADO, ESQ.
JEFFREY FOURMAUX, ESQ.

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BY: AARON MARKS, ESQ.
RUSH HOWELL, ESQ.

(Continued)

APPEARANCES: (Continued)

KRAMER LEVIN NAFTALIS & FRANKEL
Attorneys for Counterclaim Defendant
1177 Avenue of the Americas
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BY: ARTHUR AUFSES III, ESQ.

Also Present:
MICHAEL McCARTHY, Maslon
DALE SWINDELL, Videographer

STIPULATIONS

IT IS HEREBY STIPULATED AND AGREED by and among counsel for the respective parties hereto, that the sealing and certification of the within deposition shall be and the same are hereby waived;

IT IS FURTHER STIPULATED AND AGREED all objections, except as to the form of the question, shall be reserved to the time of the trial;

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

J. Eichler

of 12/31/2015 account reconciliation detail."

A. Okay.

Q. And tell us what that is, please.

A. This shows the lease amortization on a total basis on the left side of the page. And the right side of the page shows the allocation of the interest and principal and overall lease obligation by transferor subsidiary as of December 31st of '15.

Q. And just so we're clear, start with the first line, company 17 under INT, that's the interest portion of the liability?

MR. HOWELL: Object to form.

BY MR. FRIEDMAN:

Q. So let me just back up. So this is for 12/31/2015, so company 17, what is that telling us, Mr. Eichler? I won't try to say it.

A. This shows how much was allocated for interest expense for the

J. Eichler

month of December for company 17 and all other transferor subsidiaries.

It also shows how much was allocated for the principal reduction for that month's total and then shows the ending balances in the current long-term and bal column -- I think it represents the balance. Those are the balances of the lease obligations that were allocated to each of the transferor subsidiaries.

Q. And the allocation was on the basis of the allocation methodology you described previously?

A. Yes.

Q. And the interest and principal columns for all the subsidiaries added up will correspond to the December 2015 rent payment that was made to Uniti, is that correct?

A. Yes, that's right.

MR. FRIEDMAN: Now I'm going to show you a document we marked as 61, which is another spreadsheet that was printed, and I will ask if you can

J. Eichler

identify that.

(Exhibit 61, Spreadsheet, marked for identification, as of this date.)

A. Yes.

Q. And what is this please, Mr. Eichler?

A. There's multiple pieces of it, but it shows the annual amount of interest expense and principal reduction that was allocated to each transferor subsidiary, as well as the ending short-term and long-term lease obligation balances that was allocated to each transferor subsidiary for 2015, for the year ended 2016, and year-to-date through June 30th of 2017.

And then there's an additional schedule in the back. I believe this shows the separate amortization of the landlord-funded capital in 2015.

Q. Is that, the amount there is 43 million total?

A. Yes.

Q. And the allocation of the $43

J. Eichler

million was -- is reflected in this document 1 of 1. It starts with POD 24810. I'm just back to the one you're referring to about the landlord-funded assets.

A. I'm sorry. I'm not following you.

Q. If you can go back to the master table, REIT Amort for 2015 LF Assets.

A. This schedule?

Q. Yes.

A. Okay.

Q. This is the one relating to the allocation of the $43 million, correct?

A. Yes.

Q. And what was the methodology for allocating the $43 million?

A. We use the same methodology.

Q. Well, am I correct that $43 million liability was not allocated among all the transferor subsidiaries?

A. It was only allocated among the transferor subsidiaries that received landlord-funded capital.

EXHIBIT 17

May 2019 Earnings Presentation

1Q19 Earnings Presentation Script
May 15, 2019

Chris King

Good morning everyone and thank you for joining Windstream's first quarter 2019 earnings conference call.

Joining me on the call today are:

- Tony Thomas, our CEO, and
- Bob Gunderman, our CFO and Treasurer

To accompany today's call, we have posted the presentation slides, earnings release and supplemental schedule on our Investor Relations website.

Please note that our financial statement presentation now includes certain proforma adjustments for expenses previously adjusted from OIBDAR. Network optimization costs and other costs incurred in outsourcing certain support functions are now shown as deductions from OIBDAR.

Today's discussion includes statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. A discussion of factors that may affect future results is contained in Windstream's filings with the SEC, which are available on our website. With that, let me turn it over to Tony Thomas.

Tony Thomas

Thanks, Chris. Good morning everyone and thank you for joining us today.

Before I begin discussing Windstream's operational performance, I wanted to briefly provide an update on our Chapter 11 reorganization process. Since we last provided a formal update, our series of second day motions were approved by the court in mid-April, and we now have unfettered access to the full $1 billion in our DIP financing, which, as a reminder, has been rated investment grade by both Fitch and Moody's. Discussions continue with the various parties involved in the restructuring process; however, it is too early to provide an expected timeframe for emergence. We appreciate the strong support we have received from our employees, customers, vendors and financial stakeholders as we work through this process.

Turning to our operations, Windstream began the year with another solid quarter, demonstrating the company's continued momentum in the marketplaces that we serve.

Beginning on slide 4, we delivered $447 million in adjusted OIBDAR in the quarter, a 3.2% decline from our first quarter 2018 levels. Our consolidated adjusted OIBDAR margin of 33.8% increased 110 basis points year-over-year, as our interconnection and synergy achievements continue to remain on schedule.

For the fourth consecutive quarter and now fourteen consecutive months through April 2019, we recorded consumer broadband growth, adding over 11,400 subscribers during the quarter, which represents our strongest quarter since 2011.

In the Enterprise business unit, we continued to see strong growth in our strategic sales. We remain the largest SD-WAN service provider in the country in terms of customers and locations served. Our strategic sales represented over 55% of total Enterprise sales in the quarter, and strategic revenues now represent 10% of our total Enterprise service revenues.

Turning to slide 5, our Kinetic segment is rapidly expanding its broadband capabilities. We have more than doubled the availability of 100 Mbps speeds across our footprint over the past several months. Today, 35% of our households can receive 100 Mbps or greater speeds. In 2015, not a single household could. Today, 65% of our households have access to speeds of 25 Mbps or greater, and over 2 million homes, which represents half of our ILEC footprint, have access to speeds of 50 Mbps or greater.

Slide 6 highlights some of the results of these network improvements. A 19% improvement in gross adds year-over-year contributed to 11,400 new subscriber additions in the first quarter, representing the strongest subscriber addition quarter for the company since 2011. We also added broadband subscribers during March and April, achieving fourteen consecutive months of broadband growth. This strength across our consumer broadband metrics shows that our network investments are paying off. Project Excel,

which was completed in the first half of 2017, along with targeted initiatives that are ongoing, are extending faster broadband speeds across our ILEC footprint, and our customers are responding. We expect to add approximately 30,000 broadband subscribers during 2019, reflecting our continued momentum in the marketplace.

Slide 7 outlines our customers' growing demand for our increasing broadband speed capabilities. As you can see, the percentage of our broadband subscriber base taking faster speed tiers continues to improve dramatically. As of March, 44% of our broadband subscriber base now enjoys speeds of 25 Mbps or faster. We have more than tripled our subscriber base of those premium tiers in the past two years. Additionally, we have enabled 1Gig capability to over 100,000 commercial locations across our ILEC footprint.

Turning to slide 8, I wanted to touch on our multi-pronged approach to improve broadband speeds. This ongoing effort to accelerate speeds includes software enhancements, fiber expansion that includes fiber to the premise and shorter loop lengths and, increasingly, fixed wireless. Our approach to broadband speed expansion and its intersection with our lease with Uniti and the decision to accept or reject the master lease during the Chapter 11 proceeding, has been the subject of much discussion. I wanted to outline a few critical pieces of information to better inform that dialogue.

As a reminder, as illustrated on slide 9, when Windstream entered the lease with Uniti, the assets we are leasing had a fair market value of approximately $7.5 billion. Windstream's copper assets comprised 54% of the value of those assets, with fiber representing only

27%. Of that 27%, ILEC fiber only represented approximately a third of the original fiber asset value, with the remaining two-thirds consisting of fiber outside of our ILEC footprint. Windstream has utilized its copper facilities to improve its speed profiles, but there are very real and significant technological constraints that limit copper's ability to support the expected growth in demand for increased broadband speeds. It is well understood that copper is losing its value precipitously and will likely continue to do so, and that new technologies must be utilized to gain faster speeds. As a result, Windstream believes the current Uniti master lease rate is significantly above market.

Windstream has utilized fiber to replace copper in select portions of its ILEC markets. Many of those investments fully accrete to Uniti under the terms of the master lease. However, it is important to understand that Windstream estimates that historically only approximately $50 million in tenant capital improvements annually relate to long-term fiber assets that would have value upon renewal of the lease. The remaining tenant capital improvements relate to copper replacement, road moves, or other items which are expected to have little or no value at renewal.

In fact, given the prescriptive valuation process outlined in the lease, Windstream estimates that the lease payment could be reduced by 80% or more if the lease were to be renewed in 2030, because of the significant decline in the value of copper facilities. It is important to remember that all our investments in electronics, equipment and fixed wireless infrastructure accrue solely to Windstream and are outside of the Uniti lease. The

diversity of such new technologies, such as 5G fixed wireless, is an integral component of our evaluation of the current lease.

Windstream believes that the current rent under the Uniti master lease is significantly above market. In the context of its Chapter 11 cases, Windstream is evaluating all options regarding the Uniti lease, including renegotiation, recharacterization, unwinding the lease, as well as an outright rejection of the lease. More details will emerge as the Chapter 11 process evolves.

Turning back to our first quarter operational highlights, slide 10 shows our SD-WAN and strategic sales growth in our Enterprise segment. Today, Windstream is the largest SD-WAN service provider in the country, with more than 1,800 customers under contract in over 15,000 locations. We install over 500 additional locations every single month, and that number continues to grow. Our UCaaS leadership position, driven by our proprietary OfficeSuite product, remains strong as we had over 518,000 UCaaS seats installed at quarter-end.

Our strategic sales continue to accelerate, representing over 55% of our total Enterprise sales during the first quarter, and these strategic products and services now represent an annualized run-rate of $250 million in revenues, which represents a $70 million increase in our annualized run-rate in the past three months alone. These revenues are growing at approximately 44% year-over-year.

On slide 11, I wanted to take a minute to highlight several of the recent product improvements and launches that have taken place at Windstream Enterprise just since the beginning of the year. WE Connect is the cornerstone of our digital strategy, aimed at empowering customers with ever greater control and agility. WE Connect delivers on the elusive "single pane of glass," positioning services such as SD-WAN, Cloud Security and OfficeSuite together as solutions, not silos, alongside a rich pallet of self-service controls. We implemented five new development upgrades year-to-date and have migrated tens of thousands of customers to WE Connect since January 1.

In addition, Windstream Enterprise launched OfficeSuite with full Amazon Alexa integration. OfficeSuite is now certified by Amazon and published live for Alexa, Amazon's cloud-based voice service. The combination of OfficeSuite features with Alexa's hands-free, voice-first interactions enhances the value of Windstream Enterprise's flagship communications solution.

During the first quarter we also launched a new LAN Services product suite, that allows customers a managed solution for their premise switches, wi-fi solution and IP cameras. Our solutions are top-rated with single source convenience. As an example, our secure Wi-Fi solution includes management of the wireless access points along with analytics that provides critical insights and customer intelligence.

Windstream Enterprise also launched a Security Information and Event Management service, which provides critical threat detection, as well as log retention and reporting to

meet compliance requirements. We also expanded access to our wholesale Ethernet service with fixed wireless access in over 50 major markets across the country. This complements our 150,000-mile core fiber footprint and adds 400,000 pre-qualified buildings that serve more than 3 million businesses to our scope. Equally exciting, more markets and locations will be added during 2019.

Our wholesale unit also expanded its core network with access to a Virginia Beach landing station as well as a 200-mile fiber expansion into Montreal. These new product launches, upgrades and network expansions are driving numerous awards across the industry for our powerful product line-up.

Lastly, I want to briefly address the $20.4 billion Rural Digital Opportunity Fund that was proposed by FCC Chairman Pai last month. We are pleased with the focus on continuing the rural broadband upgrades that have been achieved through the Connect America Fund programs. To properly allocate these new funds, we must first remediate the significant broadband mapping issues that exist today. The current FCC broadband maps lack sufficient and meaningful detail, because carriers only report broadband deployment at a census block level. Consequently, there is no generally available data demonstrating whether specific locations are served or unserved. We agree with FCC Chairman Pai that maintaining updated and accurate data about broadband deployment is critical to bridging the digital divide. We simply can't solve a problem that we do not fully understand. It would be reckless to spend tens of billions of dollars over a decade on the back of the

current broken mapping system. In the end, robust and complete maps will directly benefit consumers and set the U.S. on a clear path to closing the digital divide.

In summary, our network and software differentiation and customer-centric approach is delivering strong operational and financial improvements across the board, and I am very pleased with the traction we are seeing following our years of investment in the business.

Now I will turn the call over to Bob to discuss our financial results.

Bob Gunderman

Thank you, Tony, and good morning everyone.

Turning to slide 12, we show our first quarter financial results. Please note that our financial presentation here excludes our CLEC consumer business, the bulk of which was sold on December 31st.

During the quarter, Windstream generated:

- Service revenues of over $1.3 billion, and
- Adjusted OIBDAR of $447 million, a 3.2% decline year-over-year. Consolidated margin of 33.8% during the quarter represents an increase of 110 basis points year-over-year, driven by our strong expense management initiatives. Notably, our total cash costs improved by over $74 million, or 7.8% year-over-year.

Our integration and synergy achievement plans remain on track for both Broadview and EarthLink. We ended 2018 on a run-rate to achieve $145 million in opex and capex synergies and expect to end 2019 with a synergy run-rate of $180 million.

The ILEC Consumer and SMB segment delivered solid results. For the quarter:

- Service revenue was $454 million, down slightly sequentially; notably, both consumer revenues and consumer ARPUs delivered sequential growth during the first quarter;

- Contribution margin was $272 million, up almost $4 million sequentially, representing an approximate 59 percent margin and a 90-basis point sequential improvement;
- Consumer broadband units increased by approximately 11,400 during the quarter, the strongest quarter for Windstream since 2011.

In the Enterprise segment, which also includes our out-of-region small and medium business revenue:

- Service revenue was $679 million; and
- Contribution margin was $153 million or approximately 22 percent, an increase of 260 bps year-over-year.

In the Wholesale segment:

- Service revenue was $169 million; and
- Contribution margin was $114 million or approximately 67 percent.

Wholesale revenues and margins were impacted by recent fiber to the tower contract renewals requiring immediate revenue write-downs in exchange for contract extensions.

On slide 13, I wanted to provide an update on our continued interconnection expense reduction results. Our total interconnection expenses fell by almost 14% on a year-over-year basis during the first quarter. Notably, we still have almost $1.3 billion of annualized interconnection expense, more than $730 million of which is annual legacy TDM-related.

These expenses comprise more than half of our total interconnection expenses. Our access team remains keenly focused on reducing these expenses as quickly as possible, and we continue to believe that we will see greater than 10% annual reductions for the next several years.

Lastly, turning to slide 14, I want to highlight a recent disclosure that we made laying out our 2019 financial plan. Our financial plan calls for:

- 2019 adjusted OIBDAR decline to improve versus the 5.0% decline seen in 2018 on a pro forma basis.
- This improvement will be largely driven by an approximate 100 basis point increase in our consolidated adjusted OIBDAR margin, driven by a strong improvement of over 8% in our cash expenses.
- We expect consumer broadband growth of approximately 30,000 subscribers, which will more than double our 2018 broadband performance, which was the best among major U.S. telco providers.
- We expect to drive growth in our strategic revenues by approximately 30% in 2019, as our SD-WAN and UCaaS sales continue to accelerate.
- We anticipate our Enterprise contribution margin to increase by more than 200 basis points year-over-year.

Now, I will turn the call back over to Tony for a few closing comments.

Tony Thomas

Thank you, Bob.

In summary, Windstream's operations are continuing the momentum we saw in 2018. We stand alone among major U.S. telecom service providers with fourteen consecutive months of consumer broadband subscriber growth, as well as our strongest broadband net subscriber addition quarter since 2011, coming on the back of large investments in our network. The transformation is also being seen in our Enterprise business which is focusing on strategic products such as SD-WAN and UCaaS to provide a better, more robust customer experience, and we are continuing to drive material costs out of the business.

Our Chapter 11 reorganization process continues, and we are pleased with the progress thus far. Windstream will emerge from our current restructuring a healthier and stronger company. More than ever, we are excited about the opportunities that lie ahead.

Thank you for joining us this morning – have a great day.

EXHIBIT 18

Q&A Attachment April 2015 Email From Gunderman

From: Gunderman, Bob
Sent: Sunday, April 12, 2015 6:42 PM
To: Thomas, Tony
Subject: Fwd: WIN/CS&L: Investor strategy materials
Attachments: CS&L_TLB Book and Account Commentary vF.PDF; ATT00001.htm; QA - for lender trip.pdf; ATT00002.htm

Tony,

We just wrapped up our messaging call with JPM and BAML. To start, JPM was more positive overall on our deal messaging and how we can position this story to ensure good execution. Notably Gerry Murray , their head of Leveraged Finance, was on the call as was Richard Gabriel, Jessica's replacement, and both offered assurances on the focus of their team and that they continue to expect good execution.

Over the past couple of days, JPM has enlisted the help of Tim Gralick, DPW bankruptcy counsel, and Andy Lipman, Regulatory counsel of Morgan Lewis. They have used them to confirm the positive messaging around how a remote bankruptcy of a regulated entity like WIN would play out and have made the argument for security of the lease payment in a remote bankruptcy which makes for a stronger story for CSL. These two gentlemen will be asked to speak to any key accounts who are digging in on these points.

We concluded that Kenny and his team will go back to certain accounts who have been holdouts to reinforce their message. We also agree that I should speak with any accounts who want assurances on WIN credit. The next three days will be intense but I feel better today about where we are with the messaging and the JPM and BAML teams were willing to give more assurances on the call tonight.

Bob Gunderman
CFO and Treasurer
Windstream Holdings
501-748-6849
Bob.gunderman@windstream.com

Begin forwarded message:

> **From:** "Curtin, Kevin R" <kevin.r.curtin@jpmorgan.com>
> **Date:** April 12, 2015 at 5:24:23 PM CDT
> **To:** "bob.gunderman@windstream.com" <bob.gunderman@windstream.com>, "'mary.michaels@windstream.com'" <mary.michaels@windstream.com>, "kenny.gunderman@cslreit.com" <kenny.gunderman@cslreit.com>, "markwallace.us@icloud.com" <markwallace.us@icloud.com>, Rob Clancy <Rob.Clancy@cslreit.com>
> **Cc:** "Turpin, Fred J" <fred.j.turpin@jpmorgan.com>, "Murray, Gerry" <GERRY.MURRAY@jpmorgan.com>, "Carey, Leonard P" <leonard.p.carey@jpmorgan.com>, "Gabriel, Richard" <Richard.Gabriel@jpmorgan.com>, "Slocumb, Allen" <allen.slocumb@jpmorgan.com>, "Rastogi, Varun X" <varun.x.rastogi@jpmorgan.com>, Rite Core <Rite_Core@chase.com>, "scott.tolchin@baml.com" <scott.tolchin@baml.com>, "jeffrey.a.fritsche@baml.com" <jeffrey.a.fritsche@baml.com>, "mark.bush@baml.com" <mark.bush@baml.com>, Briefcase

<briefcase@restricted.chase.com>
Subject: WIN/CS&L: Investor strategy materials

All,

Ahead of our call this evening, please see attached the following two documents to guide our discussion:

(i) Consolidated Q&A list for discussions with lenders – this is Mary/JPM's combined document
(ii) CS&L TLB Book and Key Account Commentary

We look forward to speaking with everyone soon.

Thank you,
Kevin

Kevin Curtin | TMT Investment Banking | **J.P. Morgan**
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T: 212 622 5948 | F: 917 464 9166 | M: 860 270 9016 | kevin.r.curtin@jpmorgan.com

Alternate contact: Teresa Martorella | T: 212 622 9935 | teresa.martorella@jpmorgan.com

1. WIN in Distressed Situation / What happens in WIN Bankruptcy?

a. WIN is very reliable tenant **(always lead with this)**
- First, we believe WIN is a very secure financial tenant. The business is diverse and generates a substantial amount of cash flow. In addition, WIN expect to repay almost a half of their outstanding debt via this spin off
- Significant rent coverage at 3.3X
- WIN expects to pay down almost half of its debt as a result of this transaction ($3.5B plus the retained equity component); allowing for more optimal capital structure and cash flow for WIN to invest for growth
- Win is going from $600m annual dividend to $60m annual dividend
- Lease payment is tax deductible whereas dividend was not, so cash flow savings
- WIN will have significant secured leverage capacity after this deal to lower their cost of capital
- Over half of Win's capex (~$400m) is success based and discretionary
- The more Win invests in its network, the better it is for CS&L

b. Lease Structure Well Designed and Iron-Clad
- Win and CS&L's collective intent in negotiating the lease was for it to be impossible to reject it in a bankruptcy; Bankruptcy, tax, regulatory and credit lawyers were all engaged to help structure the lease in an iron-clad fashion
- Lease does not allow for a renegotiation of the rental payment under any circumstances
- Indivisible master lease (WIN can't 'cherry pick' parts they like or don't like)
- WIN knew this structure of the lease would be important for regulatory approval to prove no chance of disruption of service to customers
    - Windstream Services (Opco) is by-law the "carrier of last resort" to customers on the network, so they can't stop providing service

c. What if WIN can't afford to make the lease payment (i.e. Default on lease)
- This is very unlikely as a default on the lease would likely lead to bankruptcy process given the cross default on WIN's credit documents, highlighting the importance of the lease payment to WIN Services (Opco)
- Hypothetically, a default would allow CS&L to begin an orderly sale process to find a successor tenant to step into Windstream's shoes
- The orderly sale provision in the lease requires WIN to sell its communications assets (including all property, operations, electronics, licenses and customer relationships, etc) that are using the CS&L owned distribution systems to another operator, who would then assume WIN's place in the lease.
- Likely good interest at "discounted sales price" given traditional cost synergies in Telco acquisitions

d. What happens in a bankruptcy situation?
- While this is very unlikely, in a bankruptcy WIN Holdings would only be able to "accept" or "reject" the lease in its entirety; If WIN accepts the lease, there are no changes to the lease terms and the lease payment must continue

- As a "Carrier of Last Resort" WIN Opco cannot disrupt service or stop providing service; therefore, with ~85% of WIN's fiber / copper assets residing with CS&L, it is not practical for WIN to reject the lease given their regulatory obligations
  - WIN Services (OPCO) is the regulated entity, not WIN Holdings
- In addition, without making the lease payment, there is no cash flow/value to the Opco

- One of the goals in a Chapter 11 bankruptcy is to ensure that the debtor emerges from BR as a viable company which, given the importance of the leased assets to WIN's operations and the regulatory implications, makes it very unlikely a court would allow rejection of the lease under any circumstances
  - Remember Windstream retains all regulatory obligations, CS&L does not
  - There is a public utility exemption in bankruptcy law that would be invoked whereby the courts would work with the federal and state regulators to ensure that the public utility (telecom service) continues to provide service even under extreme situations, so CS&L would continue to get paid at $650M annually without interruption
- The BR court is a court of equity, meaning part of its responsibility is to ensure creditors are treated fairly while a debtor is under the court's protection. This would prevent WIN from structuring a BR in such a way to allow for a windfall to its operating subs at the expense of CS&L

e. Would regulators prevent WIN from defaulting?
   - Regulators would work to ensure continuity of operations in a distressed scenario and so that payments to CS&L continue uninterrupted

f. Would regulators prevent CS&L from running an auction as prescribed in the lease?
   - In the highly unlikely event that this happens, regulators could not prevent the auction (per Morgan Lewis)

Redacted

Redacted

2. Master Lease / Relationship with WIN

a. How did you derive lease terms?

- Lease framework was carefully designed to benefit/protect both WIN and CS&L
- Longer-term lease provides more certainty needed for the REIT business while also allowing WIN to operate the network and meet its regulatory obligations over a long-period of time (35 plus years)

b. What type of protections do we have as a debt investor under the master lease agreement? What is the priority of the master lease payments at WIN as compared to other obligations at WIN (Interest expense, capex, dividends)?

- Since the WIN Holdings is the obligor on the lease, there is a "technical" subordination for the lease payment but there is "practical" seniority as this payment must be made for WIN Opco to have a business and to continue to generate cash flows
- As a financial obligation of WIN, the lease payments would be prioritized over capex and dividends

c. Why is the lease with WIN Holdings VS WIN Services?

- This is a complex transaction and after considering many factors we concluded that having the lease at WIN Holdings was the best structure
- If Pressed: Factors evaluated (corporate structure, tax, accounting, debt, etc.)

3. Assets Contributed

- 87% of fiber and 82% of copper lines (+ some land, poles and other); these assets constitute the last-mile connections into customer premises; are essential and the only means for WIN to serve clients – WIN has exclusive use of assets under lease
  - Retained by WIN: 100% of Electronics and Equipment (at Data Centers, Central Offices, Customer premises): these assets light fiber/copper lines and are deemed to generate "service revenues" (vs. REIT-able rental income from fiber/copper lines that go into the REIT)
- As Net PP&E include the retained assets, CS&L transferred assets represent c.50% of total Net PP&E
  - % refers to net book value. NBV not representative of actual value: assets GAAP-depreciated over long time and carry low value on the book, intrinsic / replacement value is very much higher than book value
- Contributed asset valuation: What is it? Methodology? Why $650m payment?
  - If you assume an 8.125% cap rate = ~$8bn. $650m = $8bn x 8.12% cap rate
    - Derived from replacement cost less depreciation
    - 1st lien = c.31% LTV, total = c.45% LTV

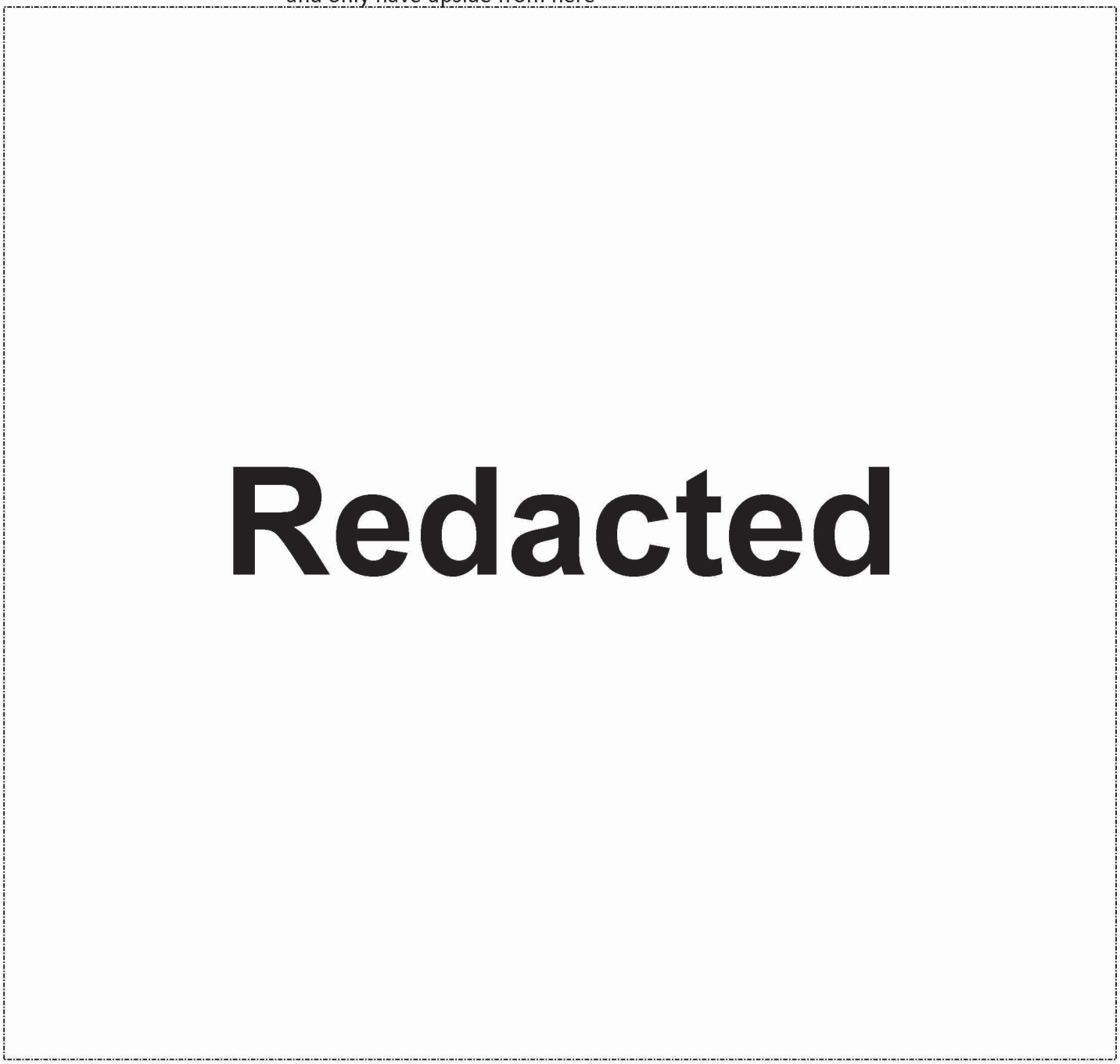
4. **Structure: Are 1st liens ahead of unsecured HY with respect to all assets?**
    - 1st liens are ahead with regard to c.95% of asset value. Exceptions are real estate outside GA/KY valued <$10m. We have all the copper, fiber and poles

5. **Counterparty risk**
    - Windstream trades at CCC yields, >150 bps wide to the HY index
        - Market is too bearish. WIN's asset mix is better than FTR, which trades at 7% and 6x. Our tax benefits alone command a premium TEV vs. FTR. No default catalyst. Near-term maturities can easily be refinanced on a 1st lien basis. Asset coverage through CS&L 1st lien is 2x that of WIN's bonds. CS&L results will have no quarterly volatility due to contracted revenue for next 15 years
        - WIN has a $1.25b undrawn revolver at close, providing ample liquidity, with 2.25x 1st lien capacity under CA and 2.5x under indentures with a $150mm general basket
        - WIN has significant FCF flexibility: EBITDA c.$1.3mm (post lease), Capex c.$400mm, (excl. >50% success-based Capex and $50m at CS&L); PF interest expense c.$360m (to be further reduced after CS&L stake sell-down), tax of $20mm >>> FCF before discretionary uses of c.$520m; dividends of c.$60M
        - Significant liquidity:$1.25bn Revolver (≤15% drawn at closing) and $850m-1bn 20% CS&L stake sell-down within next 12 months
        - WIN's guidance doesn't include potential cash flow benefits of CAF-2

6. **WIN and CS&L after spin-off**
    - Q: Why doesn't the credit delever? Their assets are depreciating.
        - CS&L starting leverage below public triple-net-lease REITs of >6x
        - No REIT delevers on cash flow alone as they need to pay out >90% of taxable income; all deleverage through expanding EBITDA, which is expected to be accelerated based on (i) success-based capex, (ii) tenant diversification, and (iii) rent escalator built into the master lease
        - CS&L dividend of $360m is almost 2x over the REIT requirement of 90% payout of taxable income >>> a lot of room to adjust if necessary
    - Q: Is this just a reshuffling of assets and/or WIN downsizing the business? Why is the sum of these parts greater than WIN today?
        - WIN will have same business as today, just accesses almost all of distribution network via long-term lease rather than owning it
        - Trx deleverages WIN and creates high value triple net lease counterparty that the equity research expects to trade at 11 to 14x
        - Creates a much stronger WIN from a competitive and operational and investment perspective
            - WIN has more strategic and financial flexibility to address its enterprise-data growth strategy
            - Capex investments on the contributed also optimized via CS&L contribution (up to $50m p.a. remunerated at 8.125% initially)
            - Tax benefits of this transaction are significant:

- Practically no taxes at CS&L
- Lease payment deductible at WIN and other effects >>> longer utilization of NOLs and bonus depreciation, high NPV of benefit

- Q: Will CS&L just trade in line with WIN given the two are so codependent?
  - WIN investments directed to core business and no rationale for WIN to overbuild CS&L fiber/copper lines >>> no risk of CS&L being dis-intermediated
  - The lease payment is fixed (even in a bankruptcy) and does not depend on WIN's performance. CS&L quarterly results are known for the next 15 years and only have upside from here



Redacted

b. Has CS&L identified any other acquisition targets?
   - CS&L began having informational discussions with counterparties after the transaction was announced last July
   - We believe that CS&L will have ample opportunities to grow and diversify
   - CS&L has an attractive business model enabling it to serve as a financing source for other telecom companies who may be interested in partnering with CS&L for a variety of reasons (de-leveraging, investing in the business, returning cash to shareholders)
   - Triple net lease REITs like CS&L trade at 13-18x EBITDA; most telecom service providers trade at 5-8x EBITDA – creating an attractive acquisition currency for CS&L
   - CS&L will be prudent about the investment decisions and we believes that M&A will provide an attractive vehicle to create additional value for stakeholders

c. What is the financial policy of CS&L going forward?
   - We expect to maintain leverage at a consistent level to where we are starting (5.6x range)
   - Expect to pay dividend of $2.40 / share
   - Expect to fix most of the floating rate debt exposure
   - Ample liquidity with $500M revolver and a starting cash balance of $100M

d. Who are CS&L's main competitors?
   - CS&L will be the first communications REIT focused on copper and fiber assets
   - There are alternative REITs in the Tower and Data Center Space
   - Have a window of opportunity to capitalize on the CS&L competitive position

e. What is management's plans regarding CS&L's target leverage?
   - The CS&L business model simple and straightforward with consistent and predictable cash flows
   - We are comfortable with leverage in the mid- 5x range
   - These levels consistent with other triple net REITs

9. Capex

a. Of the $50mm capex, how much is discretionary?
   - CS&L does not have any maintenance capital requirements; all capex is success-based with an initial cap rate of 8.125%
   - The lease is flexible and allows WIN & CS&L to partner on and mutually agree up on the co-investment opportunities each year
     - There is a provision in the lease at WIN's option that can require CS&L to invest $50M per year for 5 years (earning an attractive cap rate on these investments) while WIN agrees to extend the lease by 5 year.

- Both companies are incented to work together; CS&L will earn an attractive cap rate while the arrangement will enable WIN to invest more in the network in growth opportunities

b. Is there any contractual obligation for WIN to fund any portion of the capex at CS&L going forward?
   - Under the triple net lease structure, WIN is responsible for continuing maintain the assets as it does today; this maintenance capital is embedded in WIN's current capex run rate today
   - CS&L does not have any maintenance capital obligations

Redacted

11. D4D / Spin Off

a. How did you decide which assets went to PropCo?
   - WIN owns an extensive Distribution System network including ~235k route miles of copper cable lines, $64k route miles of fiber, telephone poles, underground conduits, concrete pads, central office land and buildings, etc.
     - Telecom distribution systems are passive assets and provide a means of delivering electrical signals from one transmission point to a receiving point; these assets are distinct from the active investments such as equipment and electronics that generate the voice and data signals, which are not REITable (switches, routers, digital subscriber line access multiplexers, etc)
   - WIN targeted a specific amount of the telecom distributions that was necessary to establish the targeted capital structures at both companies

b. Will there be a third party assessment of the assets/collateral valuations at CS&L?
   - WIN engaged an independent auditing firm to perform a valuation analysis on the assets; which was subsequently used to determine the annual lease payment

c. What assets will remain at WIN?
   - Win will maintain all "active" assets such as equipment and electronics that generate the voice and data signals, which are not REITable (switches, routers, digital subscriber line access multiplexers, etc)
   - In addition, WIN will maintain the data center business as well as a portion of the distribution system assets that was not needed to reach the target capital structures

d. Please elaborate on the expected plan surrounding WIN's monetization of its 19.9% CS&L equity stake

- WIN plans to monetize the retained ownership in CS&L over the course of a 12 mth period; being very mindful of the pace to ensure the liquidation does not pressure the market

e. What is the use of proceeds from the debt raise?
   - Leverage reduction at WIN

EXHIBIT 19

Nov. 2014 Fletcher Testimony To The Kentucky Public Service Commission

STITES & HARBISON PLLC
ATTORNEYS

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November 26, 2014

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Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: *Application of Windstream Kentucky East, LLC and Windstream Kentucky West, LLC (1) for a Declaratory Ruling that Approval is Not Required for the Transfer of a Portion of their Assets; (2) Alternatively for Approval of the Transfer of Assets; (3) for a Declaratory Ruling that Communications Sales and Leasing, Inc. is Not Subject to KRS 278.020(1); and (4) for All Other Required Approvals and Relief*
Case No. 2014-00283.

Dear Mr. Derouen:

Enclosed for filing please find the original transcript of the November 13, 2014 hearing in this matter.

Sincerely,

R. Benjamin Crittenden

RBC

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF WINDSTREAM KENTUCKY EAST, LLC AND WINDSTREAM KENTUCKY WEST, LLC FOR A DECLARATORY RULING THAT APPROVAL IS NOT REQUIRED FOR THE TRANSFER OF A PORTION OF THEIR ASSETS; (2) ALTERNATIVELY FOR APPROVAL OF THE TRANSFER OF ASSETS; (3) FOR A DECLARATORY RULING THAT COMMUNICATIONS SALES AND LEASING, INC. IS NOT SUBJECT TO KRS 278.020(1); AND (4) FOR ALL OTHER REQUIRED APPROVALS AND RELIEF	CASE NO. 2014-00283

ORIGINAL

* * *

Transcript of November 13, 2014, hearing before David L. Armstrong, Chairman; James W. Gardner, Vice-Chairman; and Linda Breathitt, Commissioner, at the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615.

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C O N T E N T S

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ALSO PRESENT:
Mr. Jim Stevens
Mr. Kyle Willard

* * *

referred to as bottleneck facilities?

A. I'm actually not --

Q. Would you -- let me rephrase it this way: Would you agree with the generalization that incumbent landline facilities enjoy a somewhat natural monopoly with regard to their facilities in an area?

A. I would agree at a historic time they did. I'm not sure that's -- with wireless competition and other -- we don't feel like a monopoly given the competitive --

Q. I understand that --

A. -- environment that we're in.

Q. -- nobody with access lines does these days.

A. No.

Q. But, I mean, I'm just saying that incumbent local exchange carriers are not subject to competition from other landline-based competition, facilities-based competition by and large?

A. In the residential area especially.

Q. In the residential area. That's what I'm -- that's what I'm asking. Let's see here.

A. But just on that point, today many residents don't even have wire line. They -- wireless is still -- I wonder if my children will ever have a

wire line. You know, they -- they're going to use their iPhone. And they still ask me why we have a wire line phone in our house, so it -- you know, I do think there is, even if -- in the residential setting, wireless competition.

Q. Well, and we're speaking purely about telecommunications as it's defined by the FCC currently. However, we -- I think we're both aware that -- or most people are aware that there might be moves afoot to reclassify certain other aspects of broadband that might fall under the purview or be classified as telecommunication service, at which point would you agree that the backbone facilities, the landline facilities, might become a little more important?

A. Perhaps, but again I go back to my children who still want me to get LTE from Verizon for their broadband.

Q. Right. I mean, I was just thinking that the landlines will be -- perhaps would be around for a while, even though --

A. We fully --

Q. -- they're shrinking?

A. -- expect them to be.

Q. Yeah.

EXHIBIT 20

Tax Matters Agreement

Exhibit 10.2

TAX MATTERS AGREEMENT

This Tax Matters Agreement (the "Agreement") is entered into as of April 24, 2015, by and among WINDSTREAM HOLDINGS, INC., a Delaware corporation ("WHI"), WINDSTREAM SERVICES, LLC, a Delaware limited liability company that is directly wholly-owned by WHI ("Windstream"), and COMMUNICATIONS SALES & LEASING, INC., a Maryland corporation and currently a direct, wholly-owned subsidiary of Windstream ("CS&L"). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Separation and Distribution Agreement by and among WHI, Windstream and CS&L dated March 26, 2015 (the "Separation and Distribution Agreement").

RECITALS

WHEREAS, as of the date hereof, WHI is the common parent of an affiliated group of domestic corporations within the meaning of section 1504(a) of the Code, and the members of the affiliated group have heretofore joined in filing consolidated federal income Tax Returns;

WHEREAS, the Parties have entered into the Separation and Distribution Agreement, pursuant to which, Windstream and its Subsidiaries will transfer the Assigned Assets to CS&L and its Subsidiaries in actual or constructive exchange for (i) the assumption or incurrence, as applicable, by CS&L and certain of its Subsidiaries of the Assumed Liabilities (as hereinafter defined), (ii) the issuance by CS&L to Windstream of all of the outstanding shares of the common stock, par value $0.0001 per share, of CS&L (the "CS&L Common Stock"), (iii) the transfer by CS&L, directly or indirectly, to Windstream of the Cash Payment, and (iv) the transfer by CS&L, directly or indirectly, to Windstream of certain debt securities to be jointly issued CS&L and CSL Capital, LLC, a Delaware limited liability company that is disregarded as separate from CS&L for U.S. federal income tax purposes, as part of the Financing Arrangements (collectively, the "CS&L Debt Securities"), all as more fully described in the Transaction Agreements (together with certain related transactions, the "Reorganization");

WHEREAS, in advance of the Reorganization, WHI, Windstream and its Subsidiaries intend to undertake (or have already undertaken) certain internal reorganization steps as more fully described in the Separation and Distribution Agreement (the "Internal Reorganization");

WHEREAS, following the Internal Reorganization and the Reorganization, Windstream intends to effect a distribution to WHI of all of the outstanding shares of CS&L Common Stock (the "Internal Distribution") and WHI intends to effect a distribution (the "External Distribution" and, together with the Internal Distribution, the "Distributions") to the holders of the outstanding shares of common stock, par value $0.0001 per share, of WHI (the "WHI Common Stock"), on a pro rata basis, of at least 80 percent of the CS&L Common Stock so that, following the External Distribution, WHI and CS&L will be two independent, publicly traded companies with Windstream temporarily retaining a passive ownership interest of no more than 20 percent of the CS&L Common Stock pending its opportunistic use of the CS&L Common Stock pursuant to the plan that includes the Reorganization and Distributions, subject to market conditions, to retire debt (the "Debt-for-Equity Exchange");

WHEREAS, pursuant to the Exchange Agreement, dated as of April 16, 2015, among Windstream, Bank of America, N.A. and JPMorgan Chase Bank, N.A., in its individual capacity and as Administrative Agent (as defined therein), on the Distribution Date, Windstream expects to effect the exchange of the CS&L Debt Securities for outstanding debt obligations of Windstream (the "Debt Exchange");

WHEREAS, the Parties intend that the Reorganization, together with the Distributions, the Debt Exchange, and the Debt-for-Equity Exchange, qualify as a tax-free reorganization under sections 368 and 355 of the Code and that the Separation and Distribution Agreement constitute a "plan of reorganization" within the meaning of sections 361 and 368 of the Code; and

WHEREAS, in connection with the Reorganization, Distributions, and Debt Exchange, the Parties desire to enter into this Agreement to provide for certain Tax matters, including the assignment of responsibility for the preparation and filing of Tax Returns, the payment of and indemnification for Taxes, entitlement to refunds of Taxes, and the prosecution and defense of any Tax Contest.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 General. As used in this Agreement, the following terms shall have the following meanings:

"Action" means any demand, action, claim, suit, countersuit, litigation, arbitration, prosecution, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court, grand jury or other Governmental Authority or any arbitrator or arbitration panel.

"Agreement" shall have the meaning specified in the preamble.

"Affiliate" shall have the meaning specified in the Separation and Distribution Agreement.

"Assigned Assets" shall have the meaning specified in the Separation and Distribution Agreement.

"Assumed Liabilities" shall have the meaning specified in the Separation and Distribution Agreement.

"Business Day" or "Business Days" shall mean any day except a Saturday, Sunday or a day on which a commercial bank in New York, New York is authorized or required to close.

"Cash Payment" shall have the meaning specified in the Separation and Distribution Agreement.

"Closing-of-the-Books Method" shall mean the apportionment of items between portions of a Taxable period (i) in the case of any Tax based upon or related to income, gains, receipts, gross margins, employment, sales, use, or other Taxes imposed on a non-periodic basis, pursuant to an interim closing-of-the-books as of the end of the Distribution Date, and (ii) in the case of property, ad valorem and other Taxes imposed on a periodic basis, on the basis of elapsed days during the relevant portion of the Taxable period.

"Code" shall have the meaning specified in the Separation and Distribution Agreement.

"Consumer CLEC Business" shall have the meaning specified in the Ruling Request.

"CS&L" shall have the meaning specified in the recitals.

"CS&L Common Stock" shall have the meaning specified in the recitals.

"CS&L Group" shall mean CS&L and its Subsidiaries, including any corporations that would be members of an affiliated group if they were includible corporations under Code Section 1504(b) (in each case, including any successors thereof), but excluding any entity that is a member of the WHI Group.

"CS&L Opinion" shall mean the written opinion of WHI's tax counsel, addressed to CS&L and dated as of the Distribution Date, in form and substance reasonably satisfactory to CS&L, to the effect that CS&L has been organized in conformity with the requirements for qualification as a REIT under the Code and that its proposed method of operation will enable it meet the requirements for qualification and Taxation as a REIT under the Code.

"Debt-for-Equity Exchange" shall have the meaning specified in the recitals.

"Debt Exchange" shall have the meaning specified in the recitals.

"Dispute" shall have the meaning specified in Section 2.10.

"Dispute Date" shall have the meaning specified in Section 2.10.

"Disqualifying Action" shall mean any action, including entering into any agreement, understanding or arrangement or any substantial negotiations with respect to any transaction or series of transactions, or the failure to take any action expressly required pursuant to this Agreement, the Separation and Distribution Agreement or the Tax Materials (for the avoidance of doubt, including any such action or failure to take action that is pursuant to any plan, agreement, understanding or arrangement existing in whole or in part prior to the Distribution Date), that would, in each case, cause a

Distribution Disqualification to occur; provided, however, that the term "Disqualifying Action" shall not include any action described in or contemplated by the Transaction Agreements and Tax Materials, in each case, to the extent such action does not constitute a breach of any representation, warranty or covenant in any of the Transaction Agreements or Tax Materials.

"Distributions" shall have the meaning specified in the recitals.

"Distribution Date" shall have the meaning specified in the Separation and Distribution Agreement.

"Distribution Disqualification" shall mean that (i) the Reorganization, taken together with the Distributions, the Debt Exchange and the Debt-for-Equity Exchange, fails to qualify as a tax-free reorganization under section 368(a)(1)(D) of the Code; (ii) the External Distribution fails to qualify as a distribution of the CS&L Common Stock pursuant to section 355 of the Code, pursuant to which no gain or loss is recognized for federal income tax purposes by any of WHI, Windstream, CS&L, or the holders of the WHI Common Stock, except to the extent of cash received in lieu of fractional shares; (iii) the Debt Exchange or the Debt-for-Equity Exchange fails to constitute a transfer of qualified property to Windstream's creditors in connection with the reorganization within the meaning of section 361(c)(3) of the Code, (iv) the Cash Payment fails to qualify as money transferred to creditors or distributed to shareholders in connection with the reorganization within the meaning of section 361(b)(1) of the Code, but only to the extent that the Cash Payment does not exceed Windstream's tax basis in the CS&L Common Stock immediately prior to the Cash Payment and Windstream distributes the Cash Payment to its creditors or shareholders in connection with the Reorganization and Internal Distribution, and/or (v) certain of the Internal Reorganization transactions fail to qualify for the tax-free status described in the WHI Opinion or the Ruling.

"Distribution Taxes" shall mean all Taxes (other than Transfer Taxes), as determined by a Final Determination, resulting from the Internal Reorganization, the Reorganization, the Distributions and the Debt Exchange (other than any Taxes arising in respect of an intercompany transaction pursuant to Section 1.1502-13 of the Treasury Regulations or an excess loss account pursuant to Section 1.1502-19 of the Treasury Regulations, unless such Taxes would not have arisen absent a Distribution Disqualification).

"Final Determination" shall mean the final resolution of liability for any Tax, which resolution may be for a specific issue or adjustment or for a taxable period, (i) by an acceptance on an IRS Form 870 or 870-AD (or any successor forms thereto), or by a comparable form or agreement pursuant to the laws of a state, local, or non-United States taxing jurisdiction, except that acceptance on an IRS Form 870 or 870-AD or comparable form or agreement will not constitute a Final Determination to the extent that such form or agreement reserves (whether by its terms or by operation of Law) the right of the taxpayer to file a claim for refund or the right of the Taxing Authority to assert a further deficiency in respect of such issue or adjustment or for such taxable period (as the case may be); (ii) by a decision, judgment, decree, or other order of a court of competent

jurisdiction which is or has become final and unappealable; (iii) by a closing agreement or accepted offer in compromise pursuant to sections 7121 or 7122 of the Code, or a comparable agreement pursuant to the laws of a state, local, or non-United States jurisdiction; (iv) by any allowance of a refund or credit in respect of an overpayment of a Tax, but only after the expiration of all periods during which such refund may be recovered (including by way of offset) or, where such periods are undefined or indefinite, in accordance with ordinary course limitation periods, by the jurisdiction imposing such Tax; (v) by a final settlement resulting from a treaty-based competent authority determination; or (vi) by any other final disposition, including by reason of the expiration of the applicable statute of limitations or by mutual agreement of the Parties.

"Governmental Authority" shall have the meaning specified in the Separation and Distribution Agreement.

"Internal Reorganization" shall have the meaning specified in the recitals.

"IRS" shall mean the Internal Revenue Service.

"Operating Partnership" shall mean CSL National, L.P., a Delaware limited partnership.

"Party" shall mean any of WHI, Windstream, or CS&L, as the context may require.

"Person" shall have the meaning specified in the Separation and Distribution Agreement.

"Post-Closing Period" shall mean any Taxable year or other Taxable period beginning after the Distribution Date and, in the case of any Straddle Period, that part of the Straddle Period that begins at the beginning of the day after the Distribution Date.

"Potential Disqualifying Action" shall mean any action (including entering into any agreement, understanding or arrangement or any substantial negotiations with respect to any transaction or series of transactions) that would be reasonably likely to cause a Distribution Disqualification to occur, including any action that would be inconsistent with any representation or covenant made in this Agreement, the Separation and Distribution Agreement, or the Tax Materials.

"Pre-Closing Period" shall mean any Taxable year or other Taxable period that ends on or before the Distribution Date and, in the case of any Straddle Period, that part of the Straddle Period that ends at the end of the Distribution Date.

"REIT" shall have the meaning specified in Section 3.2(f).

"Reorganization" shall have the meaning specified in the recitals.

"Responsible Party" shall mean, with respect to any Tax Return, the Party having responsibility for preparing and filing such Tax Return pursuant to this Agreement.

"Restricted Period" shall mean the two (2) year period commencing on the Distribution Date.

"Ruling" shall mean the IRS Private Letter Ruling, dated July 16, 2014, issued to Windstream.

"Ruling Request" shall mean the request for rulings submitted by Windstream to the IRS in connection with the Ruling, including all appendices, attachments and exhibits thereto and all supplemental submissions and correspondence submitted by Windstream in connection with such request for rulings.

"Straddle Period" shall mean any Taxable period commencing on or prior to, and ending after, the Distribution Date.

"Subsidiary" shall have the meaning specified in the Separation and Distribution Agreement.

"Tax" (and, with correlative meaning, "Taxable") shall mean (i) any and all U.S. federal, state, local and foreign taxes, including income, alternative or add-on minimum, gross receipts, profits, lease, service, service use, wage, employment, workers compensation, business occupation, environmental, estimated, excise, sales, use, transfer, license, payroll, franchise, severance, stamp, occupation, windfall profits, withholding, social security, unemployment, disability, ad valorem, capital stock, paid in capital, recording, registration, property, real property gains, value added, business license, custom duties and other taxes, charges, fees, levies, imposts, duties or assessments of any kind whatsoever, imposed or required to be withheld by any Taxing Authority, including any interest, additions to Tax or penalties applicable or related thereto, and (ii) any liability for the Taxes of any Person under section 1.1502-6 of the Treasury Regulations (or similar provision of state or local law).

"Tax Advisor" shall mean tax counsel of recognized national standing with experience in the tax area involved in the Dispute.

"Tax Attributes" shall mean net operating losses, capital losses, investment tax credit carryovers, earnings and profits, foreign tax credit carryovers, overall domestic losses, overall foreign losses, dual consolidated losses, previously taxed income, separate limitation losses and any other losses, deductions, credits or other comparable items that could affect a Tax liability for a past or future Taxable period.

"Tax Certificates" shall mean the certificates, in customary form, of officers of the Parties that will be provided to WHI's tax counsel in connection with the WHI Opinion and the CS&L Opinion.

"Tax Contest" shall mean any audit, review, examination, dispute, suit, action, proposed assessment, or other administrative or judicial proceeding with respect to Taxes.

"Tax-Free Status of the Transactions" shall mean the tax-free treatment accorded to certain of the Internal Reorganization transactions, the Reorganization, the Distributions and the Debt Exchange as described in the Ruling and the WHI Opinion.

"Tax Materials" shall mean (A) the Ruling Request, (B) the Ruling, (C) the Tax Opinions, (D) the Tax Certificates, and (E) any other materials delivered or deliverable in connection with the issuance of the Ruling and the rendering of the Tax Opinions as memorialized in the Closing Memorandum.

"Tax Opinions" shall mean the CS&L Opinion and the WHI Opinion.

"Tax Return" shall mean any return, report, certificate, form or similar statement or document (including any attachments thereto and any information return, amended tax return, claim for refund or declaration of estimated tax) supplied to or filed with, or required to be supplied to or filed with, a Taxing Authority, or any bill for or notice related to ad valorem or other similar Taxes received from a Taxing Authority, in each case, in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

"Taxing Authority" shall mean any Governmental Authority or other authority in connection with the determination, assessment or collection of any Tax or the administration of any laws, regulations or administrative requirements relating to any Tax.

"Transaction Agreements" shall have the meaning specified in the Separation and Distribution Agreement.

"Transfer Taxes" shall mean all sales, use, privilege, transfer, documentary, stamp, recording, and similar Taxes and fees (including any penalties, interest or additions thereto) imposed upon any Party in connection with the Internal Reorganization, the Reorganization and the Distributions.

"Unqualified Tax Opinion" shall mean an unqualified opinion of nationally recognized tax counsel on which WHI and CS&L may rely to the effect that an action or transaction (including a Potential Disqualifying Action) will not alter any of the conclusions regarding the Tax-Free Status of the Transactions. Any such opinion must assume that the Internal Reorganization, Reorganization, Distributions, and Debt Exchange, and any transaction associated therewith would have been tax-free, or would have had the tax treatment described in the WHI Opinion or the Ruling, if such action or transaction did not occur.

"WHI Action" shall mean (i) any transaction with respect to the stock or assets of WHI or its Subsidiaries that occurs after the Distribution Date, (ii) any failure by WHI or Windstream after the Distribution Date to maintain its status as a company engaged in the conduct of an active trade or business or (iii) (x) the failure of any representation made by WHI or its Subsidiaries in connection with the Ruling or the WHI Opinion or any subsequent ruling or opinion in connection with the Distributions, in each case with

respect to WHI or its Subsidiaries or the businesses conducted by WHI or its Subsidiaries or the plans, proposals, intentions and policies of WHI after the Distribution Date, to have been true and correct in all material respects when made, or (y) the failure by WHI or its Subsidiaries to comply with any covenant made by WHI in connection with the Ruling or the WHI Opinion or any subsequent ruling or opinion in connection with the Distributions.

"WHI Common Stock" shall have the meaning specified in the recitals.

"WHI Group" shall mean WHI and its Subsidiaries, including any corporations that would be members of an affiliated group if they were includible corporations under Code Section 1504(b) (in each case, including any successors thereof), but excluding any entity that is a member of the CS&L Group.

"WHI Opinion" shall mean the written opinion of WHI's tax counsel, addressed to WHI and dated as of the Distribution Date, with respect to certain Tax aspects of the Internal Reorganization, the Reorganization, the Distributions and Debt Exchange.

Section 1.2 References; Interpretation. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. The word "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation". Unless the context otherwise requires, references in this Agreement to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, such Agreement. Unless the context otherwise requires, the words "hereof", "hereby", and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any particular Article, Section or provision of this Agreement.

ARTICLE II
TAX RETURNS AND TAX PAYMENTS

Section 2.1 Obligations to File Tax Returns.

(a) WHI will have the sole and exclusive responsibility for the preparation and filing of all Tax Returns that any member of the WHI Group is obligated to file, including for this purpose those Tax Returns that include any member of the CS&L Group for any Pre-Closing Period or any Straddle Period. CS&L, on behalf of each member of the CS&L Group, hereby irrevocably authorizes and designates WHI as its agent, coordinator and administrator for the purpose of taking any and all actions necessary to the filing of any such Tax Return and for the purpose of making payments to, or collecting refunds from, any Taxing Authority in respect of any such Tax Return. Except as otherwise provided herein, WHI shall have the exclusive right to file, prosecute, compromise or settle any claim for refund for Taxes in respect of a Tax Return for which WHI bears responsibility under this Section 2.1(a) and to determine whether any refunds of such Taxes to which the WHI Group may be entitled shall be received by way of refund or credit against the Tax liability of the WHI Group.

(b) Except as provided herein, CS&L shall have the sole and exclusive responsibility for the preparation of all Tax Returns that include any member of the CS&L Group for any Post-Closing Period. Except as otherwise provided herein, CS&L shall have the exclusive right to file, prosecute, compromise or settle any claim for refund for Taxes in respect of a Tax Return for which CS&L bears responsibility under this Section 2.1(b) and to determine whether any refunds of such Taxes to which the CS&L Group may be entitled shall be received by way of refund or credit against the Tax liability of the CS&L Group.

(c) To the extent permitted by law or administrative practice in any jurisdiction in which Tax Returns that include any member of the CS&L Group are filed, the Parties shall cause the current Taxable period of such member of the CS&L Group to end at the end of the Distribution Date.

(d) WHI shall have the sole and exclusive responsibility for the preparation and filing of all Tax Returns that include any member of the CS&L Group for any Straddle Period. No later than twenty (20) Business Days prior to the date on which any such Straddle Period Tax Return is required to be filed (taking into account any valid extensions), WHI shall submit or cause to be submitted to CS&L a draft of such Straddle Period Tax Return for CS&L's review. WHI shall make or cause to be made any and all changes to such Tax Return reasonably requested by CS&L, to the extent that such changes do not materially increase the amount of Tax for which WHI is responsible hereunder and shall consider, in good faith, other changes reasonably requested by CS&L; *provided, however*, that CS&L must submit to WHI its proposed changes to such Tax Return in writing within ten (10) Business Days of receiving such Tax Return.

Section 2.2 Manner of Preparation.

(a) Unless and until there has been a Final Determination to the contrary, all Tax Returns of or that include CS&L, WHI, or any of their respective Subsidiaries shall be prepared in a manner that is consistent with the Tax Materials. In addition, to the extent permitted by law, unless and until there has been a Final Determination to the contrary, all Tax Returns of any member of the CS&L Group prepared pursuant to Section 2.1(a) or Section 2.1(d) shall be prepared in a manner that is otherwise consistent with past practices of WHI, CS&L, and their respective Subsidiaries.

(b) To the extent a Party takes a position on an income Tax Return prepared pursuant to Section 2.1 that is reasonably expected to materially increase the Tax liability of the other Party and there is no past practice of WHI, CS&L or their respective Subsidiaries with respect to such position, the preparing Party shall provide such income Tax Return to the other Party for its review and comment at least twenty (20) Business Days prior to the date on which such income Tax Return is required to be filed (taking into account any valid extensions). The preparing Party shall make or cause to be made any and all changes to such Tax Return reasonably requested by the other Party, provided, however, that the other Party must submit to the preparing Party its proposed changes to such Tax Return in writing within ten (10) Business Days of receiving such Tax Return. To the extent the Parties disagree with respect to the position, the Parties shall negotiate in good faith to resolve such dispute. If the Parties are unable to resolve the dispute, such dispute shall be resolved pursuant to the terms of Section 2.10 of this Agreement.

Section 2.3 Obligation to Remit Taxes. Except as otherwise provided herein, WHI and CS&L shall each remit or cause to be remitted to the applicable Taxing Authority any Taxes due in respect of any Tax Return that it is required to file hereunder (or, in the case of a Tax for which no Tax Return is required to be filed, which is otherwise payable by it or its Subsidiaries to any Taxing Authority) and shall be entitled to reimbursement for such payments from the other Party to the extent provided herein; *provided*, *however*, that in the case of any Tax Return, the Party not required to file such Tax Return shall remit to the Party required to file such Tax Return in immediately available funds the amount of any Taxes reflected on such Tax Return for which the former Party is responsible hereunder at least two (2) Business Days before payment of the relevant amount is due to a Taxing Authority.

Section 2.4 Allocation of and Indemnification for Taxes.

(a) Indemnification by WHI. WHI shall pay or cause to be paid, shall be responsible for, and shall indemnify and hold harmless CS&L from and against, (i) all Taxes (other than Distribution Taxes) of the WHI Group for any period, (ii) all Taxes (other than Distribution Taxes) of the WHI Group and the CS&L Group for any Pre-Closing Period, and (iii) all Distribution Taxes, except to the extent that such Taxes are subject to indemnification by CS&L pursuant to Section 2.4(b)(ii).

(b) Indemnification by CS&L.

(i) CS&L shall pay or cause to be paid, shall be responsible for, and shall indemnify and hold harmless WHI from and against all Taxes (other than Distribution Taxes) of the CS&L Group, or that otherwise relate to the Assigned Assets or Assumed Liabilities, for any Post-Closing Period (except for Taxes for which WHI is responsible pursuant to Section 2.4(a)(i)).

(ii) Notwithstanding any other provision of this Agreement to the contrary, if there is a Final Determination that a Distribution Disqualification has occurred, then, to the extent that the Distribution Disqualification results from any Disqualifying Action taken after the Distribution Date by CS&L or any other member of the CS&L Group, CS&L shall indemnify, defend and hold harmless the WHI Group from and against any and all (A) Distribution Taxes, (B) accounting, legal and other professional fees and court costs incurred in connection with such Taxes (other than such costs incurred in the joint defense of a Third-Party Claim, which costs are subject to Section 5.4 below) and (C) Taxes resulting from indemnification payments hereunder incurred by the WHI Group. Notwithstanding any other provision of this Agreement to the contrary, the liability of CS&L pursuant to this Section 2.4(b)(ii), subject to the limitations contained in Section 2.4(c), shall be the sole and exclusive basis for any remedy of WHI and its Affiliates for any matter (including any breach of representation or covenant) related to a Distribution Disqualification or any Distribution Taxes.

(c) Straddle Period Taxes. In the case of Taxes (other than Distribution Taxes) that are attributable to a Straddle Period, such Taxes shall be allocated between the portion of the Straddle Period that is a Pre-Closing Period and the portion of the Straddle Period that is a Post-Closing Period based on a Closing of the Books Method.

Section 2.5 Transfer Taxes. WHI and CS&L shall each bear fifty percent of any Transfer Taxes.

Section 2.6 Refunds. CS&L shall be entitled to any refund of or credit for Taxes for which CS&L is responsible under this Agreement, and WHI shall be entitled to any refund of or credit for Taxes for which WHI is responsible under this Agreement. Refunds for any Straddle Period shall be equitably apportioned between WHI and CS&L in accordance with the provisions of this Agreement governing the Taxes with respect to such periods. A Party receiving a refund to which the other Party is entitled pursuant to this Agreement shall pay the amount to which such other Party is entitled within five (5) Business Days after the receipt of the refund.

Section 2.7 Carrybacks. To the extent permitted by law, the CS&L Group shall elect to forego a carryback of any net operating losses, capital losses, or credits (including the election under section 172(b)(3) of the Code) from any Post-Closing Period to any Pre-Closing Period. If and to the extent that the CS&L Group is not permitted by applicable law to forego such carryback and requests in writing that WHI obtain a refund with respect to such carryback, then (a) WHI shall use commercially reasonable efforts to obtain a refund with respect to such carryback (including by filing an amended Tax Return) and (b) to the extent that WHI receives a refund of Taxes (including interest received thereon) attributable to such carryback, WHI shall pay such refund to CS&L. WHI shall be entitled to reduce the amount of any such refund for its reasonable out-of-pocket costs and expenses incurred in connection with such refund, including any Taxes on receipt of such refund or interest thereon.

Section 2.8 Tax Attributes. The Parties acknowledge that CS&L intends to qualify as a real estate investment trust within the meaning of Sections 856 through 860 of the Code (a "REIT") for the tax year ending December 31, 2015 and thereafter. As soon as reasonably practicable following the Distribution Date, and, in any event, at least 90 calendar days before the due date (including extensions) of the federal income Tax Return for the CS&L Group for the tax year ending December 31, 2015, WHI shall provide CS&L with its calculation of the Tax Attributes associated with the CS&L Group and the Tax bases of the assets and liabilities transferred to CS&L in connection with the Distributions for its review and comment, which calculation shall be in accordance with applicable law. WHI shall consider in good faith any reasonable comments to such calculation proposed by CS&L within thirty (30) days of CS&L's receipt of such calculations and shall not unreasonably withhold incorporation of CS&L's comments. To the extent the Parties are unable to resolve a dispute with respect to the calculations, and such dispute is with respect to an issue of law or fact, such dispute will be settled pursuant to the terms of Section 2.10 of this Agreement. Unless and until there has been a Final Determination to the contrary, all Tax Returns of or that include CS&L, WHI, or any of their respective Subsidiaries shall be prepared in a manner that is consistent with the determination of the allocation of Tax Attributes pursuant to this Section 2.8.

Section 2.9 Amended Returns. Without the prior written consent of WHI, which consent shall not be unreasonably withheld, conditioned or delayed, CS&L shall not, and shall not permit any member of the CS&L Group to, file any amended Tax Return that includes any member of the WHI Group.

Section 2.10 Dispute Resolution. Subject to the final sentence of this Section 2.10, the Parties shall attempt in good faith to resolve any disagreement arising with respect to this Agreement, including any dispute in connection with a claim by a third party (a "Dispute"). Either Party may give the other Party written notice of any Dispute not resolved in the normal course of business. Subject to the final sentence of this Section 2.10, if the Parties cannot agree within thirty (30) Business Day following the date on which one Party gives such notice (the "Dispute Date"), then the Dispute shall be referred to a Tax Advisor acceptable to each of the Parties to act as an arbitrator in order to resolve the dispute. If the Parties are unable to agree upon a Tax Advisor within fifteen (15) days, the Tax Advisor selected by WHI and the Tax Advisor selected by CS&L shall jointly select a Tax Advisor that will resolve the dispute. Such Tax Advisor shall be empowered to resolve the Dispute, including by engaging nationally recognized accounting and other experts. The Tax Advisor shall furnish written notice to the Parties of its resolution of such Dispute as soon as practicable, but in no event later than forty-five (45) Business Days after its acceptance of the matter for resolution. Any such resolution by the Tax Advisor will be conclusive and binding on the Parties. Each of WHI and CS&L shall bear 50% of the aggregate expenses of the Tax Advisor. Notwithstanding the foregoing, this provision shall not apply to any Dispute related to liability for, or an indemnification obligation with respect to, any Distribution Taxes.

ARTICLE III
REPRESENTATIONS AND COVENANTS

Section 3.1 Compliance with the Ruling Request, the Rulings and Tax Opinions.

(a) WHI hereby represents and warrants that (i) it has examined (or upon receipt will examine) the Tax Materials and (ii) the facts presented and representations made therein, to the extent descriptive of or otherwise relating to WHI or any of its Affiliates (including the CS&L Group), are or will be from the time presented or made through and including the Distribution Date true, correct, and complete in all material respects. WHI hereby confirms and agrees to comply (or to cause its Subsidiaries, including the CS&L Group for periods through and including the Distribution Date, to comply) with any and all covenants and agreements in the Tax Materials made by any member of the WHI Group.

(b) CS&L hereby represents and warrants that (i) it has examined (or upon receipt will examine) the Tax Materials and (ii) the facts presented therein, to the extent descriptive of or relating to the intent, action, or non-action of the CS&L Group as of or following the Distribution Date, will be true, correct, and complete in all material respects, and (iii) the representations made therein, to the extent made by any member of the CS&L Group, are or will be from the time presented or made through and including the Distribution Date true, correct, and complete in all material respects. CS&L hereby confirms and agrees to comply (or to cause the members of the CS&L Group to comply) with any and all covenants and agreements in the Tax Materials made by any member of the CS&L Group.

Section 3.2 Covenants.

(a) From and after the Distribution Date, WHI shall not, and shall not permit any member of the WHI Group (but, for avoidance of doubt, not including the CS&L Group) to, take any Disqualifying Action.

(b) Except as otherwise provided in this Section 3.2, until the expiration of the Restricted Period, CS&L shall not, and shall not permit any member of the CS&L Group to, take a Potential Disqualifying Action.

(c) Until the expiration of the Restricted Period, CS&L shall not enter into (or permit any member of the CS&L Group to enter into) any agreement, understanding or arrangement or any substantial negotiations with respect to any transaction (including a merger to which CS&L is a party) involving the acquisition (including by any member of the CS&L Group) of capital stock of CS&L, and CS&L shall not issue any additional shares of capital stock or transfer or modify any options, warrants, convertible obligations or other instrument that provides for the right or possibility to issue, redeem or transfer any shares of capital stock of CS&L (or enter into any agreement, understanding, arrangement or any substantial negotiations with respect to any such issuance, transfer or modification), except to the extent that all such agreements, understandings, arrangements, substantial negotiations and other issuances, taken together, do not involve a direct or indirect acquisition by any Person or Persons of a "50 percent or greater interest" in CS&L within the meaning of section 355(d)(4) of the Code. Notwithstanding the foregoing:

(i) CS&L may issue additional shares of common stock of CS&L to a person in a transaction to which section 83 or section 421(a) or (b) of the Code applies (or options to acquire stock in such a transaction) in connection with the person's performance of services as an employee, director or independent contractor of any member of the CS&L Group or any other person that is related to CS&L under section 355(d)(7)(A) of the Code or a corporation the assets of which CS&L or a member of the CS&L Group acquires in a reorganization under section 368 of the Code, provided that such stock is not excessive by reference to the services performed by such person and such person or a coordinating group of which the person is a member will not be a controlling shareholder or a ten-percent shareholder of CS&L (within the meaning of sections 1.355-7(h)(3) and (8) of the Treasury Regulations) immediately after the issuance of such common stock; and

(ii) CS&L may issue additional shares of common stock of CS&L to a retirement plan of CS&L or any other person that is treated as the same employer as CS&L under section 414(b), (c), (m), or (o) of the Code that qualifies under section 401(a) or 403(a) of the Code, provided that the stock acquired by all of the qualified plans of CS&L and such other persons during the four-year period beginning two years before the Distribution Date does not, in the aggregate, represent more than ten percent of the total combined voting power of all classes of stock of CS&L entitled to vote or more than ten percent of the total value of shares of all classes of stock of CS&L.

(d) Until the expiration of the Restricted Period, CS&L shall continue and cause to be continued the active conduct (as defined in section 355(b)(2) of the Code and the Treasury Regulations promulgated thereunder) of the Consumer CLEC Business, taking into account section 355(b)(3) of the Code.

(e) Until the expiration of the Restricted Period, CS&L shall not voluntarily dissolve, liquidate, merge or consolidate with any other person, unless, in the case of a merger or consolidation, CS&L is the survivor of the merger or consolidation.

(f) Until the expiration of the Restricted Period, CS&L shall not redeem or otherwise repurchase (directly or through an Affiliate) any stock, or rights to acquire stock, except to the extent such repurchases satisfy section 4.05(1)(b) of Revenue Procedure 96-30 (as in effect prior to the amendment of such Revenue Procedure by Revenue Procedure 2003-48 and Revenue Procedure 2013-32).

(g) Neither CS&L nor any member of the CS&L Group (including the Operating Partnership) shall take any action with respect to the CS&L Debt Securities that might result in their failing to qualify as "securities" of CS&L, within the meaning of section 361, for purposes of the Internal Distribution and the Debt Exchange.

(h) Notwithstanding the foregoing, the provisions of this Section 3.2 shall not prohibit CS&L or any member of the CS&L Group from implementing any action or transaction (including a Potential Disqualifying Action) if (i) the IRS has granted a favorable ruling to WHI or CS&L that such action would not alter the Tax-Free Status of the Transactions, (ii) CS&L has delivered to WHI an Unqualified Tax Opinion, in form and substance reasonably acceptable to WHI**,** with respect to such action or transaction, or (iii) WHI has waived in writing the requirement to obtain such ruling or Unqualified Tax Opinion with respect to such action or transaction. Within 10 Business Days of the receipt by WHI of a draft of an Unqualified Tax Opinion, WHI shall inform CS&L in writing of whether such Unqualified Tax Opinion is reasonably acceptable to it and, to the extent unacceptable, shall inform CS&L with reasonable specificity of the reasons therefor. If CS&L notifies WHI that it desires to seek a ruling from the IRS or an Unqualified Tax Opinion with respect to such an action or transaction, WHI shall cooperate with CS&L and use its commercially reasonable efforts to assist CS&L in obtaining such a ruling from the IRS or an Unqualified Tax Opinion. CS&L shall reimburse WHI for all reasonable out-of-pocket costs and expenses incurred by the WHI Group in assisting CS&L in obtaining a ruling or Unqualified Tax Opinion within ten (10) days after receiving an invoice from WHI therefor.

ARTICLE IV
PAYMENTS

Section 4.1 Payments. Except as otherwise provided herein, payments due under this Agreement shall be made no later than ten (10) Business Days after (i) the receipt or crediting of a refund or (ii) the delivery of notice of payment of a Tax for which the other Party is responsible under this Agreement, in each case by wire transfer of immediately available funds to an account designated by the Party entitled to such payment. Payments due hereunder, but not made within such period, shall be accompanied by simple interest at a rate of ten (10) percent.

Section 4.2 Treatment of Payments. The Parties agree that any payment made between the Parties pursuant to this Agreement or the Distributing and Separation Agreement with respect to a Pre-Closing Period or as a result of an event or action occurring in a Pre-Closing Period shall be treated, to the extent permitted by law, for all Tax purposes as a distribution from or a capital contribution to CS&L made immediately prior to the Distributions. If the receipt or accrual of any such payment that is an indemnification payment results in Taxable income (including an increase in the amount of any gain or other income recognized on the Distributions) to the recipient thereof, such payment shall be increased so that, after the payment of any Taxes with respect to the payment, the recipient thereof shall have realized the same net amount it would have realized had the payment not resulted in Taxable income.

Section 4.3 Notice. The Parties shall give each other prompt written notice of any payment that may be due to the provider of such notice under this Agreement.

Section 4.4 CS&L REIT Status. In the event that CS&L determines that any payment provided for under this Agreement could reasonably be expected to give rise to a successful challenge to CS&L's status as a REIT, then WHI shall remit such payment in accordance with reasonable written instructions provided by CS&L no less ten (10) Business Days before such payment is to be made.

ARTICLE V
TAX CONTESTS

Section 5.1 Notice of Tax Contests. CS&L shall promptly notify WHI in writing upon receipt by CS&L or any member of the CS&L Group of a written communication from any Taxing Authority with respect to any Tax Contest concerning any Tax Return or otherwise concerning Taxes for which WHI may be liable under this Agreement. WHI shall promptly notify CS&L in writing upon receipt by WHI or any member of the WHI Group of a written communication from any Taxing Authority with respect to any Tax Contest concerning any Tax Return or otherwise concerning Taxes for which CS&L may be liable under this Agreement.

Section 5.2 Control of Contest by WHI. Except as provided in Section 5.4, WHI shall have the sole responsibility and control over the handling of any Tax Contest, including the exclusive right to communicate with agents of the Taxing Authority, involving (a) any Pre-Closing Period Tax Return of CS&L or any member of the CS&L Group or otherwise relating to the Assigned Assets or Assumed Liabilities for a Pre-Closing Period or (b) any Straddle Period Tax Return of CS&L or any member of the CS&L Group or otherwise relating to the Assigned Assets or Assumed Liabilities for a Straddle Period, to the extent that the Tax Contest relates only to the Pre-Closing Period portion of such Straddle Period**.** Upon CS&L's request, CS&L shall be allowed to participate in, but not to control, at CS&L's expense, the handling of any such Tax Contest with respect to any item that may affect CS&L's liability for Taxes pursuant to this Agreement. WHI shall not settle or concede any such Tax Contest with respect to any item in excess of $50,000 for which CS&L is liable hereunder without the prior written consent of CS&L, which consent shall not be unreasonably withheld, delayed, or conditioned.

Section 5.3 Control of Contest by CS&L. Except as provided in Section 5.4, CS&L shall have the sole responsibility and control over the handling of any Tax Contest, including the exclusive right to communicate with agents of the Taxing Authority, involving any Tax Return that includes CS&L or any member of the CS&L Group or otherwise relates to the Assigned Assets or Assumed Liabilities not described in Section 5.2. Upon WHI's request, WHI shall be allowed to participate in, but not to control, at WHI's expense, the handling of any such Tax Contest with respect to any item that may affect the liability of WHI hereunder. CS&L shall not settle or concede any such Tax Contest with respect to any item in excess of $50,000 for which WHI is liable hereunder without the prior written consent of WHI, which consent shall not be unreasonably withheld, delayed, or conditioned.

Section 5.4 Joint Control of Certain Tax Contests. WHI and CS&L shall jointly control, and shall cooperate in good faith in, the handing of any Tax Contest that relates to (i) any potential Distribution Disqualification or any Distribution Taxes for which CS&L may be obligated to provide indemnification hereunder or (ii) any Straddle Period Tax Return, if the Tax Contest relates both to the Pre-Closing Period portion and to the Post-Closing Period portion of the Straddle Period. WHI and CS&L shall exercise their rights to jointly control the defense of any such Tax Contest solely for the purpose of defeating such Tax Contest. If either WHI or CS&L fails to jointly defend any such Tax Contest, then the other party shall solely defend such Tax Contest and the party failing to jointly defend shall use reasonable best efforts to cooperate with the other party in its defense of such Tax Contest. WHI and CS&L shall each pay its own expenses related to the handling of any such Tax Contest.

ARTICLE VI
COOPERATION

Section 6.1 General. Each Party shall, and shall cause all of such Party's Subsidiaries and, to the extent capable of so doing, Affiliates to, fully cooperate with the other Party in connection with the preparation and filing of any Tax Return or the conduct of any Tax Contest (including, where appropriate or necessary, providing a power of attorney) concerning any issues or any other matter contemplated under this Agreement. Each Party shall make its employees and facilities available on a mutually convenient basis to facilitate such cooperation.

Section 6.2 Consistent Treatment. Unless and until there has been a Final Determination to the contrary, each Party agrees (a) to treat the Reorganization, taken together with the Distributions, the Debt Exchange and the Debt-for-Equity Exchange, as a tax-free reorganization under section 368(a)(1)(D) of the Code and the External Distribution as a tax-free distribution of the CS&L Common Stock under section 355(a) of the Code, and (b) not to take any position on any Tax Return or in connection with any Tax Contest that is inconsistent with (i) the allocation of Taxes and Tax Attributes hereunder, or (ii) this Agreement, the Separation and Distribution Agreement, or the Tax Materials.

ARTICLE VII
RETENTION OF RECORDS; ACCESS

Section 7.1 Retention of Records; Access. The Parties shall (a) retain records, documents, accounting data, and other information (including computer data) necessary for the preparation and filing of all Tax Returns in respect of Taxes of either the WHI Group or the CS&L Group for any Taxable period, or for any Tax Contests relating to such Tax Returns, and (b) give to the other Party reasonable access to such records, documents, accounting data, and other information (including computer data) and to its personnel (insuring their cooperation) and premises, for the purpose of the review or audit of such Tax Returns to the extent relevant to an obligation or liability of a Party under this Agreement or for purposes of the preparation or filing of any such Tax Return, the conduct of any Tax Contest or any other matter reasonably and in good faith related to the Tax affairs of the requesting Party. At any time after the Distribution Date that WHI or any member of the WHI Group proposes to destroy such material or information, WHI shall first notify CS&L in writing and CS&L shall be entitled to receive such materials or information proposed to be destroyed. At any time after the Distribution Date that CS&L or any member of the CS&L Group proposes to destroy such material or information, CS&L shall first notify WHI in writing and WHI shall be entitled to receive such materials or information proposed to be destroyed.

Section 7.2 Confidentiality; Ownership of Information; Privileged Information. The provisions of Section 8.2(b) of the Separation and Distribution Agreement relating to confidentiality of information, ownership of information, privileged information, and related matters shall apply with equal force to any records and information prepared and shared by and among the Parties in carrying out the intent of this Agreement.

Section 7.3 Continuation of Retention of Information, Access Obligations. The obligations set forth above in Section 7.1 and Section 7.2 shall continue until the longer of (a) the time of a Final Determination or (b) expiration of all applicable statutes of limitations to which the records and information relate. For purposes of the preceding sentence, each Party shall assume that no applicable statute of limitations has expired unless such Party has received notification or otherwise has actual knowledge that such statute of limitations has expired.

ARTICLE VIII
MISCELLANEOUS PROVISIONS

Section 8.1 Complete Agreement; Construction. This Agreement shall constitute the entire agreement among the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

Section 8.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument.

Section 8.3 Survival of Agreements. Notwithstanding any other provision of this Agreement to the contrary, all representations, covenants and obligations contained in this Agreement shall survive until the expiration of the applicable statute of limitations with respect to any such matter (including extensions thereof).

Section 8.4 Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be delivered personally, by facsimile (with confirming copy sent by one of the other delivery methods specified herein), by overnight courier or sent by certified, registered or express air mail, postage prepaid, and shall be deemed given when so delivered personally, or when so received by facsimile or courier, or, if mailed, three (3) calendar days after the date of mailing, as follows:

If to WHI:	Windstream Holdings, Inc. 4001 Rodney Parham Road Little Rock, AR, 72212 Facsimile: (501) 748-7400 Attention: Willis Kemp
with a copy to:	Skadden, Arps, Slate, Meagher & Flom LLP Four Times Square New York, NY 10036 Facsimile: (917) 777-2000 Attention: Pamela Lawrence Endreny
If to CS&L:	Communications Sales & Leasing, Inc. 10802 Executive Center Drive Benton Building Suite 300 Little Rock, AR 72211 Attention: Kenny Gunderman
with a copy to:	Bryan Cave LLP One Metropolitan Square, Suite 3600 211 N. Broadway St. Louis, MO 63102 Facsimile: (314) 259-2020 Attention: Steven Baumer

or to such other address and with such other copies as any Party hereto shall notify the other Parties hereto (as provided above) from time to time.

Section 8.5 Waivers. The failure of any Party to require strict performance by the other Party of any provision in this Agreement will not waive or diminish that Party's right to demand strict performance thereafter of that or any other provision hereof.

Section 8.6 Amendment and Modification. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties hereto.

Section 8.7 Assignment; Successors and Assigns; No Third Party Rights. This Agreement may not be assigned by any Party hereto without the prior written consent of the other Parties hereto, and any attempted assignment shall be null and void. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. This Agreement shall be for the sole benefit of the Parties hereto, and their respective successors and permitted assigns, and is not intended, nor shall be construed, to give any Person, other than the Parties hereto and their respective successors and permitted assigns any legal or equitable right, benefit, remedy or claim hereunder.

Section 8.8 No Strict Construction. WHI and CS&L each acknowledge that this Agreement has been prepared jointly by the Parties hereto and shall not be strictly construed against any Party hereto.

Section 8.9 Application to Present and Future Subsidiaries. This Agreement is being entered into by the Parties on behalf of themselves and their respective Subsidiaries. This Agreement shall constitute a direct obligation of each such entity and shall be deemed to have been readopted and affirmed on behalf of any entity that becomes a Subsidiary of any Party to this Agreement in the future.

Section 8.10 Titles and Headings. The headings and table of contents in this Agreement are for reference purposes only, and shall not in any way affect the meaning or interpretation of this Agreement.

Section 8.11 Exhibits and Schedules. The exhibits and schedules to this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

Section 8.12 Governing Law; Consent to Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware. Each of the Parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the State of Delaware and the United States District Court for any district within such state for the purpose of any Action or judgment relating to or arising out of this Agreement or any of the transactions contemplated hereby and to the laying of venue in such court. Service of process in connection with any such Action may be served on each Party hereto by the same methods as are specified for the giving of notices under this Agreement. Each Party hereto irrevocably and unconditionally waives and agrees not to plead or claim any objection to the laying of venue of any such Action brought in such courts and irrevocably and unconditionally waives any claim that any such Action brought in any such court has been brought in an inconvenient forum.

Section 8.13 Severability. If any term, provisions, covenant, or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, or unenforceable, the remainder of the terms, provisions, covenants, and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the fullest extent possible.

[remainder of page intentionally left blank]

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

Windstream Holdings, Inc.

By: /s/ Tony Thomas
Name: Tony Thomas
Title: President & CEO

Windstream Services, LLC

By: /s/ Tony Thomas
Name: Tony Thomas
Title: President & CEO

Communications Sales & Leasing, Inc.

By: /s/ Kenneth A. Gunderman
Name: Kenneth A. Gunderman
Title: President & CEO

EXHIBIT 21

Uniti Information Statement

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Exhibit 99.1

March 26, 2015

Dear Shareholder of Windstream Holdings, Inc.:

We are pleased to inform you that the board of directors of Windstream Holdings, Inc. ("Windstream Holdings" and, together with its consolidated subsidiaries, "Windstream") has approved a plan to spin off certain telecommunications network assets, including its fiber and copper networks and other real estate, into Communications Sales & Leasing, Inc. ("CS&L"), which will become, upon its election, an independent, publicly traded real estate investment trust. Windstream will retain a passive ownership interest in up to 19.9 percent of the common stock of CS&L at the time of the spinoff. Windstream intends to use all of its shares of CS&L common stock opportunistically during a twelve month period following the spinoff, subject to market conditions, to retire debt.

Certain subsidiaries of CS&L will lease the assets to Windstream Holdings through an exclusive long-term triple-net lease. Windstream will continue to operate and maintain the assets in order to deliver advanced communications and technology services to consumers and businesses. We believe that CS&L will be positioned to provide an attractive dividend to shareholders and grow through acquisitions, capital investments and rent escalation.

The transaction will be completed by way of a *pro rata* distribution of no less than 80.1 percent of the outstanding shares of CS&L common stock to Windstream Holdings shareholders of record as of the close of business on April 10, 2015, the record date for the spinoff. After giving effect to the interest in CS&L retained by Windstream, each Windstream Holdings shareholder will receive one share of CS&L common stock for every five shares of Windstream Holdings common stock held on the record date. The number of Windstream Holdings shares you own will not change as a result of the spinoff. CS&L intends to list its common stock on the NASDAQ Global Select Market under the symbol "CSAL." Windstream Holdings common stock will continue to be listed and traded on the NASDAQ Global Select Market under the symbol "WIN."

If the distribution date is not on the record date of Windstream's normal quarterly dividend, we intend to pay a *pro rata* dividend to our shareholders based on the number of days elapsed in the quarter. Following the close of the transaction, Windstream initially expects to pay an annual dividend of $.10 per share and CS&L initially expects to pay an annual dividend of $2.40 per share (which would be equivalent to a $.60 per share Windstream dividend per annum). After giving effect to the interest in CS&L retained by Windstream, each shareholder at the time of the spinoff will receive the equivalent of a $.48 per share Windstream dividend per annum.

No vote of Windstream Holdings' shareholders is required in connection with the spinoff. You do not need to make any payment, surrender or exchange your shares of Windstream Holdings common stock or take any other action to receive your shares of CS&L common stock.

The enclosed information statement, which is being made available to all Windstream Holdings shareholders, describes the spinoff in detail and contains important information about CS&L and its business. We urge you to read the information statement carefully and in its entirety.

We want to thank you for your continued support of Windstream, and we look forward to your support of CS&L in the future.

Sincerely,

Tony Thomas

Anthony W. Thomas
President and Chief Executive Officer

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March 26, 2015

Dear Future Shareholder of Communications Sales & Leasing, Inc.:

It is our pleasure to welcome you as a shareholder of our company, Communications Sales & Leasing, Inc. ("CS&L"). Following the distribution of no less than 80.1 percent of the outstanding shares of CS&L common stock by Windstream Holdings, Inc. to its shareholders, CS&L will be an independent, publicly traded real estate investment trust that will own, acquire and lease distribution systems serving the communications infrastructure industry and potentially other industries. We will strive to be a significant provider of capital and financing to the communication industry.

Our initial properties will include, among other things, an extensive communications distribution system, comprised of approximately 66,000 route miles of fiber optic cable lines, 235,000 route miles of copper cable lines, and central office land and buildings across 37 states that are currently owned by Windstream. This distribution system will be leased to Windstream Holdings on a long-term, triple-net basis. We expect to diversify our tenant base in the future by acquiring additional properties and leasing them to other local, regional and national telecommunications providers. We also expect to grow and diversify our portfolio through the acquisition of properties in different geographic markets, and in different asset classes.

Our goal at CS&L is to create value for our shareholders and we plan to accomplish this by growing our dividend distributions over time. CS&L initially expects to pay an annual dividend of $2.40 per share.

We invite you to learn more about CS&L and its business by reviewing the enclosed information statement. We urge you to read the information statement carefully and in its entirety. We are excited by our future prospects, and look forward to your support as a holder of our common stock.

Sincerely,

Kenneth Gunderman
President and Chief Executive Officer

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INFORMATION STATEMENT

COMMUNICATIONS SALES & LEASING, INC.

Common Stock

(Par Value $0.0001 Per Share)

This information statement is being furnished in connection with the *pro rata* distribution by Windstream Holdings, Inc. ("Windstream Holdings" and, together with its consolidated subsidiaries, "Windstream") to its shareholders of no less than 80.1 percent of the outstanding shares of common stock of Communications Sales & Leasing, Inc. ("CS&L"). At the time of the distribution, certain of CS&L's subsidiaries will own approximately 66,000 route miles of fiber optic cable lines, 235,000 route miles of copper cable lines, central office land and buildings across 37 states and beneficial rights to permits, pole agreements and easements that are currently owned by Windstream (collectively, together with certain other rights, title and interests, the "Distribution Systems").

Prior to the *pro rata* distribution by Windstream Holdings to its shareholders of no less than 80.1 percent of the outstanding shares of CS&L common stock, Windstream will effect a series of restructuring transactions, culminating with a distribution of no less than 80.1 percent of the outstanding shares of CS&L common stock to Windstream Holdings by its wholly owned subsidiary (together with the *pro rata* distribution by Windstream Holdings to its shareholders of no less than 80.1 percent of the outstanding shares of CS&L common stock, the "Spin-Off"). Windstream will retain a passive ownership interest in up to 19.9 percent of the common stock of CS&L at the time of the Spin-Off. Windstream intends to use all of its shares of CS&L common stock opportunistically during a twelve month period following the Spin-Off, subject to market conditions, to retire debt.

After the Spin-Off, certain of CS&L's subsidiaries will lease the Distribution Systems to Windstream Holdings on a long-term triple-net basis. The Spin-Off is intended to be tax-free to Windstream Holdings shareholders for U.S. federal income tax purposes, except for cash paid in lieu of fractional shares.

After giving effect to the interest retained in CS&L by Windstream, you will receive one share of CS&L common stock for every five shares of Windstream Holdings common stock held of record by you as of the close of business on April 10, 2015 (the "record date"). You will receive cash in lieu of any fractional shares of CS&L common stock which you would have otherwise received. The date on which the shares of CS&L common stock will be distributed to you (the "distribution date") is expected to be April 24, 2015. After the Spin-Off is completed, CS&L will be an independent, publicly traded real estate investment trust.

No vote of Windstream Holdings' shareholders is required in connection with the Spin-Off. Therefore, you are not being asked for a proxy, and you are requested not to send us a proxy. You will not be required to make any payment, surrender or exchange your shares of Windstream Holdings common stock or take any other action to receive your shares of CS&L common stock.

There is no current trading market for CS&L common stock. We anticipate that a limited market, commonly known as a "when-distributed" trading market, will develop at some point following the record date, and that "regular-way" trading in shares of CS&L common stock will begin on the first trading day following the distribution date. If trading begins on a "when-distributed" basis, you may purchase or sell CS&L common stock up to and including the distribution date, but your transaction will not settle until after the distribution date. CS&L's common stock has been approved for listing on the NASDAQ Global Select Market ("NASDAQ") under the symbol "CSAL" subject to official notice of issuance. As discussed under the caption "The Spin-Off—Listing and Trading of Our Shares," if you sell your Windstream Holdings common stock in the "due-bills" market after the record date and before the distribution date, you also will be selling your right to receive shares of CS&L common stock in connection with the Spin-Off. However, if you sell your Windstream Holdings common stock in the "ex-distribution" market before the distribution date, you will still receive shares of CS&L common stock in the Spin-Off.

CS&L intends to elect to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes commencing with its taxable year ending December 31, 2015. To assist CS&L in qualifying as a REIT, among other purposes, CS&L's charter will contain certain restrictions relating to the ownership and transfer of its stock, including a provision generally restricting shareholders from owning more than 9.8% in value or in number, whichever is more restrictive, of the outstanding shares of CS&L's common stock or more than 9.8% in value of the aggregate of the outstanding shares of all classes and series of CS&L stock, without the prior consent of CS&L's board of directors. See "Description of Our Capital Stock—Restrictions on Transfer and Ownership of CS&L Stock."

CS&L is an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and, as such, is allowed to provide in this information statement more limited disclosures than an issuer that would not so qualify. In addition, for so long as we remain an emerging growth company, we may also take advantage of certain limited exceptions from investor protection laws such as Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), and the Investor Protection and Securities Reform Act of 2010 for limited periods. However, we expect that we will cease to be an emerging growth company upon the issuance of debt prior to the consummation of the Spin-Off. See "Summary—Emerging Growth Company Status" and "Description of Financing and Material Indebtedness".

In reviewing this information statement, you should carefully consider the matters described under the caption "Risk Factors" beginning on page 18.

Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved these securities or determined if this information statement is truthful or complete. Any representation to the contrary is a criminal offense.

This information statement does not constitute an offer to sell or the solicitation of an offer to buy any securities.

Windstream Holdings first mailed this information statement to its shareholders on or about March 31, 2015.

The date of this information statement is March 26, 2015.

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SUMMARY

The following is a summary of material information included in this information statement. This summary may not contain all of the details concerning the Spin-Off or other information that may be important to you. To better understand the Spin-Off and CS&L's business, you should carefully review this entire information statement.

Unless the context otherwise requires, any references in this information statement to "we," "our," "us" and the "Company" refer to CS&L and/or its consolidated subsidiaries. References in this information statement to "Windstream" generally refer to Windstream Holdings, Inc. and its consolidated subsidiaries (other than CS&L and its consolidated subsidiaries after the Spin-Off), unless the context requires otherwise. Windstream Holdings, Inc. is a holding company with no direct operating assets, employees or revenues. All of its operations are conducted by its wholly owned subsidiary Windstream Services, LLC ("Windstream Subsidiary"), which has its own management, employees and assets, and by Windstream Subsidiary's direct and indirect wholly owned subsidiaries.

This information statement has been prepared on a prospective basis on the assumption that, among other things, the Spin-Off and the related transactions contemplated to occur prior to or contemporaneously with the Spin-Off will be consummated as contemplated by this information statement. There can be no assurance, however, that any or all of such transactions will occur or will occur as so contemplated.

You should not assume that the information contained in this information statement is accurate as of any date other than the date set forth on the cover. Changes to the information contained in this information statement may occur after that date, and we undertake no obligation to update the information, except in the normal course of our public disclosure obligations. In particular, a number of matters contained in this information statement relate to agreements or arrangements that have not yet been finalized and expectations of what may occur. Prior to the Spin-Off, it is possible that these agreements, arrangements and expectations may change.

Our Company

Following the Spin-Off, CS&L will become, upon its election, a publicly traded, self-administered real estate investment trust ("REIT") primarily engaged in the ownership, acquisition and leasing of communication distribution systems. CS&L expects to generate revenues primarily by leasing communications distribution systems to telecommunications operators in triple-net lease arrangements, under which the tenant is primarily responsible for costs relating to the distribution systems (including property taxes, insurance, and maintenance and repair costs). To our knowledge, CS&L will be the first REIT focused on acquiring and building communication distribution systems, and expects to grow its portfolio by aggressively pursuing opportunities to acquire additional communications distribution systems to lease to communication service providers on a triple-net basis. CS&L also anticipates diversifying its portfolio over time, including potentially acquiring other real property assets within or outside of the communications infrastructure industry to lease to third parties.

At the time of the Spin-Off, certain of CS&L's subsidiaries will own, among other things, the Distribution Systems. After the Spin-Off, the Distribution Systems will be leased to Windstream Holdings on a triple-net basis pursuant to a long-term exclusive lease agreement (the "Master Lease") and CS&L's primary source of revenue will be rent payable under the Master Lease. See "Our Relationship with Windstream Following the Spin-Off—Master Lease." Additionally, CS&L will operate a small consumer competitive local exchange carrier ("CLEC") business (the "Consumer CLEC Business").

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Approximately 50 employees are expected to be employed by CS&L following the Spin-Off. Many of these employees will be employed by Talk America Services, LLC, an indirect wholly owned subsidiary of CS&L that will conduct the Consumer CLEC Business ("Talk America"), in connection with the operation of the Consumer CLEC Business.

CS&L intends to make an election on its U.S. federal income tax return for its taxable year ending on December 31, 2015 to be treated as a REIT. CS&L and Talk America will jointly elect to treat Talk America as a "taxable REIT subsidiary" ("TRS") effective on the first day of the first taxable year of CS&L as a REIT.

To maintain REIT status, we must meet a number of organizational and operational requirements, including a requirement that we annually distribute to our shareholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains. See "U.S. Federal Income Tax Considerations."

Overview of the Spin-Off

On July 29, 2014, the board of directors of Windstream Holdings announced its plan to separate its business into two separate and independent publicly traded companies:

- Windstream, which will continue to provide advanced network communications and technology solutions to businesses and customers through its existing operations; and
- CS&L, which, through its subsidiaries, will own, acquire and lease distribution systems serving the communications infrastructure industry and potentially other industries and operate the Consumer CLEC Business.

Windstream will accomplish the separation by contributing to CS&L the Distribution Systems and the Consumer CLEC Business, and then distributing no less than 80.1 percent of the outstanding shares of CS&L common stock to Windstream Holdings' shareholders. Windstream will retain a passive ownership interest in up to 19.9 percent of the common stock of CS&L at the time of the Spin-Off. Windstream intends to use all of its shares of CS&L common stock opportunistically during a twelve month period following the Spin-Off, subject to market conditions, to retire debt.

Immediately after the Spin-Off, we and Windstream Holdings will enter into the Master Lease, under which Windstream Holdings will lease the Distribution Systems on a triple-net basis. We will also enter into a number of other agreements with Windstream to govern the relationship between us and Windstream following the Spin-Off. See "Our Relationship with Windstream Following the Spin-Off."

After giving effect to the interest in CS&L retained by Windstream, Windstream will effect the Spin-Off by distributing to Windstream Holdings' shareholders one share of CS&L common stock for every five shares of Windstream Holdings common stock held at the close of business on April 10, 2015, the record date for the Spin-Off. Windstream Holdings' shareholders will receive cash in lieu of any fractional shares of CS&L common stock which they would have otherwise received. We expect the shares of CS&L common stock to be distributed by Windstream Holdings on or about April 24, 2015.

Windstream will allocate its accumulated earnings and profits (as determined for U.S. federal income tax purposes) for periods prior to the Spin-Off between Windstream and CS&L in a manner that, in its best judgment, is in accordance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"). As a result of its election to be taxed as a REIT for U.S. federal income tax purposes, in order to comply with certain REIT qualification requirements, CS&L would be required to declare a dividend to its shareholders to distribute any accumulated earnings and profits attributable to any non-REIT years, including any earnings and

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organizational, distribution, shareholder ownership and other requirements on a continuing basis, the results of which will not be monitored by Skadden, Arps, Slate, Meagher & Flom LLP. Our ability to satisfy the asset tests depends upon our analysis of the characterization and fair market values of our assets, some of which are not susceptible to a precise determination, and for which we will not obtain independent appraisals.

If we were to fail to qualify as a REIT in any taxable year, we would be subject to U.S. federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates, and dividends paid to our shareholders would not be deductible by us in computing our taxable income. Any resulting corporate liability could be substantial and would reduce the amount of cash available for distribution to our shareholders, which in turn could have an adverse impact on the value of our common stock. Unless we were entitled to relief under certain Code provisions, we also would be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year in which we failed to qualify as a REIT.

Qualifying as a REIT involves highly technical and complex provisions of the Code.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our REIT qualification. Our qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. In addition, our ability to satisfy the requirements to qualify as a REIT may depend in part on the actions of third parties over which we have no control or only limited influence.

Legislative or other actions affecting REITs could have a negative effect on us.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process and by the IRS and the U.S. Department of the Treasury (the "Treasury"). Changes to the tax laws or interpretations thereof, with or without retroactive application, could materially and adversely affect our investors or us. We cannot predict how changes in the tax laws might affect our investors or us. New legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify to be taxed as a REIT or the U.S. federal income tax consequences to our investors and us of such qualification.

On February 26, 2014, House Ways and Means Committee Chairman David Camp released a proposal formally introduced recently as proposed legislation, H.R. 1, the Tax Reform Act of 2014 (the "Camp Proposal"), for comprehensive tax reform. The Camp Proposal includes a number of provisions that, if enacted, would have an adverse effect on corporations seeking to make an election to be taxed as a REIT. These include the following: (i) if the stock of a corporation is distributed in a tax-free spin-off under section 355 of the Code, such corporation will not be eligible to make an election to be taxed as a REIT for the ten-year period following the taxable year in which the spin-off occurs, (ii) if a corporation elects to be taxed as a REIT, such corporation will be required to recognize certain built-in gains inherent in its property as if all its assets were sold at their fair market value immediately before the close of the taxable year immediately before the corporation became taxed as a REIT, (iii) for purposes of the REIT income and asset tests, "real property" would be defined to exclude all tangible property with a class life of less than 27.5 years (as defined under the depreciation rules), and (iv) any dividend made to satisfy the REIT requirement that a REIT must not have any earnings and profits accumulated during non-REIT years by the end of its first tax year as a REIT must be made in cash instead of a combination of cash and stock. Provisions (i) and (ii), if enacted in their current form, would apply to REIT elections and tax-free spin-off distributions made on or after February 26, 2014. If enacted in its current form, the Camp Proposal would materially and adversely affect our ability to make an election to be taxed as a REIT. See the risk factor captioned "If we do not qualify as a REIT, or fail to remain qualified as a REIT, we will be subject to U.S. federal income tax as a regular corporation and could face a substantial tax liability, which would reduce the amount of cash available for distribution to our shareholders." It is uncertain whether the Camp Proposal, in its current form as it relates to CS&L, or any other legislation affecting REITs and entities desiring to elect REIT status will be enacted and whether any such legislation will apply to CS&L because of its proposed effective date or otherwise.

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We could fail to qualify as a REIT if income we receive from Windstream is not treated as qualifying income.

Under applicable provisions of the Code, we will not be treated as a REIT unless we satisfy various requirements, including requirements relating to the sources of our gross income. See "U.S. Federal Income Tax Considerations—Taxation of REITs in General—Income Tests." Rents received or accrued by us from Windstream will not be treated as qualifying rent for purposes of these requirements if the Master Lease is not respected as a true lease for U.S. federal income tax purposes and is instead treated as a service contract, joint venture or some other type of arrangement. If the Master Lease is not respected as a true lease for U.S. federal income tax purposes, we may fail to qualify as a REIT.

In addition, subject to certain exceptions, rents received or accrued by us from Windstream will not be treated as qualifying rent for purposes of the REIT gross income requirements if we or a beneficial or constructive owner of 10% or more of our stock beneficially or constructively owns 10% or more of the total combined voting power of all classes of Windstream Holdings stock entitled to vote or 10% or more of the total value of all classes of Windstream Holdings stock. Our charter will provide for restrictions on ownership and transfer of our shares of stock, including restrictions on such ownership or transfer that would cause the rents received or accrued by us from Windstream to be treated as non-qualifying rent for purposes of the REIT gross income requirements. The provisions of our charter that will restrict the ownership and transfer of our stock are described in "Description of Our Capital Stock—Restrictions on Transfer and Ownership of CS&L Stock." Nevertheless, there can be no assurance that such restrictions will be effective in ensuring that rents received or accrued by us from Windstream will not be treated as qualifying rent for purposes of REIT qualification requirements.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum U.S. federal income tax rate applicable to income from "qualified dividends" payable by U.S. corporations to U.S. shareholders that are individuals, trusts and estates is currently 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rates. Although these rules do not adversely affect the taxation of REITs, the more favorable rates applicable to regular corporate qualified dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the stock of REITs, including our stock.

REIT distribution requirements could adversely affect our ability to execute our business plan.

We generally must distribute annually at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, in order for us to qualify as a REIT (assuming that certain other requirements are also satisfied) so that U.S. federal corporate income tax does not apply to earnings that we distribute. To the extent that we satisfy this distribution requirement and qualify for taxation as a REIT but distribute less than 100% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gains, we will be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we distribute to our shareholders in a calendar year is less than a minimum amount specified under U.S. federal income tax laws. We intend to make distributions to our shareholders to comply with the REIT requirements of the Code.

Initially our funds from operations will be generated primarily by rents paid under the Master Lease. From time to time, we may generate taxable income greater than our cash flow as a result of differences in timing between the recognition of taxable income and the actual receipt of cash or the effect of nondeductible capital expenditures, the creation of reserves or required debt or amortization payments. If we do not have other funds available in these situations, we could be required to borrow funds on unfavorable terms, sell assets at disadvantageous prices or distribute amounts that would otherwise be invested in future acquisitions in order to make distributions sufficient to enable us to pay out enough of our taxable income to satisfy the REIT distribution requirement and to avoid corporate income tax, including the 4% excise tax in a particular year. These alternatives could increase our costs or reduce our equity. Thus, compliance with the REIT requirements may hinder our ability to grow, which could adversely affect the value of our common stock.

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Even if we remain qualified as a REIT, we may face other tax liabilities that reduce our cash flow.

Even if we remain qualified for taxation as a REIT, we may be subject to certain U.S. federal, state, and local taxes on our income and assets, including taxes on any undistributed income and state or local income, property and transfer taxes. See "U.S. Federal Income Tax Considerations—Taxation of CS&L." For example, we may hold some of our assets or conduct certain of our activities through one or more TRSs or other subsidiary corporations that will be subject to U.S. federal, state, and local corporate-level income taxes as regular C corporations. In addition, we may incur a 100% excise tax on transactions with a TRS if they are not conducted on an arm's-length basis. Any of these taxes would decrease cash available for distribution to our shareholders.

Complying with the REIT requirements may cause us to forego otherwise attractive acquisition opportunities or liquidate otherwise attractive investments.

To qualify as a REIT for U.S. federal income tax purposes, we must ensure that, at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and "real estate assets" (as defined in the Code). The remainder of our investments (other than government securities, qualified real estate assets and securities issued by a TRS) generally cannot include more than 10% of the outstanding voting securities of any one issuer or more than 10% of the total value of the outstanding securities of any one issuer. In addition, in general, no more than 5% of the value of our total assets (other than government securities, qualified real estate assets and securities issued by a TRS) can consist of the securities of any one issuer, and no more than 25% of the value of our total assets can be represented by securities of one or more TRSs. See "U.S. Federal Income Tax Considerations—Taxation of CS&L." If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate or forego otherwise attractive investments. These actions could have the effect of reducing our income and amounts available for distribution to our shareholders.

In addition to the asset tests set forth above, to qualify as a REIT we must continually satisfy tests concerning, among other things, the sources of our income, the amounts we distribute to our shareholders and the ownership of our stock. We may be unable to pursue investments that would be otherwise advantageous to us in order to satisfy the source-of-income or asset-diversification requirements for qualifying as a REIT. Thus, compliance with the REIT requirements may hinder our ability to make certain attractive investments.

Complying with the REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code substantially limit our ability to hedge our assets and liabilities. Income from certain hedging transactions that we may enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets does not constitute "gross income" for purposes of the 75% or 95% gross income tests that apply to REITs, provided that certain identification requirements are met. To the extent that we enter into other types of hedging transactions or fail to properly identify such transaction as a hedge, the income is likely to be treated as non-qualifying income for purposes of both of the gross income tests. See "U.S. Federal Income Tax Considerations—Taxation of CS&L." As a result of these rules, we may be required to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because the TRS may be subject to tax on gains or expose us to greater risks associated with changes in interest rates that we would otherwise want to bear. In addition, losses in the TRS will generally not provide any tax benefit, except that such losses could theoretically be carried back or forward against past or future taxable income in the TRS.

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Even if we qualify as a REIT, we could be subject to tax on any unrealized net built-in gains in our assets held before electing to be treated as a REIT.

Following our REIT election, we will own appreciated assets that were held by a C corporation and will be acquired by us in a transaction in which the adjusted tax basis of the assets in our hands will be determined by reference to the adjusted basis of the assets in the hands of the C corporation. If we dispose of any such appreciated assets during the ten-year period following our qualification as a REIT, we will be subject to tax at the highest corporate tax rates on any gain from such assets to the extent of the excess of the fair market value of the assets on the date that we became a REIT over the adjusted tax basis of such assets on such date, which are referred to as built-in gains. We would be subject to this tax liability even if we qualify and maintain our status as a REIT. Any recognized built-in gain will retain its character as ordinary income or capital gain and will be taken into account in determining REIT taxable income and our distribution requirement. Any tax on the recognized built-in gain will reduce REIT taxable income. We may choose not to sell in a taxable transaction appreciated assets we might otherwise sell during the ten-year period in which the built-in gain tax applies in order to avoid the built-in gain tax. However, there can be no assurances that such a taxable transaction will not occur. If we sell such assets in a taxable transaction, the amount of corporate tax that we will pay will vary depending on the actual amount of net built-in gain or loss present in those assets as of the time we became a REIT. The amount of tax could be significant.

RISKS RELATED TO OUR BUSINESS

We will be dependent on Windstream Holdings to make payments to us under the Master Lease, and an event that materially and adversely affects Windstream's business, financial position or results of operations could materially and adversely affect our business, financial position or results of operations.

Immediately following the Spin-Off, Windstream Holdings will be the lessee of the Distribution Systems pursuant to the Master Lease and, therefore, will be the source of substantially all of our revenues. Additionally, because the Master Lease is a triple-net lease, we will depend on Windstream Holdings to pay all insurance, taxes, utilities, charges relating to the easements, permits and pole arrangements and maintenance and repair expenses in connection with the Distribution Systems, subject to limited carveouts, and to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities arising in connection with its business. There can be no assurance that Windstream Holdings will have sufficient assets, income and access to financing to enable it to satisfy its payment obligations under the Master Lease. The inability or unwillingness of Windstream Holdings to meet its rent obligations under the Master Lease could materially adversely affect our business, financial position or results of operations, including our ability to pay dividends to our shareholders as required to maintain our status as a REIT. The inability of Windstream Holdings to satisfy its other obligations under the Master Lease, such as the payment of insurance, taxes and utilities, could materially and adversely affect the condition of the Distribution Systems as well as the business, financial position and results of operations of Windstream. Since Windstream Holdings is a holding company, it will be dependent on distributions from Windstream Subsidiary and its subsidiaries in order to satisfy the payment obligations under the Master Lease, and the ability of Windstream Subsidiary and its subsidiaries to make such distributions may be adversely impacted in the event of the insolvency or bankruptcy of such entities or by covenants that restrict the amount of the distributions that may be made by such entities. For these reasons, if Windstream Holdings, Windstream Subsidiary or their subsidiaries were to experience a material and adverse effect on its business, financial position or results of operations, our business, financial position or results of operations could also be materially and adversely affected.

Due to our dependence on rental payments from Windstream Holdings as our primary source of revenues, we may be limited in our ability to enforce our rights under, or to terminate, the Master Lease. Failure by Windstream Holdings to comply with the terms of the Master Lease or to comply with the regulations to which the Distribution Systems are subject could require us to find another lessee for such Distribution Systems and there could be a decrease or cessation of rental payments by Windstream Holdings.

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There is no assurance that we would be able to lease the Distribution Systems to another lessee on substantially equivalent or better terms than the Master Lease, or at all, successfully reposition the Distribution Systems for other uses or sell the Distribution Systems on terms that are favorable to us. It may be more difficult to find a replacement tenant for a telecommunications property than it would be to find a replacement tenant for a general commercial property due to the specialized nature of the business. Even if we are able to find a suitable replacement tenant for the Distribution Systems, transfers of operations of communication distribution systems are subject to regulatory approvals not required for transfers of other types of commercial operations, which may affect our ability to successfully transition the Distribution Systems.

Additional risks relating to Windstream's business can be found in Windstream's public filings with the SEC. To find out where you can get copies of these public filings, see "Where You Can Find More Information."

We intend to pursue acquisitions of additional properties and seek other strategic opportunities, which may result in the use of a significant amount of management resources or significant costs, and we may not fully realize the potential benefits of such transactions.

We intend to pursue acquisitions of additional properties and seek acquisitions and other strategic opportunities. Accordingly, we may often be engaged in evaluating potential transactions and other strategic alternatives. In addition, from time to time, we may engage in discussions that may result in one or more transactions. Although there is uncertainty that any of these discussions will result in definitive agreements or the completion of any transaction, we may devote a significant amount of our management resources to such a transaction, which could negatively impact our operations. We may incur significant costs in connection with seeking acquisitions or other strategic opportunities regardless of whether the transaction is completed and in combining our operations if such a transaction is completed. In the event that we consummate an acquisition or strategic alternative in the future, there is no assurance that we would fully realize the potential benefits of such a transaction.

We will operate in a highly competitive market and face competition from other REITs, investment companies, private equity and hedge fund investors, sovereign funds, telecommunications operators, lenders and other investors, some of whom are significantly larger and have greater resources and lower costs of capital. Increased competition will make it more challenging to identify and successfully capitalize on acquisition opportunities that meet our investment objectives. Our board of directors may change our investment objectives at any time without shareholder approval. If we cannot identify and purchase a sufficient quantity of suitable properties at favorable prices or if we are unable to finance acquisitions on commercially favorable terms, our business, financial position or results of operations could be materially and adversely affected. Additionally, the fact that we must distribute 90% of our net taxable income in order to maintain our qualification as a REIT may limit our ability to rely upon rental payments from our leased properties or subsequently acquired properties in order to finance acquisitions. As a result, if debt or equity financing is not available on acceptable terms, further acquisitions might be limited or curtailed.

Acquisitions of properties we might seek to acquire entail risks associated with real estate investments generally, including that the investment's performance will fail to meet expectations or that the tenant, operator or manager will underperform.

Required regulatory approvals can delay or prohibit transfers of the rights to use our real property utilized by telecommunications operators, which could result in periods in which we are unable to receive rent for such assets.

Some of our tenants may be operators of telecommunications assets, which operators must be licensed under applicable state and federal laws. Prior to the transfer of the rights to use our real property to successor operators, the new operator generally must become licensed under state and federal laws. If an existing lease is terminated or expires and a new tenant is found, then any delays in the new tenant receiving regulatory approvals from the applicable federal, state or local government agencies, or the inability to receive such approvals, may prolong the period during which we are unable to collect the applicable rent.

EXHIBIT 22

UCC-1 Financing Statement

Delaware

The First State

CERTIFICATE

SEARCHED FEBRUARY 21, 2019 AT 2:41 P.M.
FOR DEBTOR, WINDSTREAM HOLDINGS, INC.

1 OF 2 *TRANSMITTING UTILITY* *20177845367*

EXPIRATION DATE: 12/31/9999

DEBTOR: *WINDSTREAM HOLDINGS, INC.*

4001 RODNEY PARHAM ROAD *ADDED 11-27-17*

LITTLE ROCK, AR US 72212

SECURED: *CSL NATIONAL, LP*

10802 EXECUTIVE CENTER DRIVE, *ADDED 11-27-17*

BENTON BUILDING, SUITE 300

LITTLE ROCK, AR US 72211

F I L I N G H I S T O R Y

20177845367 *FILED 11-27-17* *AT 9:36 P.M.* *TRANSMITTING UTILITY*

2 OF 2 *FINANCING STATEMENT* *20177845383*

EXPIRATION DATE: 11/27/2022

DEBTOR: *WINDSTREAM HOLDINGS, INC.*

4001 RODNEY PARHAM ROAD *ADDED 11-27-17*

Jeffrey W. Bullock, Secretary of State

20191849290-UCC11
SR# 20191234158

Authentication: 202300091
Date: 02-21-19

You may verify this certificate online at corp.delaware.gov/authver.shtml

Delaware

The First State

LITTLE ROCK, AR US 72212

SECURED: CSL NATIONAL, LP

10802 EXECUTIVE CENTER DRIVE, ADDED 11-27-17

BENTON BUILDING, SUITE 300

LITTLE ROCK, AR US 72211

F I L I N G H I S T O R Y

20177845383 FILED 11-27-17 AT 9:36 P.M. FINANCING STATEMENT

E N D O F F I L I N G H I S T O R Y

THE UNDERSIGNED FILING OFFICER HEREBY CERTIFIES THAT THE ABOVE LISTING IS A RECORD OF ALL PRESENTLY EFFECTIVE FINANCING STATEMENTS, LAPSED FINANCING STATEMENTS, FEDERAL TAX LIENS AND UTILITY SECURITY INSTRUMENTS FILED IN THIS OFFICE WHICH NAME THE ABOVE DEBTOR, WINDSTREAM HOLDINGS, INC. AS OF FEBRUARY 14, 2019 AT 11:59 P.M.

Jeffrey W. Bullock, Secretary of State

20191849290-UCC11
SR# 20191234158

Authentication: 202300091
Date: 02-21-19

You may verify this certificate online at corp.delaware.gov/authver.shtml

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Brian D. Hirsch
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017

Delaware Department of State
U.C.C. Filing Section
Filed: 09:36 PM 11/27/2017
U.C.C. Initial Filing No: 2017 7845367

Service Request No: 20177250871

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME
WINDSTREAM HOLDINGS, INC.

OR

1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
4001 Rodney Parham Road	**Little Rock**	**AR**	**72212**	**US**

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
CSL NATIONAL, LP

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
c/o Communications Sales & Leasing, Inc. **10802 Executive Center Drive, Benton Building, Suite 300**	**Little Rock**	**AR**	**72211**	**US**

4. COLLATERAL: This financing statement covers the following collateral:

All property leased, or to be leased (the "Leased Property") to the Debtor by the Secured Party pursuant to the terms of that certain Master Lease dated April 24, 2015, by and among CSL National, LP, a Delaware limited partnership, and Windstream Holdings, Inc., a Delaware corporation, as amended by that certain Amendment No. 1 to Master Lease dated February 12, 2016 (as amended, the "Master Lease"). The Leased Property is owned by and is the property of the Secured Party and is leased to the Debtor in a transaction which does not constitute a financing transaction. It is the intent of the parties for all purposes that the Master Lease, together with all schedules related thereto, constitute a "true" lease. This filing is made for informational and protective purposes.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:
☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☑ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:
☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:
TO BE FILED WITH: The Secretary of State of Delaware (06259/036)

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS

9. NAME OF FIRST DEBTOR: Same as line 1a or 1b on Financing Statement; if line 1b was left blank because individual Debtor name did not fit, check here ☐

9a. ORGANIZATION'S NAME
WINDSTREAM HOLDINGS, INC.

OR

9b. INDIVIDUAL'S SURNAME

FIRST PERSONAL NAME

ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

10. DEBTOR'S NAME: Provide (10a or 10b) only one additional Debtor name or Debtor name that did not fit in line 1b or 2b of the Financing Statement (Form UCC1) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name) and enter the mailing address in line 10c

10a. ORGANIZATION'S NAME

OR

10b. INDIVIDUAL'S SURNAME

INDIVIDUAL'S FIRST PERSONAL NAME

INDIVIDUAL'S ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

10c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

11. ☐ ADDITIONAL SECURED PARTY'S NAME or ☐ ASSIGNOR SECURED PARTY'S NAME: Provide only one name (11a or 11b)

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S SURNAME | FIRST PERSONAL NAME | ADDITIONAL NAME(S)/INITIAL(S) | SUFFIX

11c. MAILING ADDRESS | CITY | STATE | POSTAL CODE | COUNTRY

12. ADDITIONAL SPACE FOR ITEM 4 (Collateral)

13. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS (if applicable)

14. This FINANCING STATEMENT:
☐ covers timber to be cut ☐ covers as-extracted collateral ☑ is filed as a fixture filing

15. Name and address of a RECORD OWNER of real estate described in item 16 (if Debtor does not have a record interest):

CSL NATIONAL, LP
c/o Communications Sales & Leasing, Inc.
10802 Executive Center Drive
Benton Building, Suite 300
Little Rock, AR 72211

16. Description of real estate:

17. MISCELLANEOUS:

[redacted]

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. E-MAIL CONTACT AT FILER (optional)

C. SEND ACKNOWLEDGMENT TO: (Name and Address)

Brian D. Hirsch
Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, NY 10017

Delaware Department of State
U.C.C. Filing Section
Filed: 09:36 PM 11/27/2017
U.C.C. Initial Filing No: 2017 7845383

Service Request No: 20177250872

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WINDSTREAM HOLDINGS, INC.

OR

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1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
4001 Rodney Parham Road	**Little Rock**	**AR**	**72212**	**US**

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME
CSL NATIONAL, LP

OR

3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX

3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
c/o Communications Sales & Leasing, Inc. **10802 Executive Center Drive, Benton Building, Suite 300**	**Little Rock**	**AR**	**72211**	**US**

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5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box: ☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box: ☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:
TO BE FILED WITH: The Secretary of State of Delaware (06259/036)

EXHIBIT 23

North Carolina Request for Declaratory Ruling

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

P-118, Sub 192
P-16, Sub 257
P-31, Sub 159
P-1394, Sub 4
P-1136, Sub 5
P-748, Sub 7
P-738, Sub 7
P-303, Sub 8
P-561, Sub 30
P-785, Sub 4
P-1286, Sub 2
P-1455, Sub 2
P-1348, Sub 2
P-1341, Sub 7
P-617, Sub 6
P-520, Sub 1
P-1570, Sub 2

In the Matter of	)
	)
Application for Declaratory Ruling That	)
No Approval is Necessary With Respect to	)
the Transfer of Certain Assets of Windstream	)
North Carolina, LLC, Windstream Concord	)
Telephone, Inc., and Windstream Lexcom	)
Communications, Inc., and the Windstream	)
Competing Local Providers, or Alternatively,	)
Approval of the Said Transfer	)

REQUEST FOR DECLARATORY RULING THAT APPROVAL IS NOT REQUIRED WITH RESPECT TO THE TRANSFER OF CERTAIN ASSETS OR, ALTERNATIVELY, FOR APPROVAL OF THE TRANSFER

NOW COME Windstream Holdings, Inc. ("Windstream"), Windstream North Carolina, LLC ("ILEC"), Windstream Concord Telephone, Inc. ("ILEC"), Windstream Lexcom Communications, LLC ("ILEC") (all the ILECs collectively, the "ILECS"); Windstream

Communications, Inc. ("CLP/LD"),[1] Intellifiber Networks, Inc. ("CLP/LD"),[2] Network Telephone Corporation ("CLP/LD"), The Other Phone Company, Inc. ("CLP/LD"), Talk America, Inc. ("CLP/LD"), US LEC of North Carolina, LLC ("CLP/LD"), PaeTec Communications, Inc. ("CLP/LD"), Windstream Norlight, Inc. ("CLP/LD"),Windstream NTI, Inc. ("CLP/LD"), Windstream KDL, Inc. ("CLP/LD"), and Windstream NuVox Communications, Inc. ("CLP/LD") (the CLP/LDs collectively, the "CLP/LD Companies") (the ILECS and the CLP/LD Companies collectively, the "WIN Companies"); Communications Sales & Leasing, Inc. ("CSL"), and Talk America Services, LLC ("TAI") (Windstream, the ILECS, the CLP/LD Companies, CSL, and TAI, collectively, the "Applicants"), and respectfully request that the North Carolina Utilities Commission (the "Commission") issue a declaratory ruling that approval of the transfer of certain WIN ILEC and CLP assets to CSL, as described in this Application, is not necessary under the North Carolina Public Utilities Act, N.C. Gen. Stat. §§ 62-1, *et seq.*, or alternatively, for approval of the transfer and acquisition of those assets as described herein.

By separate filings made contemporaneously with this filing, the CLP/LD Companies and TAI are requesting approval of the transfer/migration of residential local and long distance customers of the CLP/LD Companies to TAI. Concurrently with that filing, TAI has filed applications with the Commission for the certification to operate as a competing local provider and long distance service provider in the State of North Carolina, where the CLP/LD Companies are currently authorized to offer such services. By those filings, TAI requests the certifications

[1] This entity and certain other Applicants have been certificated by the Commission as Competing Local Providers ("CLPs") and/or as providers of interexchange/long distance ("LD") service, and each such provider is designated herein as a "CLP/LD" entity.

[2] Two affiliates of this and certain other Windstream CLP Entities, McLeodUSA Telecommunications Services, LLC ("McLeod USA") and LDMI Telecommunications, Inc. ("LDMI"), are interexchange carriers and not Competing Local Providers. Specifically, McLeodUSA is a switchless reseller of interexchange telecommunications services, pursuant to a Certificate of Public Convenience and Necessity ("CPCN") granted in Docket No. P-617, Sub 0. LDMI is an interexchange carrier holding a CPCN granted in Docket No. P-520, Sub 0.

necessary to facilitate the approval of the transfer/migration of CLP/LD residential local and long distance customers to TAI, as requested herein.

I. INTRODUCTION

1. The telecommunications industry continues to change dramatically due to rapidly increasing customer and business data needs, the growth of competition and technological advancements. The WIN Companies operate in a highly competitive environment in which wireless, cable and over-the-top VoIP providers continue to expand their telecommunications offerings. To address these shifts, Windstream has transformed over time from primarily a rural voice service provider to an advanced communications and technology services company and continues to make strategic investments to provide enhanced services to its residential and business customers. To accelerate this ongoing transformation, further improve Windstream's competitive position and anticipate future customer needs, the WIN Companies seek to effect a transaction in which they would transfer ownership of certain assets described in this Application to CSL or one of its wholly owned direct or indirect subsidiaries and then lease them back on an exclusive, long-term basis (the "Transaction"). This will enable the WIN Companies to improve their financial condition and invest incremental capital to enhance broadband capabilities, accelerate their transition to an IP network and pursue additional opportunities to strengthen their infrastructure and provide enhanced services to customers.

These changes will transform the WIN Companies into more nimble competitors without any reduction in competition and without removing any customer choices from the marketplace. The WIN Companies remain committed to providing high quality services to their customers and the Transaction will be seamless for customers, who will experience no change in their rates, scope or terms of service. By virtue of increased capital expenditures made possible by the Transaction,

services will improve over time as the WIN Companies make incremental strategic investments to strengthen infrastructure and accelerate their shared goal of expanding and enhancing broadband services. In addition, the new structure will allow the WIN Companies to reduce approximately $3.2 billion in debt resulting in increased free cash flow for additional investment and to further deleverage over time. The Transaction is expected to be invisible to the vast majority of WIN Companies' customers; only the CLP/LD Companies' residential customers (who will be transferred to TAI) will notice any initial change, and that change will only be in the name of the carrier that provides them service. The WIN Companies will continue to have sole responsibility for meeting any regulatory obligations and the Transaction is designed to protect the public interest by ensuring that the WIN Companies continue to have long term access to and control over the facilities used to provide regulated services. As demonstrated in this Application, the Transaction is required by and is consistent with the public convenience and necessity.

2. Under the Transaction, certain fixed assets of the WIN Companies, including copper, fiber, real estate and other network assets, as more fully described in this Application (the "Subject Assets"), will be transferred to CSL, a newly established corporation, and CSL will lease those assets back to Windstream on a long-term basis for the exclusive use and benefit of the WIN Companies. CSL will elect to operate as a Real Estate Investment Trust ("REIT"), and both CSL and Windstream will thereafter be independent publicly traded companies. Under the terms of the exclusive lease from CSL, the WIN Companies will be responsible for the operation and maintenance of the Subject Assets and will continue to have responsibility for quality of service standards and fulfillment of all applicable regulatory obligations.

3. Additionally, as part of the Transaction and upon certification by the Commission, TAI, a subsidiary of CSL, will operate as a competitive local exchange and long distance carrier

in North Carolina where the CLP/LD Companies are currently providing service. Upon Commission certification of TAI, and following notice to the customers, the residential local and long distance customers of the CLP/LD Companies will be transferred to TAI. The CLP/LD Companies will retain all their business customers. The Transaction includes all of the changes described in this and the preceding paragraph.

4. The Transaction will provide financial benefits, including the immediate reduction of $3.2 billion in long-term debt of Windstream. The additional free cash flow that is expected to be generated from this structure will facilitate reinvestment into the WIN Companies, further debt reduction and greater strategic and financial flexibility. The increased financial flexibility allows the WIN Companies to increase their target capital expenditures from 11-13% to 13-15% of total revenue, which will enable them to expand their broadband networks and deliver enhanced services. The Transaction will allow the WIN Companies to adapt to the new ways in which residential and business customers use content with a faster transition to an IP network. It also will accelerate the WIN Companies' transformation and growth as an enterprise-focused company with advanced capabilities.

5. The Transaction is pro forma under the Federal Communications Commission's rules and accordingly does not require prior approval by the FCC. In addition, CSL will not, under the circumstances presented here, fall within the definition of "public utility" set forth in N.C. Gen. Stat. § 62-3(23)a.6. That being the case, N.C. Gen. Stat. § 62-110(a) will not apply, and Commission certification of CSL is not required in order for CSL to acquire certain plant assets from the WIN ILECs and CLP/LD Companies and to then lease those assets back to Windstream for the benefit of the WIN Companies.

CSL will not fit within the definition of a "public utility" set forth in N.C. Gen. Stat.

§ 62-3(23)a.6, because it would neither construct nor operate the facilities leased to the WIN Companies. N.C. Gen. Stat. § 62-3(23)a.6 defines a "public utility" as a person, "now or hereafter owing or operating in this State equipment or facilities for ... conveying or transmitting messages or communications by telephone or telegraph, or any other means of transmission, where such service is offered to the public for compensation."

Although CSL would own some of the facilities used for conveying or transmitting messages or communications, it would be leasing those facilities exclusively back to Windstream for the benefit of the WIN Companies (and not to the public), and CSL would not be operating the assets, conveying or transmitting messages or offering such service to the public for compensation. By virtue of its exclusive lease agreement with Windstream, CSL will not be holding itself "out as willing to serve, indiscriminately, all who have applied" for service. *State ex rel. Utilities Com. v. Mackie*, 79 N.C. App. 19, 27, 338 S.E.2d 888 (1986), *citing State ex rel. Utility Commission v. Simpson*, 295 N.C. 519, 246 S.E.2d 753 (1978). First, CSL will not be providing any service. Second, the WIN Companies, by virtue of the exclusive lease back of the facilities by Windstream for the benefit of the WIN Companies, would be both operating those facilities and offering the underlying service to the public for compensation, and thus they would continue to be the public utility entities, as they are now.

As the Commission well knows, in *State ex rel. Utility Commission v. Simpson* the North Carolina Supreme Court adopted a flexible definition of "the public" under the Public Utilities Act. The Commission has previously noted that the determination of public utility status must be made in each case on the basis of the particular facts and circumstances presented.

In addition to the fact that CSL will not be providing any service, considerations are present here which the Commission has cited in past dockets in determining that a service is not offered

"to or for the public" under the *Simpson* standard. For example, in *In Re: Request for Declaratory Ruling by Natural Power, Inc. and Raleigh Landfill Gas Corp.*, Docket No. SP-100, Sub 1, Order on Request For Declaratory Ruling (December 22, 1988), this Commission issued a declaratory ruling that the use of landfill gas to produce process steam for sale to a single manufacturer under a "bargained for" transaction did not bring the entities selling the landfill gas or selling the steam within the definition of a public utility set forth in N.C. Gen. Stat. § 62-3(23)a.

The Commission has also ruled on numerous occasions that the sale of landfill gas or steam to a single customer is not, under the particular circumstances then presented, a sale "to or for the public." Likewise, the Commission has previously ruled that a number of other landfill gas sale ventures were not public utilities. *In re Request for Declaratory Ruling of Fayetteville Gas Company, LLC*, Docket No. SP-100, Sub 6; and *In re Request for Declaratory Ruling of Duke Engineering & Services, Inc.*, Docket No. SP-100, Sub 8. *See also In re Request for Declaratory Ruling of Pitt Landfill Gas, LLC*, Docket No. SP-100, Sub 13; *In the Matter of Request by Progress Solar Investments, LLC and Progress Solar Solutions, LLC for a Determination that Their Proposed Activities would not cause them to be Regarded as Public Utilities*, Docket No. SP-100, Sub 24 (November 25, 2009).

The Commission has also previously ruled that even though steam is a regulated utility commodity, the sale of steam to as many as five industries in an industrial park would not cause the party selling the steam to be a public utility. *See In the Matter of Request for Declaratory Ruling by Westmoreland–LG&E Partners*, Docket No. SP-100, Sub 2, Order on Notice of Amended Information and on Request for Declaratory Ruling (October 13, 1993). Consistent with its ruling in the *WLP* dockets, the Commission has likewise ruled that the sale of landfill gas to up to three users by Iredell Landfill Gas, LLC would not cause that entity to be a public utility.

In re: Request for Declaratory Ruling by Iredell Landfill Gas, LLC, Docket No. SP- 100, Sub 19, Order Ruling on Public Utility Status.

Finally, in *In the Matter of Request for Declaratory Ruling by Pharr Yarns, LLC*, Docket W-1260, Sub 0, Order on Petition for Declaratory Ruling (November 22, 2005), the Commission ruled that the provision of another utility commodity, water, to the Town of McAdenville by Pharr Yarns on a bulk or "wholesale" basis would not cause that Pharr Yarns to be a public utility. *See In the Matter of Petition for Declaratory Ruling by JUSA Utilities Bridgeton, Ltd.*, Docket No. W-1290, Sub 0, Order on Petition for Declaratory Ruling (April 27, 2010) (provision by petitioner of bulk wastewater treatment service to the Town of Bridgeton would not cause petitioner to be a public utility).

Like the scenarios addressed in many of those dockets, CSL will neither offer to provide service nor provide any service to the public, either for compensation or otherwise. Instead, it will simply lease the same assets back to a WIN Company that the ILEC or CLP owned prior to the transfer of those assets to CSL. As the Commission will know, ILECs and CLPs routinely lease facilities used in their businesses, and the leasing of these facilities from CSL will be no different. More to the point, no aspect of such an arrangement would cause CSL to be a public utility. As recognized in *In the Matter of Application of FLS YK Farm, LLC, for Registration of a New Renewable Energy Facility*, Docket No. RET-4, Sub 0, Order Accepting Registration of New Renewable Energy Facility and Ruling on Public Utility Issue (April 22, 2009), and many of the dockets cited above, the lease back of these facilities would be "pursuant to a 'bargained for' transaction and would not constitute the provision of utility service to or for the public."

6. Because the transfer and acquisition of the Subject Assets should not require Commission approval under the circumstances presented here, the Applicants seek a declaratory

ruling from this Commission that no such approval is required. Alternatively, should the Commission conclude that some approval is legally required, Applicants respectfully include a request for approval of the transfer of the Subject Assets in this Application only out of an abundance of caution, pursuant to N.C. Gen. Stat. § 62-110(a), N.C. Gen. Stat. § 62-160 and NCUC Rule R1-16, to the extent any of them are deemed to be applicable here.

N.C. Gen. Stat. § 62-110(a) provides, in pertinent part, as follows:

> **[N]o public utility shall hereafter** begin the construction or operation of any public utility plant or system or **acquire ownership or control thereof, either directly or indirectly, without first obtaining from the Commission a certificate that public convenience and necessity requires, or will require, such construction, acquisition, or operation**.

(Emphasis added).

Applicants believe this statutory provision was intended to address the acquisition or transfer of an entire public utility "system," including the authority to operate the system and provide service. Applicants, therefore, only alternatively request Commission approval with respect to the transfer and acquisition of the Subject Assets if the Commission determines approval is legally required.

7. The Transaction is required by the public convenience and necessity, complies with applicable law and should be approved to the extent any approval is required. Windstream customers will continue to be served by companies that have the requisite managerial, technical and financial capability to provide the services they offer. Moreover, the Transaction will benefit local exchange residential and business customers through increased strategic flexibility and financial opportunities provided to the Applicants. The Transaction will enhance and facilitate their efforts to provide high-quality services to their residential and business customers. As a result of the Transaction, the Applicants will be better positioned to meet the growing needs of local exchange and long distance customers throughout their service areas and remain competitive.

II. PARTIES INVOLVED IN THE TRANSACTION

8. Windstream, a Delaware Corporation headquartered in Little Rock, Arkansas, is the parent company to the ILECs and the CLP/LD Companies. Windstream is not authorized to provide telecommunications services in this State and is not seeking any authorizations to become a regulated telecommunications carrier or public utility.

9. The ILECs are certificated by this Commission to provide local exchange services and are wholly owned indirect subsidiaries of Windstream, with corporate offices located in Little Rock, Arkansas.

10. The CLP/LD Companies are also wholly owned indirect subsidiaries of Windstream. The CLP/LD Companies are certificated as competing providers of local exchange and/or long distance telecommunication service providers.

11. CSL is a newly formed Delaware corporation. Immediately upon the transfer of the Subject Assets to CSL or one of its wholly owned direct or indirect subsidiaries, it will become the owner of the Subject Assets but will lease them back on a long-term, exclusive basis to Windstream for the benefit of the WIN Companies. CSL will hold title to the Subject Assets but will not operate or manage them or provide telecommunications service on a retail or wholesale basis. It is, therefore, not seeking authority to become a regulated telecommunications carrier or public utility. Attached hereto as Exhibit 1 is a certified copy of CSL's Certificate of Incorporation and all amendments thereto.

12. TAI, a Delaware limited liability company, is a newly created subsidiary of CSL and upon Commission approval, completion of the Transaction and following notice to customers, TAI will become the telecommunications service provider for the CLP/LD Companies' residential customers. Attached hereto as Exhibit 2 is a certified copy of TAI's Certificate of Formation.

III. DECLARATORY RELIEF AND REQUIREMENTS FOR APPROVAL OF TRANSFERS AND OPERATION

13. The Commission has the authority to grant the declaratory relief requested herein. For the reasons set forth above, Applicants believe they should be granted such a ruling because CSL will not fit within the definition of "public utility" set forth in N.C. Gen. Stat. § 62-3(23)a.6, and it would neither construct nor operate the facilities leased to the WIN Companies. Thus, N.C. Gen. Stat. § 62-110(a) should not be applicable here, and no certification of CSL is required in order for it to acquire certain assets of the ILECs.

Applicants believe N.C. Gen. Stat. § 62-110(a) addresses the acquisition or transfer of an entire public utility "system" including the authority to provide service, but not a transfer or acquisition of selected assets that does not include the transfer of the authority to operate the assets. Applicants are not asking to transfer to CSL the authority to operate as a telecommunications carrier nor do the WIN Companies intend to transfer to CSL all assets they use to provide service. CSL will not provide service on a retail or wholesale basis or operate as a telecommunications carrier. The WIN Companies will continue to operate the Subject Assets and serve the public as a telecommunications public utilities. Applicants believe Commission approval for this aspect of the Transaction is not required.

14. If the Commission determines that approval for transfer and acquisition of the Subject Assets is necessary, then this Application demonstrates that the Transaction satisfies all applicable criteria and should be approved. The WIN Companies, following the Transaction, will continue to have the capability (as enhanced by the Transaction) to provide high quality telecommunications services and introduce advanced services. CSL will not operate the Subject Assets.

IV. PROPOSED TRANSACTION

15. As described above, the Transaction will include the establishment of a new company, CSL. The initial shareholders of CSL will be the shareholders of Windstream, the parent company of the ILECs and CLP/LD Companies, as each shareholder of Windstream will receive shares of CSL in proportion to its ownership of Windstream. CSL and Windstream will be independent publicly traded companies. The Subject Assets will be transferred to CSL, which will then lease the Subject Assets back to Windstream for the benefit of the WIN Companies on an exclusive, long-term basis so that the WIN Companies can continue to use those facilities and operate their telecommunications business as they do currently. CSL will not provide public utility services to any customer, nor will CSL operate any of the Subject Assets or any transmission or switching facilities. Rather, CSL will simply own the Subject Assets and lease them exclusively to Windstream for the benefit of the WIN Companies. The WIN Companies will continue to be responsible for the operation and maintenance of the Subject Assets in addition to the assets that they retain. The WIN Companies will continue to be responsible for meeting all quality-of-service standards and regulatory requirements associated with their public utility businesses. The principal operational change resulting from the Transaction will simply be that the Subject Assets will be leased for the exclusive benefit of the WIN Companies rather than owned by the WIN Companies. As noted above, the Transaction is pro forma under the Federal Communications Commission's rules and accordingly does not require prior approval by the FCC.

16. The WIN Companies' operations and provision of service will not change as a result of the Transaction. Immediately following the transfer and lease back of the Subject Assets, the WIN Companies will continue to provide the same services, at the same rates and on the same terms and conditions, and pursuant to any existing tariffs, under the same name. The WIN Companies will continue as the same legal entities operating and providing local exchange service

in North Carolina. In addition, the WIN Companies will continue providing all the other services they do today, for example, local, long distance, Internet access, broadband, directory publishing, and other telecommunications products. The WIN Companies will maintain the same technical, financial and managerial ability to provide reliable service subsequent to the Transaction as they have today. Similarly, TAI, as successor to the residential competitive local exchange and long distance business of the CLP/LD Companies, will continue providing the same high-quality services that the CLP/LD Companies do today. In fact, TAI will initially subcontract with the CLP/LD Companies to continue providing the services and TAI will simply act as a reseller of those services.

17. The lease of the Subject Assets by Windstream for the WIN Companies will be an exclusive, long-term master lease that, at Windstream's option, will be in effect for 35 years (the "Lease"). The Lease will provide the WIN Companies exclusive rights to use the distribution systems as well as to access and affix communications electronics, switching, or other equipment to the distribution systems for the provision, routing and delivery of voice, data and other communications services. The WIN Companies' exclusive usage rights will include the right to provide communications services or sublease access to the system. The WIN Companies' right to install, affix or place on the system any electronics, switching and other equipment will not be subject to the approval of CSL and can be exercised in any manner that in the WIN Companies' sole judgment is necessary to operate their communications business, subject to relevant industry standards and law. The WIN Companies will be responsible for all capital improvements as well as maintaining the leased assets consistent with industry standards, sufficient to meet federal and state service delivery requirements. The WIN Companies will continue to be responsible for compliance with all applicable federal, state and local legal and regulatory requirements. Subject

to N.C. Gen. Stat. § 62-110(f4) and (f5), the ILECs will continue to serve as carriers of last resort in their service areas and also continue to provision and charge appropriate contract and/or tariff rates to other carriers as necessary to fulfill their collocation and any other applicable regulatory obligations to provide access to network elements. Leasing rather than owning assets is not a new practice, and most service providers, including the WIN Companies, lease rather than own some of the assets they use to provide services. Currently, various fiber optic cables, real estate assets, poles, conduits and other tangible assets used to provide service are leased rather than owned by the WIN Companies. The terms of the Lease are summarized more fully in the Outline attached as Exhibit 3 to this Application.

18. The Subject Assets to be transferred to CSL include all of the WIN Companies' distribution systems consisting of fiber optic cable, copper cable, conduits and conduit systems, poles, attachment hardware (bolts, lashing, etc.), guy wires, pedestals, concrete pads, central office land and buildings, signal repeaters, and amplifiers, together with all replacements, modifications, alterations, and additions, located in North Carolina. The WIN Companies will not transfer other tangible assets, including central office switches, electronics, equipment used for maintenance and repair, and backend systems, such as routing, provisioning and billing systems. The WIN Companies also will not transfer any customer accounts (with the exception of the residential customers of CLP/LD Companies that will, subject to Commission approval, be transferred to TAI) or regulatory authorizations to CSL.

19. Along with the transfer of approximately 6,000 residential customers of the CLP/LD Companies to TAI, TAI will assume the CLP/LD Companies' residential customer contracts and relationships. Upon Commission approval, TAI will become the new provider of record for the residential customers of the CLP/LD Companies; however, TAI will initially resell

the services of the CLP/LD Companies. No business customers served by the CLP/LD Companies or any customer of the ILECS will be transferred to TAI. Aside from a change in the CLP/LD customers' telecommunications provider, this transfer will have no impact on the transferred customers. The rates, terms and conditions of service provided to the transferred residential customers will not change as a result of their transfer to TAI. As CLP/LD services are provided in North Carolina on a non-tariffed basis, TAI will continue to provide service to the transferred customers pursuant to the relevant service contracts or price lists and maintain them on its website or otherwise in accordance with any applicable Commission rules.

20. Initially, TAI will operate as a reseller of CLP/LD Company local exchange and interexchange services. In the future it will have the option to resell the services of other authorized carriers or to procure and operate its own facilities. The customer transfer to TAI will not be consummated unless and until TAI has received all required regulatory authorizations to provide interstate and intrastate telecommunications services and has complied with Federal Communications Commission ("FCC") and State requirements for notice to the customers.

V. CONTINUED TECHNICAL, MANAGERIAL, AND FINANCIAL CAPABILITY

21. The WIN Companies will continue to be managed and operated by capable, experienced executives and employees just as they are today. The WIN Companies will therefore maintain the same technical and managerial ability to provide the same reliable, high-quality services as they do today. The WIN Companies currently possess the financial ability to provide their services to the public and that ability will be enhanced by the Transaction. All of these factors, along with the additional details below, demonstrate that the WIN Companies will continue to possess the technical, managerial, and financial capability necessary to provide high quality service and, thereby, to promote the public convenience and necessity. TAI will initially resell

CLP/LD Companies' residential service and will rely on the managerial and technical capabilities of the WIN Companies. Therefore, TAI also will have the managerial and technical capability necessary to provide high quality services. Additionally, CSL, TAI's parent company, will be a publicly traded entity with the necessary financial resources to ensure TAI's customers continue to receive high-quality services.

A. Continued Technical Capability

22. The WIN Companies and TAI, through its resale of the CLP/LD Companies' residential services, will maintain the same technical capabilities after the transfer as they possess today. Additionally, all equipment, buildings, systems, software licenses and other assets owned and used in the provision of TAI's service will continue to be available, operated, maintained and managed by the WIN Companies in the provision of service after the Transaction.

B. Continued Managerial Capability

23. The WIN Companies and TAI, through its relationship with the CLP/LD Companies, will continue to employ personnel experienced and dedicated to the provision of high-quality communications service. The customer service, network and operations functions critical to the success of the Applicants today will persist, and the business will be staffed to ensure that continuity. For example, local operations will continue to be staffed and managed by employees who have established ties to their communities and extensive knowledge of the local telephone business.

24. The WIN Companies and TAI will continue to receive the same centralized management services. They will be staffed by experienced and knowledgeable persons currently providing these services. Presently, centralized functions include human resources, finance, tax, media, legal, planning, general support, and information services, thereby allowing the individual WIN Companies and TAI to benefit from the efficiencies enjoyed through centralized support

services. After the Transaction the WIN Companies and TAI will continue to receive similar centralized management services and thus will continue to enjoy the attendant efficiencies and benefits of an experienced staff.

C. Continued Financial Capability

25. The Transaction is expected to improve the already stable financial condition of Windstream and the WIN Companies as a result of significant financial benefits that Windstream expects to receive from the Transaction. The overall net effect of the Transaction will be to reduce long term debt by approximately $3.2 billion and increase net cash flow, thereby providing the WIN Companies with enhanced financial flexibility in upgrading and expanding their communications and broadband networks, making a faster transition to an IP network and pursuing additional opportunities that will strengthen their infrastructure and provide enhanced services to their customers. After the Transaction, the WIN Companies will continue to be financially capable of fulfilling all of the requirements to which a public utility is subject in North Carolina.

26. Attached as Exhibit 4 is a comparison of key financial metrics for Windstream pre and post Transaction. The ILECs serve approximately 240,000 access lines in North Carolina. The number of ILEC access lines will not change as a result of the Transaction. The CLP/LD Companies serve approximately 6,000 residential customers to be transferred to TAI. No other customer transfers will occur as a result of the Transaction. As reflected in Exhibit 4, Windstream's revenues will be approximately $5.9 billion per year and are expected to generate approximately $2.3 billion in annual operating income. Windstream will clearly continue to have the financial stability to succeed in the ever more competitive telecommunications marketplace. As TAI will initially provide residential services on a resale basis, its financial capability is also demonstrated by the sound financial condition of Windstream.

27. Windstream, which among other things raises capital for the WIN Companies, will continue to possess the financial capability, enhanced by the Transaction, to enable the WIN Companies to continue to provide high-quality telecommunications services to customers. Moreover, Windstream, through its subsidiaries, will continue to be one of the largest independent local exchange carriers in the nation. Because of the reduced debt, improved leverage ratio and greater free cash flow to result from the Transaction, Windstream's ability to raise capital in order to invest in network, employees and information systems to continue providing high quality service will be enhanced by the Transaction.

28. All of the above facts demonstrate that the ILECS, the CLP/LD Companies and TAI will possess the requisite financial capability to fully support their operations subsequent to the Transaction.

VI. THE PUBLIC CONVENIENCE AND NECESSITY

29. The WIN Companies operate in an industry that has been and continues to be subject to rapid technological advances, evolving consumer preferences, and dynamic change. The public convenience and necessity require that the Applicants increase their financial flexibility by means of efforts like the Transaction so that they can further invest in network improvements and upgrades that will enable them to continue to provide and enhance the full range of high-quality services they offer and provide to residential and business customers.

30. The Transaction will enable the WIN Companies to become a more nimble competitor by increasing their financial flexibility in the highly competitive telecommunications service market that is characterized by stagnant or falling demand and largely fixed costs, without any reduction in competition and without removing any customer choices from the marketplace. If the Applicants do nothing, the WIN Companies will be under growing pressure to increase revenues per line, as line counts are generally declining but many fixed costs remain stable or are

growing.

31. The financial efficiencies which result in lower long term debt and increased free cash flow from the Transaction are expected to help relieve that pressure, and strengthen the ability of the WIN Companies to continue offering basic services at affordable prices and provide the WIN Companies with greater resources to invest in new services and new uses for the wireline network that should further strengthen the WIN Companies' financial position.

32. The Transaction is required by the public convenience and necessity in order for the WIN Companies to effectively compete and offer the latest technology at levels that meet or exceed that of their competitors and meet and exceed the data and content needs of consumers and businesses, which are increasing and changing in scope rapidly and significantly. Intermodal competition, between wireline and wireless telecommunications services, is widespread in the territories served by the WIN Companies. Many of these wireless competitors have already accomplished restructurings similar to that proposed in this Application. Specifically, many wireless companies transferred certain telecommunications assets (*e.g.*, towers) to REITs and now lease the towers back from the REIT. In addition, wireless companies generally lease rather than own the fiber optic cable used by them to connect towers to their switches or to connect to other carriers' networks. Approval of this Application will allow the WIN Companies to update their corporate structure as have some of their competitors and is necessary to further level the playing field among these competitors and enhance competition.

33. Windstream submits that, as demonstrated herein, the Transaction is required by the public convenience and necessity.

VII. TRANSPARENCY TO CUSTOMERS

34. With the exception of the residential customers of the CLP/LD Companies transferring to TAI, the WIN Companies' customers will experience no change, other than

improvements in service as the financial benefits of the Transaction are translated into further network investment. The transferred residential CLP/LD Companies' customers will, other than a change in name of carrier, also see no initial changes as their service will continue to be provided and supported by the CLP/LD Companies, albeit resold by TAI. Customers will receive the same full range of products and services as prior to the separation, at the same prices, and under the same terms and conditions.

35. Customers will receive at least the same high-quality local exchange and long distance service as they do today, subject to the same rules, regulations, and applicable tariffs. The Transaction will not affect, to the extent applicable, any existing alternative regulation plans, service quality obligations, or tariffs. Further, any subsequent end user rate changes by the ILECs will continue to be governed by N.C. Gen. Stat. § 62-133.5(h). Similarly, the terms and prices for existing wholesale services under any applicable access tariffs or agreements will remain unchanged as a result of this Transaction. Finally, the Transaction will not impact the terms of any existing interconnection agreements or obligations under State and federal laws regarding interconnection.

36. Consequently, for the reasons stated above, the Transaction is required by and consistent with the public convenience and necessity.

WHEREFORE, based on the foregoing, Applicants pray the Commission as follows:

1. For issuance of an order declaring that Commission approval of the transfer of the Subject Assets is not required under the North Carolina Public Utilities Act;
2. Alternatively, for issuance of an order approving the transfer of the Subject Assets as described herein, as the Applicants have demonstrated that the Transaction is required by the public convenience and necessity;

3. Additionally, as TAI will have the requisite technical, managerial, and financial capability to provide quality communications services, and subject to TAI being certified by the Commission pursuant to the contemporaneously filed applications as a provider of competitive local exchange service and long distance service, Applicants request that the Commission approve the transfer of CLP/LD Companies' residential customers to TAI; and

4. For such other and further relief as the Commission deems just and proper.

Respectfully submitted, this the 4th day of August, 2014.

BURNS, DAY & PRESNELL, P.A.

_____

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E-mail: dhiggins@bdppa.com
Attorneys for the Applicants

EXHIBIT 24

Application to Alabama Public Services Commission

WILKERSON • BRYAN

WILKERSON & BRYAN, P.C.
ATTORNEYS & COUNSELORS

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FAX 334.265.0319

DANA H. BILLINGSLEY dana@wilkersonbryan.com

July 31, 2014

VIA HAND DELIVERY
Walter L. Thomas, Jr., Secretary
Alabama Public Service Commission
RSA Union Building
100 North Union Street
Montgomery, AL 36104

RE: Application of Windstream Subsidiaries for Approval, to the Extent Required by Law, of Certain Corporate Transactions and Grant of Certificate of Public Convenience and Necessity to Talk America Services, LLC

Dear Mr. Thomas:

Attached hereto for electronic filing is the Application of the listed Windstream subsidiaries for approval, to the extent required, for certain corporate transactions, the grant of a Certificate of Public Convenience and Necessity to Talk America Services, LLC ("TAS") and the approval of the transfer of certain Windstream competitive local exchange and long distance customers to TAS.

The original and one copy of the Application will be hand delivered to the Commission on tomorrow's date.

Should you have any questions regarding this correspondence, please do not hesitate to contact my office. As always, thank you for your prompt attention in this matter.

Very truly yours,

WILKERSON & BRYAN, P.C.

Dana H. Billingsley

Attachment

cc: Cesar Caballero
Bettye Willis

BEFORE THE ALABAMA PUBLIC SERVICE COMMISSION
MONTGOMERY, ALABAMA

Application for:	)	
(1) Approval, to the extent required by law, of	)	
Corporate Transaction of	)	
Windstream Alabama, LLC, Windstream NuVox,	)	
Inc., Windstream Communications, Inc.,	)	
Windstream Norlight, Inc., Windstream KDL, Inc.,	)	
McLeodUSA Telecommunications Services, LLC,	)	
Network Telephone Corporation, PAETEC	)	
Communications, Inc., Talk America, Inc., The	)	
Other Phone Company, and US LEC of Alabama,	)	
LLC, and Communications Sales and Leasing, Inc.;	)	
and	)	
	)	**Docket No. _____**
(2) Certification of Talk America Services, LLC as a	)	
Competitive Local Exchange and Long Distance	)	
Telecommunications Provider and Approval of the	)	
Transfer of Local and Long Distance Customers of	)	
Windstream NuVox, Inc., Windstream	)	
Communications, Inc., Windstream Norlight, Inc.,	)	
Windstream KDL, Inc., McLeodUSA	)	
Telecommunications Services, LLC, Network	)	
Telephone Corporation, PAETEC Communications,	)	
Inc., Talk America, Inc., The Other Phone Company,	)	
and US LEC of Alabama, LLC to Talk America	)	
Services, LLC	)	

APPLICATION OF WINDSTREAM SUBSIDIARIES FOR APPROVAL, TO THE EXTENT REQUIRED BY LAW, OF CERTAIN CORPORATE TRANSACTIONS AND GRANT OF CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO TALK AMERICA SERVICES, LLC

Windstream Alabama, LLC ("Windstream-Alabama"), McLeodUSA Telecommunications Services, LLC ("McLeod"), Talk America, Inc. ("TA"), Windstream KDL, Inc. ("KDL"), Windstream Norlight, Inc. ("Norlight"), Windstream NuVox, Inc. ("NuVox"), Network Telephone Corporation ("NTC"), The Other Phone Company ("OPC"), PAETEC Communications, Inc. ("PAETEC"), US LEC of Alabama, LLC ("US LEC"), Windstream

25. The Transaction, including the grant of a CPCN to TAS, will serve the public interest, convenience and necessity by freeing up substantial additional resources for the transformation and enhancement of the WIN Companies' network.

IV. DETAILS OF THE PROPOSED TRANSACTION

26. As described above, the Transaction will include the establishment of a new company, CSL. The initial shareholders of CSL will be the shareholders of Windstream, the parent company of Windstream-ILEC, the Windstream-CLECs and Windstream-LDs, as each shareholder of Windstream will receive shares of CSL in proportion to their ownership of Windstream. CSL and Windstream will be independent publicly traded companies whose stock will trade independently of the other. The Subject Assets will be transferred to CSL, which will lease the use of the Subject Assets back to Windstream for the benefit of the WIN Companies on an exclusive, long term basis so that the WIN Companies can continue to operate their telecommunications business as they do currently. CSL will not provide any transportation or public utility services to any customer in Alabama, nor will CSL operate any of the Subject Assets or any transmission or switching facilities. Rather, CSL will simply own the Subject Assets and lease them exclusively for the WIN Companies. The WIN Companies will continue to be responsible for the operation and maintenance of the Subject Assets in addition to the assets that they retain. The WIN Companies will continue to be responsible for meeting all quality of service standards and regulatory requirements associated with their businesses. The principal change resulting from the Transaction will simply be that the Subject Assets will be leased for the exclusive benefit of the WIN Companies, rather than owned by the WIN Companies.

27. Immediately following the transfer and lease back of the Subject Assets, the WIN Companies will continue to provide the same services, at the same rates and under the same

EXHIBIT 25

PLR

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Number: **201528006**
Release Date: 7/10/2015

Index Numbers: 368.04-00, 355.01-00,
332.00-00, 856.00-00

Third Party Communication: None
Date of Communication: Not Applicable

Person To Contact:
, ID No.
Telephone Number:

Refer Reply To:
CC:CORP:B04
PLR-122375-13

Date:
July 16, 2014

Distributing 1 =

Distributing 2 =

Controlled =

Controlled Sub =

Merger Sub =

Exchange =

Sub 1 =

Sub 2 =

Sub 3 =

Sub 4 =

Sub 5 =

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Business A =

Business A-1 =

Business B =

Business C =

Business Plan =

Other Parties =

Services =

System =

Asset Z =

Asset AA =

Asset BB =

Asset CC =

Asset DD =

Asset EE =

Asset FF =

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Cost RR =

Problem =

Rights UU =

Rights VV =

Rights WW =

Escrow LLC =

Dear :

We respond to your May 10, 2013, request for rulings, submitted by your authorized representatives, on certain U.S. federal income tax consequences of a series of proposed and partially completed transactions (collectively, as defined below, the Transactions). The information submitted in that letter and in later correspondence is summarized below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalties-of-perjury statement executed by an appropriate party. While this office has not verified any of the materials submitted in support of the request for rulings, it is subject to verification upon examination.

In particular, this office has not reviewed any information pertaining to, and has made no determination regarding, whether the Transactions: (i) satisfy the business purpose requirement of section 1.355-(2)(b) of the Income Tax Regulations, (ii) are used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see section 355(a)(1)(B) of the Internal Revenue Code (Code) and section 1.355-2(d)), or (iii) are part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50 percent or greater interest in the distributing corporation or the controlled corporation (see sections 355(e) and 1.355-7).

Summary of Facts

Distributing 2 is a publicly traded holding company and the common parent of an affiliated group of corporations that files a consolidated U.S. federal income tax return (the Distributing Group). Distributing 2 has a single class of common stock outstanding (the Distributing 2 Common Stock) that trades on Exchange.

Distributing 2 wholly owns Distributing 1, which was previously the common parent of the Distributing Group. Distributing 1 had a single class of common stock outstanding (the Distributing 1 Common Stock) that traded on Exchange. On Date 1, Distributing 1 formed Distributing 2. On Date 2, Distributing 2 formed Merger Sub. On Date 3, Merger Sub merged into Distributing 1, with Distributing 1 becoming a wholly owned subsidiary of Distributing 2 (the Merger), and each share of Distributing 1 Common Stock converted into the right to receive a share of Distributing 2 Common Stock. As a result of the Merger, Distributing 2 became the common parent of the Distributing Group.

As of Date 4, Distributing 1 had outstanding $a in Tranche A Debt, $b in Tranche B senior secured credit facilities including, but not limited to, the Tranche B Debt, $c in a revolving line of credit under its senior secured line of credit (the Revolver), and $d of senior unsecured notes, including, but not limited to, Note 1, Note 2, Note 3, Note 4, Note 5, Note 6, and Note 7 (collectively, the Notes).

The Distributing Group engages in Business A (including Business A-1), Business B, and Business C. Before the occurrence of any step relating to the Transactions, set forth below, the Distributing Group was structured as follows:

Distributing 1, directly and indirectly through its subsidiaries, engages in Business A, Business B, and Business C. Distributing 1 directly wholly owned, among other subsidiaries, Sub 1, Sub 2, Sub 3, Sub 4, Sub 5, Sub 6, Sub 7, Sub 13, Sub 16, Sub 26, Sub 33, Sub 35, Sub 42, Sub 46, and LLC 1, each of which was, or was treated as, a domestic corporation for U.S. federal tax purposes. Distributing 1 also directly wholly owned DRE 1, an entity that was disregarded from its sole owner for U.S. federal tax purposes (a disregarded entity). Distributing 1 also directly wholly owned Sub 11, a domestic corporation, through its ownership of DRE 2, a disregarded entity. Distributing 1 also directly owned e percent of the sole class of stock of Sub 15, a domestic corporation. The remaining f percent of the stock of Sub 15 was owned by Sub 13.

Sub 7 directly wholly owned Sub 8, Sub 9, and Sub 10, each a domestic corporation. LLC 1 directly wholly owned Sub 12, a domestic corporation. Sub 13 directly wholly owned Sub 14, a domestic corporation. Sub 16 directly wholly owned Sub 17, which in turn directly owned Sub 18, Sub 19, Sub 20, Sub 21, Sub 22, Sub 23, Sub 24, and Sub 25, each a domestic corporation. Sub 26 directly wholly owned Sub 27, Sub 28, Sub 29, and Sub 32, each a domestic corporation. Sub 29 directly wholly owned Sub 30 and Sub 31, each a domestic corporation. Sub 33 directly wholly owned Sub 34, a domestic corporation. Sub 35 directly wholly owned Sub 36, Sub 37, and Sub 38, each a domestic corporation. Sub 38 directly wholly owned Sub 39, Sub 40,

and Sub 41, each a domestic corporation. Sub 42 directly wholly owned Sub 43, Sub 44, and Sub 45, each a domestic corporation. Sub 46 directly wholly owned Sub 47, a domestic corporation, and Sub 47 directly wholly owned Sub 48 and Sub 49, each a domestic corporation. Sub 49 directly wholly owned Sub 50 and Sub 59, each a domestic corporation, through its ownership of DRE 3, a disregarded entity. Sub 50 directly wholly owned Sub 51 and Sub 56, each a domestic corporation, and Sub 51 directly wholly owned Sub 52, Sub 53, and Sub 55, each a domestic corporation. Sub 53 directly wholly owned Sub 54, a domestic corporation, and Sub 56 directly wholly owned Sub 57 and Sub 58, each a domestic corporation. Sub 59 directly wholly owned domestic Sub 60.

Distributing 1, directly and indirectly through its subsidiaries, owns System, which it leases to third parties in Business C and which it utilizes in Business A and Business B. Business B utilizes System to offer Services to consumers in certain locations. Before the occurrence of any of the steps of the Transactions, each of Sub 8, Sub 12, Sub 15, Sub 18, Sub 19, Sub 20, Sub 21, Sub 22, Sub 23, Sub 24, Sub 25, Sub 27, Sub 32, Sub 37, Sub 38, Sub 39, Sub 40, Sub 45, Sub 48, Sub 49, Sub 51, Sub 54, Sub 55, Sub 58, and Sub 60 were engaged in, and held assets related to, Business B.

System is comprised mainly of Assets Z, AA, BB, CC, DD, EE, FF, GG, and HH (collectively, the Distribution Assets, including Asset II). The taxpayer has not requested any rulings with regard to Asset JJ that is also a component of System.

The Distribution Assets are subject to certain easements (the Easements) held by Distributing 1 or Other Parties. Distributing 1 also holds Asset LL and enters into Type OO agreements (collectively, the Rights). Distributing 1 also enters into certain Type NN agreements with respect to Asset BB (the Agreements). Each of the Easements, the Rights, and the Agreements provides the holder with certain rights regarding certain of the Distribution Assets. The Easements are typically acquired for an unlimited or indefinite period of time, whereas the Agreements and the Rights are generally for a fixed period of time in exchange for consideration. The Agreements typically have terms of k to l years, with automatic renewal terms thereafter. The Asset LL Rights are usually for a term of w. Type OO agreements are typically for m to k years, with n-year renewal terms thereafter. The holder of a Right or an Agreement generally is required to pay its proportionate share of Cost RR and to maintain the Distribution Assets located at the site.

In recent years, Distributing 1 has shifted more of its focus to Business A; thus, as part of the Transactions, Distributing 1 will transfer Business B and Business C to Controlled, its recently-formed and wholly-owned State A subsidiary. Management of Distributing 1 has determined that separating Business B and Business C from Business A will serve the following corporate business purposes: (i) provide Distributing 1, Distributing 2, and Controlled with increased flexibility to pursue the Business Plan and acquisition strategy, including alternatives that are unlikely to be available absent the Distributions; (ii) enable Controlled to issue equity on meaningfully more favorable

terms in connection with investments and acquisitions, which management believes is critical to the success of the Business Plan, with less dilution to existing shareholders; (iii) meaningfully enhance the ability of the corporation to raise capital for Business C by issuing equity on more favorable terms than would be possible, absent the Distributions, in the public markets to institutional investors that invest in real estate investment trusts (REITs); (iv) reduce the actual or perceived competition for capital resources within the Distributing Group; (v) meaningfully enhance each of Distributing 1's, Distributing 2's, and Controlled's ability to attract and retain qualified management; and (vi) allow Business C to optimize its leverage and enhance Business A's credit profile, providing the Distributing Group with greater financial and strategic flexibility (collectively, the Corporate Business Purposes).

As part of the Transactions, after the External Distribution (as defined below), Controlled will make an election to be treated as a REIT (the REIT Election) and, together with Controlled Sub, its recently formed wholly owned State A subsidiary, will jointly elect to treat Controlled Sub as a taxable REIT subsidiary within the meaning of section 856(l) effective on the first day of Controlled's first taxable year as a REIT (the First REIT Taxable Year). Controlled will retain Business C, and Controlled Sub will hold Business B.

In connection with the REIT election, prior to the end of the First REIT Taxable Year, Controlled intends to distribute to its shareholders with respect to their Controlled Stock all of its earnings and profits (E&P) that were, or will be, accumulated by Controlled for all taxable periods ending prior to the First REIT Taxable Year as required by section 857(a)(2)(B) (the Purging Distribution). The Purging Distribution will take the form of cash and Controlled common stock. Controlled also currently intends to make cash and stock distributions in the two years following the effective date of the REIT Election (the Other Distributions and, together with the Purging Distribution, the REIT Distributions).

When Controlled makes the REIT Distributions, it intends to allow each Controlled shareholder to elect to receive the shareholder's distribution in either cash or Controlled shares of equivalent value, subject to a limitation on the amount of cash to be distributed in the aggregate to all shareholders (the Cash Limitation). If a shareholder fails to make a valid election by the election deadline, that shareholder will be deemed to have made an election to be determined by Controlled at Controlled's sole discretion. To the extent necessary, Controlled will issue cash in lieu of fractional shares of its stock. Although Controlled has not yet determined the amount of the Cash Limitation, it will not be less than 20 percent of each REIT Distribution declaration (without regard to any cash that may be paid in lieu of fractional shares).

If the total number of shares for which an election to receive a distribution in cash is made would result in the payment of cash in an aggregate amount that is less than or equal to the Cash Limitation, then all shareholders electing to receive cash will receive cash on all such shares. If too many shareholders elect to receive cash, each

shareholder electing to receive cash will receive a pro rata amount of cash corresponding to the shareholder's respective entitlement under the REIT Distribution declaration, but in no event will any shareholder electing to receive cash receive less than 20 percent of the shareholder's entire entitlement under the distribution declaration in cash.

The calculation of the number of shares to be received by any shareholder will be determined, over a period of up to two weeks ending as close as practicable to the payment date of the REIT Distribution, based on a formula using market prices that is designed to equate in value the number of shares to be received with the amount of cash that could be received instead.

After the External Distributions (as defined below), Controlled will lease the Distribution Assets to either Distributing 1 or Distributing 2 under a triple-net lease (the Lease) with a g to t year term. In the aggregate, the Lease will provide for a fixed annual rent of approximately $o for the first m years. Thereafter, the rent will increase under the Lease on an annual basis at a rent escalator that has yet to be determined by the parties. All amounts received under the Lease will be for the use of the Distribution Assets. The Lease will provide Distributing 1 or Distributing 2, as relevant, with the right to renew for as many as u p-year terms, which renewal will be priced at the then fair market value for such Lease. After the External Distributions, Controlled will also acquire, develop, and lease similar assets to unrelated tenants.

To avoid Problem, Distributing 1 will enter into certain agreements under which it will irrevocably assign all of the benefits and burdens of the Easements, the Rights, and the Agreements, through assignment and assumption agreements (the Assignment Agreements), to Controlled. The Assignment Agreements will provide for Rights UU, VV, and WW.

For administrative convenience and to avail itself of economies of scale with respect to employment costs, certain employees may perform services for both Controlled and Controlled Sub following the Transactions. For example, Distributing 1 expects that Controlled's collective human resources, legal, accounting, and other administrative departments will be located in either Controlled or Controlled Sub, and the personnel in those departments will provide services to both Controlled and Controlled Sub pursuant to an employee sharing agreement (the ESA).

Under the ESA, the employer, whether Controlled or Controlled Sub, will loan or advance the shared employees to the service recipient to the extent those employees spend time performing services for the service recipient. The service recipient will reimburse the employer for the service recipient's allocable share of the employee's costs, including salaries, benefits, and other compensation costs associated with payroll administration, and allocable overhead costs including, but not limited to, office supplies, furniture, and equipment. The amount of the reimbursements will be computed periodically and will be determined on the basis of the relative amount of time

the employees spend performing services on behalf of the employer versus the service recipient (or pursuant to another reasonable allocation method).

Controlled and Controlled Sub also expect to co-occupy the corporate offices of Controlled following the Transactions. Controlled and Controlled Sub will co-own or co-lease and co-occupy the offices, but only one or the other will be listed as the primary owner or lessee, as applicable, of the space. With respect to the shared space, Controlled and Controlled Sub will enter into a space sharing agreement (the SSA and, together with the ESA, the Cost Sharing Arrangements) that will provide that each party pays its allocable share of costs associated with the shared space on a cost reimbursement basis based upon the use of the space and its elements. Reimbursed costs may include, but are not limited to, utilities, taxes, mortgage expense, rents, and building maintenance and improvement expenses.

Distributing 1 and Controlled will enter into certain agreements in connection with the implementation of the Transactions that are intended to include: (i) a separation and distribution agreement, (ii) a tax matters agreement (the Tax Matters Agreement), (iii) a transition services agreement (the Transition Services Agreement), and (iv) an employee matters agreement (collectively, the Transaction Agreements).

The Transactions

For what are represented to be valid corporate business purposes, Distributing 2 has proposed the following series of proposed and partially completed transactions (the Transactions):

First Internal Restructuring

On Date 4, the following transactions occurred, although not necessarily in the order enumerated (collectively, the First Internal Restructuring):

(i) DRE 2 merged into Distributing 1, and, thereafter, Sub 11 merged into its parent, Distributing 1 (the Sub 11 Liquidation).

(ii) LLC 1 merged into Distributing 1 (the LLC 1 Liquidation), and, thereafter, Sub 12 merged into its parent, Distributing 1 (the Sub 12 Liquidation).

(iii) Each of Sub 13, Sub 33, and Sub 42 merged into its parent, Distributing 1 (the Sub 13 Liquidation, the Sub 33 Liquidation, and the Sub 42 Liquidation, respectively).

(iv) Sub 17 merged into its parent, Sub 16 (the Sub 17 Liquidation), and, thereafter, Sub 16 merged into its parent, Distributing 1 (the Sub 16 Liquidation).

(v) Sub 38 merged into its parent, Sub 35 (the Sub 38 Liquidation).

(vi) DRE 3 merged into its parent, Sub 49, and thereafter, each of Sub 50 and Sub 59 merged into its parent, Sub 49 (the Sub 50 Liquidation and the Sub 59 Liquidation, respectively); subsequently, Sub 56 merged into its parent, Sub 49 (the Sub 56 Liquidation), after which Sub 57 merged into its parent, Sub 49 (the Sub 57 Liquidation).

Second Internal Restructuring

Distributing 1 will complete the following steps in the following order to align the various assets and entities relating to Business A, Business B, and Business C (collectively, the Second Internal Restructuring). Following the First Internal Restructuring and the Second Internal Restructuring, all of the assets related to Business B and Business C will be treated as directly owned by Distributing 1 for U.S. federal income tax purposes.

(vii) Sub 1 will merge into a newly-formed State A corporation wholly owned by its parent, Distributing 1. Immediately thereafter, the State A corporation will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 1 Liquidation).

(viii) Each of Sub 2 and Sub 3 will convert under State B law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 2 Liquidation and the Sub 3 Liquidation, respectively).

(ix) Sub 4 will convert under State C law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 4 Liquidation).

(x) Each of Sub 5 and Sub 6 will convert under State D law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 5 Liquidation and the Sub 6 Liquidation, respectively).

(xi) Sub 14 will convert under State F law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 14 Liquidation).

(xii) Sub 15 will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 15 Liquidation).

(xiii) Sub 7 will merge into Distributing 1 (the Sub 7 Liquidation).

(xiv) Sub 10 will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 10 Liquidation).

(xv) Sub 9 will convert under State E law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 9 Liquidation).

(xvi) Sub 8 will contribute certain Business B assets and Business B to LLC 2, a newly formed State A limited liability company that is disregarded as separate from Sub 8 for U.S. federal tax purposes; immediately thereafter, Sub 8 will distribute all of the member interests in LLC 2 to Distributing 1.

(xvii) Each of Sub 18, Sub 19, Sub 20, Sub 22, Sub 23, Sub 24, and Sub 25 will distribute its Business B assets to Distributing 1.

(xviii) Sub 21 will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes.

(xix) Sub 26 will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 26 Liquidation), and subsequently, Sub 27 will distribute assets related to Business B to Sub 26.

(xx) Sub 29 will merge into Sub 26, an entity that will be disregarded as separate from its parent, Distributing 1 (the Sub 29 Liquidation).

(xxi) Sub 28 will merge into a newly formed State A corporation that is wholly owned by its parent, Sub 26, a disregarded entity that is wholly owned by Distributing 1. Immediately thereafter, the State A corporation will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 28 Liquidation).

(xxii) Sub 30 will merge into a newly formed State A corporation that is wholly owned by its parent, Sub 26, a disregarded entity that is wholly owned by Distributing 1. Immediately thereafter, the State A corporation will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 30 Liquidation).

(xxiii) Sub 31 will merge into a newly formed State A corporation that is wholly owned by its parent, Sub 26, a disregarded entity that is wholly owned

by Distributing 1. Immediately thereafter, the State A corporation will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 31 Liquidation).

(xxiv) Sub 32 will contribute certain assets related to Business B and Business C to LLC 3, a newly formed State A limited liability company that is disregarded as separate from Sub 32 for U.S. federal tax purposes; subsequently, Sub 32 will distribute all of the member interests in LLC 3 to Sub 26, an entity that will be disregarded as separate from its parent, Distributing 1, for U.S. federal tax purposes.

(xxv) Sub 34 will convert under State F law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 34 Liquidation).

(xxvi) Sub 35 will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 35 Liquidation). Subsequently, Sub 37 will distribute certain assets related to Business B to Sub 35.

(xxvii) Each of Sub 39, Sub 40 and Sub 41 will convert under State G law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 39 Liquidation, Sub 40 Liquidation, and Sub 41 Liquidation, respectively).

(xxviii) Sub 36 will convert under State H law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 36 Liquidation).

(xxix) Sub 43 will convert under State I law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 43 Liquidation).

(xxx) Sub 44 will convert under State J law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 44 Liquidation).

(xxxi) Sub 45 will convert under State I law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 45 Liquidation).

(xxxii) Sub 46 will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes.

(xxxiii) Sub 47 will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes.

(xxxiv) Sub 48 and Sub 49 will each convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes.

(xxxv) Sub 51 will merge into a newly formed State A corporation that is wholly owned by its parent, Sub 49. Immediately thereafter, the newly formed State A corporation will convert under State A law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 51 Liquidation).

(xxxvi) Sub 58 will convert under State C law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 58 Liquidation).

(xxxvii) Sub 60 will convert under State L law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 60 Liquidation).

(xxxviii) Sub 52 and Sub 53 will each merge into Sub 51 (the Sub 52 Liquidation and the Sub 53 Liquidation).

(xxxix) Sub 54 will convert under State C law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 54 Liquidation).

(xxxx) Sub 55 will convert under State K law into a limited liability company that is disregarded as separate from Distributing 1 for U.S. federal tax purposes (the Sub 55 Liquidation).

Debt Exchange

(xxxxi) One or more investment banks (individually, an Investment Bank and collectively, the Investment Banks) intend to solicit non-binding orders from third-party investors for debt securities and loans under a term loan facility to be issued by Controlled with a currently estimated face amount of up to approximately $r (the Controlled Securities).

(xxxxii) At least 14 days prior to the closing date of the Distributions, each Investment Bank, acting as principal for its own account, will acquire in the marketplace some or all of the Tranche A Debt, the Tranche B Debt, the Revolver, and the Notes (the Exchange Debt).

(xxxxiii) No sooner than five days after acquiring the Exchange Debt and at least nine days prior to the Distributions (defined below), Distributing 1 expects that the Investment Banks will enter into an exchange agreement with Distributing 1 pursuant to which the parties will agree to exchange an amount of Exchange Debt for up to a currently estimated aggregate $r face amount of Controlled Securities, less a specified spread (the Debt Exchange). The exchange ratio for the Debt Exchange will be negotiated between Distributing 1 and the Investment Banks, bargaining at arms' length, no earlier than the time they enter into the exchange agreement. Each Investment Bank expects to obtain binding commitments at such time from third-party investors who will agree to purchase the Controlled Securities from each Investment Bank following the Debt Exchange.

The Contribution and the Distributions

(xxxxiv) Distributing 1 will contribute all of the assets and liabilities comprising Business B and Business C to Controlled. As part of this contribution, Distributing 1 will transfer membership interests in limited liability companies that are disregarded from it for U.S. federal tax purposes and that hold the Distribution Assets and Business B. Distributing 1 may also cause limited liability companies that are disregarded as separate from it to directly transfer assets to Controlled. As described earlier, Distributing 1 will also irrevocably assign the Easements, the Rights, and the Agreements, through the Assignment Agreements, to Controlled.

(xxxxv) In exchange for the assignments and the contributions of Business B and Business C (the Contributed Assets), Distributing 1 will receive all of the common stock of Controlled, $s in cash that Controlled expects to borrow from unrelated third-parties (the Controlled Cash), and the Controlled Securities (the Contribution). In order to address certain issues under Distributing 1's debt covenants, Escrow LLC, a disregarded entity formed by Controlled, will borrow from third parties, the proceeds of which will be held in an escrow account and pledged to the lenders until the conditions to the Distributions (defined below) have been satisfied. In the event that the Distributions do not occur, the proceeds will be used to fund a mandatory redemption of Distributing 1's existing debt. Upon satisfaction of all of the conditions to the Distributions, the proceeds of the borrowing will be released from the escrow account, and Escrow LLC will distribute the proceeds to Controlled, who in turn, will distribute them to Distributing 1 in connection with the Contribution. Immediately following completion of the Distributions, Escrow LLC will be merged into Controlled.

(xxxxvi) Controlled will contribute Business B to Controlled Sub in exchange for

Controlled Sub stock.

(xxxxvii) Distributing 1 and the Investment Banks will consummate the Debt Exchange.

(xxxxviii) Distributing 1 will distribute all of the stock of Controlled to Distributing 2 (the Internal Distribution).

(xxxxix) Distributing 2 will distribute all of the stock of Controlled, pro rata, to the holders of the Distributing 2 Common Stock (the External Distribution and, together with the Internal Distribution, the Distributions).

(xxxxx) As promptly as practicable after the Distributions, but in no event later than one year after the Distributions, Distributing 1 will use the Controlled Cash received in the Contribution to repay existing Tranche B Debt, the Notes, or other existing debt and/or to distribute to Distributing 2 for the repurchase of shares of common stock.

The Elections

(xxxxxi) Controlled will make the REIT Election by electing to become a REIT as of the first day of its taxable year beginning the day after the Distributions occur, and Controlled will elect jointly with Controlled Sub to have Controlled Sub treated as a "taxable REIT subsidiary" within the meaning of section 856(l) effective on the first day of Controlled's first taxable year as a REIT.

(xxxxxii) In accordance with section 857(b)(9), Controlled will declare a dividend in an amount equal to the Purging Distribution within the last three months of the calendar year in which Controlled makes the REIT Election. The Purging Distribution will be paid no later than January 31st of the following calendar year.

Representations

The Liquidations

The following representations have been made with respect to each of the Sub 1 Liquidation, the Sub 2 Liquidation, the Sub 3 Liquidation, the Sub 4 Liquidation, the Sub 5 Liquidation, the Sub 6 Liquidation, the Sub 7 Liquidation, the Sub 9 Liquidation, the Sub 10 Liquidation, the Sub 11 Liquidation, the Sub 12 Liquidation, the Sub 13 Liquidation, the Sub 14 Liquidation, the Sub 15 Liquidation, the Sub 16 Liquidation, the Sub 17 Liquidation, the Sub 26 Liquidation, the Sub 28 Liquidation, the Sub 29 Liquidation, the Sub 30 Liquidation, the Sub 31 Liquidation, the Sub 33 Liquidation, the Sub 34 Liquidation, the Sub 35 Liquidation, the Sub 36 Liquidation, the Sub 38

Liquidation, the Sub 39 Liquidation, the Sub 40 Liquidation, the Sub 41 Liquidation, the Sub 42 Liquidation, the Sub 43 Liquidation, the Sub 44 Liquidation, the Sub 45 Liquidation, the Sub 50 Liquidation, the Sub 51 Liquidation, the Sub 52 Liquidation, the Sub 53 Liquidation, the Sub 54 Liquidation, the Sub 55 Liquidation, the Sub 56 Liquidation, the Sub 57 Liquidation, the Sub 58 Liquidation, the Sub 59 Liquidation, the Sub 60 Liquidation, and the LLC 1 Liquidation (each, a Liquidation). For purposes of these representations, each liquidating corporation is referred to as "Liquidating Subsidiary" and each parent corporation of such Liquidating Subsidiary is referred to as "Parent."

(a) Except with respect to transactions comprising steps of the Transactions and transfers in the ordinary course of business, the liquidation of each Liquidating Subsidiary will not be preceded or followed by the reincorporation in, or transfer or sale to, a recipient corporation (Recipient) of any of the businesses or assets of such Liquidating Subsidiary, if persons holding, directly or indirectly, more than 20 percent in value of the Liquidating Subsidiary stock also hold, directly or indirectly, more than 20 percent in value of the stock in Recipient. For purposes of this representation and in each place that it appears herein, ownership will be determined immediately after the External Distribution and by application of the constructive ownership rules of section 318(a) as modified by section 304(c)(3).

(b) Parent, on the date of adoption of each plan of liquidation, and at all times thereafter until the completion of the final liquidation, will own 100 percent of the single outstanding class of stock of each Liquidating Subsidiary. For purposes of this representation, each plan of liquidation is considered to be adopted by Parent immediately prior to such Liquidation.

(c) No shares of stock of any Liquidating Subsidiary will have been redeemed during the three years preceding the date of the Transactions.

(d) All distributions from each Liquidating Subsidiary to its Parent pursuant to the plan of complete liquidation will be made within a single taxable year of such Liquidating Subsidiary.

(e) As of the effective date of each Liquidation, each Liquidating Subsidiary will cease to be an entity that is separate from its Parent for U.S. federal tax purposes.

(f) For U.S. federal tax purposes, no Liquidating Subsidiary (as a corporation) will retain any assets following its Liquidation.

(g) No Liquidating Subsidiary will have acquired assets in any nontaxable transaction at any time except for acquisitions occurring more than three

years prior to the Transactions.

(h) Except with respect to transfers made pursuant to the steps of the Transactions, no assets of any Liquidating Subsidiary have been or will be disposed of by its Parent, except for dispositions in the ordinary course of business and dispositions occurring more than three years prior to adoption of the plan of liquidation.

(i) Each Liquidating Subsidiary will report all earned income represented by assets that will be deemed distributed to its Parent, such as receivables being reported on a cash basis, unfinished construction contracts, commissions due, etc.

(j) The fair market value of the assets of each Liquidating Subsidiary will exceed its liabilities both at the date of the adoption of the plan of complete liquidation and immediately prior to the time the Liquidation occurs.

(k) There is no intercorporate debt existing between any Liquidating Subsidiary and its Parent and none has been cancelled, forgiven, or discounted, except for transactions that occurred more than three years prior to the date of adoption of the liquidation plan.

(l) Parent is not an organization that is exempt from U.S. federal tax under section 501 or any other provision of the Code.

(m) All other transactions undertaken contemporaneously with, in anticipation of, in conjunction with, or in any way related to the Liquidations have been fully disclosed.

(n) In each Liquidation, the assets of the Liquidating Subsidiary that relate to Business B and that will ultimately be contributed to Controlled Sub will make up less than 20 percent of the fair market value of the total assets previously held by such Liquidating Subsidiary.

The Contribution and the Distributions

The following representations have been made with respect to the Internal Distribution and the External Distribution (each such Distribution is referred to as a Distribution, and the corporation that will distribute the stock of Controlled in each such Distribution is referred to as the Distributing Corporation):

(o) With the exception of the Controlled Securities to be held by Distributing 1 prior to the Debt Exchange, the indebtedness, if any, owed by Controlled to the Distributing Corporation after the Distribution will not constitute

stock or securities.

(p) No part of the consideration to be distributed by the Distributing Corporation with respect to the Distributing Corporation's stock will be received by any shareholder of the Distributing Corporation as a creditor, employee, or in any capacity other than that of a shareholder of the Distributing Corporation.

(q) The Distributing Corporation and Controlled will treat all members of their respective separate affiliated groups (as defined in section 355(b)(3)(B)) (the SAG) as one corporation in determining whether the requirements of section 355(b)(2)(A) regarding the active conduct of a trade or business are satisfied.

(r) The five years of financial information submitted on behalf of Business A-1 conducted by DRE 1 is representative of the present business operations of DRE 1, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(s) The five years of financial information submitted on behalf of Business B is representative of the present business operations of Business B, and with regard to such business, there have been no substantial operational changes since the date of the last financial statements submitted.

(t) Following the Distribution and except as contemplated by the Transition Services Agreement, the Distributing Corporation SAG and the Controlled SAG will continue the active conduct of their respective businesses, independently and with their separate employees.

(u) Neither the Distributing Corporation nor any member of the Distributing Corporation SAG acquired Business A-1 or control of any entity conducting Business A-1 during the five-year period ending on the date of the Distribution in a transaction in which gain or loss was recognized (or treated as recognized under section 1.355-3 of the proposed regulations) in whole or in part, excluding acquisitions that constitute an expansion of Business A-1. Throughout the five-year period ending on the date of the Distribution, the Distributing Corporation and/or members of the Distributing Corporation SAG will have been the principal owner(s) of the goodwill and significant assets of Business A-1 and will continue to be the principal owner(s) following the Distribution.

(v) Neither the Distributing Corporation nor any member of the Distributing Corporation SAG acquired Business B or control of any entity conducting Business B during the five-year period ending on the date of the

Distribution in a transaction in which gain or loss was recognized (or treated as recognized under section 1.355-3 of the proposed regulations) in whole or in part, excluding acquisitions that constitute an expansion of Business B. Throughout the five-year period ending on the date of the Distribution, the Distributing Corporation and/or members of the Distributing Corporation SAG will have been the principal owner(s) of the goodwill and significant assets of Business B, and Controlled or members of the Controlled SAG will be the principal owner(s) following the Distribution.

(w) The Distributions are being carried out for one or more of the following corporate business purposes: (i) to provide Distributing 1, Distributing 2, and Controlled with increased flexibility to pursue the Business Plan and acquisition strategy, including alternatives that are unlikely to be available absent the Distributions; (ii) to enable Controlled to issue equity on meaningfully more favorable terms in connection with investments and acquisitions, which management believes is critical to the success of the Business Plan, with less dilution to existing shareholders; (iii) to meaningfully enhance the ability of Business C to raise capital by issuing equity on more favorable terms than would be possible, absent the Distributions, in the public markets to institutional investors that invest in REITs; (iv) to reduce the actual and perceived competition for capital resources within the Distributing Group; (v) to meaningfully enhance each of Distributing 1 and Distributing 2, and Controlled's ability to attract and retain qualified management; and (vi) to allow Business C to optimize its leverage and enhance Business A's credit profile, providing the Distributing Group with greater financial and strategic flexibility. The Distributions are motivated, in whole or substantial part, by one or more of these corporate business purposes.

(x) The Distribution is not being used principally as a device for the distribution of the earnings and profits of the Distributing Corporation or Controlled.

(y) Immediately after the Distribution, (i) any person that holds a 50 percent or greater interest (within the meaning of section 355(g)(3)) in any disqualified investment corporation (within the meaning of section 355(g)(2)) will have held such an interest in such corporation immediately before the transaction, or (ii) neither the Distributing Corporation nor Controlled will be a disqualified investment corporation for purposes of section 355(g).

(z) For purposes of section 355(d), immediately after the Distribution, no person (determined after applying section 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all

classes of stock of the Distributing Corporation entitled to vote, or 50 percent or more of the total value of shares of all classes of stock of the Distributing Corporation, that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of the Distribution.

(aa) For purposes of section 355(d), immediately after the Distribution, no person (determined after applying section 355(d)(7)) will hold stock possessing 50 percent or more of the total combined voting power of all classes of Controlled stock entitled to vote, or 50 percent or more of the total value of shares of all classes of Controlled stock, that was either (i) acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of the Distribution or (ii) attributable to distributions on Distributing Corporation stock that was acquired by purchase (as defined in section 355(d)(5) and (8)) during the five-year period (determined after applying section 355(d)(6)) ending on the date of the Distribution.

(bb) The External Distribution is not part of a plan or series of related transactions (within the meaning of section 1.355-7) pursuant to which one or more persons will acquire, directly or indirectly, stock representing a 50 percent or greater interest (within the meaning of section 355(d)(4)) in the Distributing Corporation or Controlled (including any predecessor or successor of any such corporation).

(cc) The total adjusted basis and the fair market value of the assets transferred to Controlled by Distributing 1 each will equal or exceed the sum of (i) any liabilities assumed (within the meaning of section 357(d)) by Controlled and (ii) the total of any money and the fair market value of any other property (within the meaning of section 361(b)) received by Distributing 1.

(dd) The liabilities (if any) to be assumed (within the meaning of section 357(d)) by Controlled in the Contribution were incurred in the ordinary course of business and are associated with the assets being transferred.

(ee) Except for the Controlled Securities, no indebtedness will exist between Distributing 1 and Controlled at the time of, or subsequent to, the Internal Distribution, except for obligations arising in the ordinary course of business or obligations arising pursuant to the Transaction Agreements.

(ff) Immediately before the Distribution, items of income, gain, loss, deduction, and credit will be taken into account as required by the applicable intercompany transaction regulations (*see* sections 1.1502-13 and 1.1502-14 as in effect before the publication of T.D. 8597, 1995-2 C.B. 147, and as currently in effect; section 1.1502-13 as published in T.D. 8597). Any

excess loss account the Distributing Corporation may have in the Controlled Stock will be included in income immediately before the Distribution to the extent required by the regulations (*see* section 1.1502-19).

(gg) Except for certain payments that will be made in connection with the Tax Matters Agreement and certain services agreements that are transitional in nature, payments made in connection with any continuing transactions between the Distributing Corporation (and its subsidiaries) and Controlled (and its subsidiaries) following the Distribution will be for fair market value based on terms and conditions arrived at by the parties bargaining at arm's length.

(hh) No property will be transferred by Distributing 1 to Controlled for which an investment credit allowed under section 46 will be (or has been) claimed.

(ii) Pursuant to the plan of reorganization, Distributing 1 will use the Controlled Cash received in the Contribution to repay existing Tranche B Debt, Notes, other existing debt, and/or to distribute to Distributing 2 for the repurchase of shares of Common Stock. Such proceeds will be held in a segregated account until they are used, as described above.

(jj) The Tranche A Debt, the Tranche B Debt, and the Notes (the Specified Exchange Debt) to be used in the Debt Exchange were not issued in anticipation of the External Distribution.

Other Representations

(kk) Unless required by law or loss of other rights, neither Distributing 1 presently, nor Controlled following the Distributions, has or will have the intent to remove the Distribution Assets prior to the end of the economic useful life of the Distribution Assets.

(ll) The Distribution Assets were designed and constructed to remain in place for the entirety of the economic useful lives of the Distribution Assets.

(mm) Asset JJ and any personal property leased as part of the Distribution Assets will not exceed v percent of the aggregate fair market value of both the real property and personal property attributable to the Distribution Assets.

(nn) In the event Controlled and Controlled Sub share office or facility space, each of Controlled and Controlled Sub will bear its proportional amount of the costs for such space through a cost-sharing arrangement.

(oo) Reimbursements for shared personnel, equipment, and space will be at cost and will be deducted or capitalized, as applicable, by the party bearing such costs under the cost-sharing arrangement; the reimbursed party under a cost-sharing arrangement will not deduct or capitalize the costs of shared personnel or space for which it receives reimbursement.

(pp) Neither Controlled nor Controlled Sub will be in the business of receiving compensation from other persons for services or use of property of the types that will be shared.

(qq) Rent attributable to any personal property leased in connection with the Distribution Assets will not exceed v percent of the total rent of both the real property and personal property included in the System.

(rr) The Distribution Assets are passive and include no machinery or equipment that produces any products or commodities.

(ss) The Distribution Assets have economic useful lives of approximately h to i years.

(tt) The Distribution Assets have never been moved to a new location and a substantial part of the Distribution Assets cannot be moved without prohibitive expense and damage to the System. Although Parties MM or parties who control a right of way occasionally require Distributing 1 to build and/or move certain Distribution Assets, this only affects approximately j percent of the System each year. Such projects typically involve installing new Distribution Assets in a new location and abandoning the old. If Parties MM so require, Distributing 1 completes removal and disposal of the old components. In rare instances, an Asset BB can be reused in a new location. Components otherwise are removed only for replacement rather than use at another location at the end of their useful life.

(uu) Controlled will be the substantive owner of the Easements, the Rights, and the Agreements.

(vv) No portion of the rent paid by Distributing 2 will be based on Distributing 2's net income or profit within the meaning of section 856(d)(2)(A).

(ww) With regard to the ESA, the employer will not deduct or capitalize the costs reimbursed by the service recipient; rather, the service recipient will deduct or capitalize those costs, as appropriate.

(xx) With regard to the SSA, neither party will deduct or capitalize any costs that are reimbursed by the other party; rather, each party will deduct or

capitalize its share of the costs, as appropriate. The reimbursement under the Cost Sharing Arrangements will be solely for the associated costs, both direct and indirect, with no mark-up. The allocation of general and administrative overhead expenses under the Cost Sharing Arrangements will be made on an equitable basis consistent with an arm's length standard. Neither Controlled nor Controlled Sub will be in the business of receiving compensation from others for services or use of property of the types that will be reimbursed under the Cost Sharing Arrangement.

Rulings

Based solely on the information submitted and the representations set forth above, we rule as follows regarding the Transactions:

The Liquidations

For purposes of Rulings 1-7 below, with respect to each Liquidation, each liquidating corporation is referred to as a "Liquidating Subsidiary," and each parent corporation of such Liquidating Subsidiary is referred to as "Parent." With respect to each of the Liquidations, we rule as follows:

(1) The Liquidation will qualify as a complete liquidation under section 332 (sections 332(b) and 1.332-2(d)).

(2) No gain or loss will be recognized by Parent on its receipt of the Liquidating Subsidiary's assets and the assumption of the Liquidating Subsidiary's liabilities (section 332(a)).

(3) No gain or loss will be recognized by the Liquidating Subsidiary on the distribution of its assets to, and the assumption of its liabilities by, its Parent (sections 336(d)(3) and 337(a)).

(4) Parent's basis in each asset received from the Liquidating Subsidiary in the Liquidation will be the same as the basis of that asset in the hands of the Liquidating Subsidiary immediately before the Liquidation (section 334(b)(1)).

(5) Parent's holding period in each asset received from the Liquidating Subsidiary in the Liquidation will include the period during which that asset was held by the Liquidating Subsidiary (section 1223(2)).

(6) Parent will succeed to and take into account as of the close of the effective date of the Liquidation the items of the Liquidating Subsidiary described in section 381(c), subject to the conditions and limitations specified in sections 381, 382, 383, and 384 and the regulations

thereunder (sections 381(a) and 1.381(a)-1)).

(7) The excess loss account, if any, of Parent with respect to the stock of the Liquidating Subsidiary will not be recognized as a result of the Liquidation.

The Contribution, Internal Distribution, and Debt Exchange

(8) The Contribution (including the receipt by Distributing 1 of the Controlled Cash and the Controlled Securities), together with the distribution of the Controlled stock in the Internal Distribution, will qualify as a reorganization within the meaning of section 368(a)(1)(D). Distributing 1 and Controlled each will be "a party to a reorganization" within the meaning of section 368(b).

(9) Provided that the Controlled Securities are transferred in the Debt Exchange and the Controlled Cash is dispensed of as described in step (xxxxx) and representation (ii) above, Distributing 1 will not recognize any gain or loss on the Contribution, including the receipt by Distributing 1 of the Controlled Stock, the Controlled Securities, the Controlled Cash, and the assumption of any liabilities (sections 361(a), 361(b) and 357(a)).

(10) Controlled will not recognize gain or loss on the Contribution (section 1032(a)).

(11) Controlled's basis in each asset received in the Contribution will be the same as the basis of that asset in the hands of Distributing 1 immediately before the Contribution (section 362(b)).

(12) Controlled's holding period in each asset received in the Contribution will include the period during which Distributing 1 held the asset (section 1223(2)).

(13) Distributing 1 will not recognize gain or loss on the distribution of its Controlled stock in the Internal Distribution (section 361(c)).

(14) Provided that the Controlled Securities are transferred in the Debt Exchange, Distributing 1 will not recognize any income, gain, loss, or deduction with respect to the transfer of the Controlled Securities solely in exchange for the Specified Exchange Debt in the Debt Exchange (section 361(c)).

(15) No gain or loss will be recognized by (and no amount will be included in the income of) Distributing 2 upon its receipt of the Controlled stock in the Internal Distribution (section 355(a)).

(16) Distributing 2's basis in the Distributing 1 Common Stock and Controlled

stock immediately after the Internal Distribution will equal its basis in its Distributing 1 Common Stock immediately before the Internal Distribution, allocated between the Distributing 1 Common Stock and the Controlled stock in proportion to the fair market value of each immediately following the Internal Distribution in accordance with section 1.358-2(a)(2)(iv) (section 358(a), (b)(2) and (c)).

(17) Distributing 2's holding period in the Controlled stock received from Distributing 1 in the Internal Distribution will include the holding period of the Distributing 1 Common Stock with respect to which the Internal Distribution is made, provided that the Distributing 1 Common Stock is held as a capital asset on the date of the Internal Distribution (section 1223(1)).

(18) Earnings and profits (if any) will be allocated between Distributing 1 and Controlled in accordance with section 312(h) and sections 1.312-10(a) and 1.1502-33(e).

(19) Except for purposes of section 355(g), any post-distribution payments made by Distributing 1 or any of its affiliates to Controlled or any of its affiliates, or vice versa, that (i) have arisen or will arise with respect to a taxable period ending on or before the date of the Internal Distribution or for a taxable period beginning on or before and ending after the date of the Internal Distribution and (ii) will not have become fixed and ascertainable until after the Internal Distribution will be treated as occurring immediately before the Internal Distribution (s*ee Arrowsmith v. Commissioner,* 344 U.S. 6 (1952); Rev. Rul. 83-73, 1983-1 C.B. 84).

The External Distribution

(20) No gain or loss will be recognized by Distributing 2 on the External Distribution (section 355(c)).

(21) No gain or loss will be recognized by (and no amount will be included in the income of) the Distributing 2 shareholders upon their receipt of the Controlled stock in the External Distribution (section 355(a)).

(22) Each Distributing 2 shareholder's basis in the Distributing 2 Common Stock and Controlled stock (including any fractional share interest in Controlled to which the shareholder may be entitled) immediately after the External Distribution will equal the basis of the Distributing 2 Common Stock that the shareholder held immediately before the External Distribution, allocated between the Distributing 2 Common Stock and the Controlled stock in proportion to the fair market value of each immediately following the External Distribution in accordance with section 1.358-

2(a)(2)(iv) (section 358(a), (b)(2) and (c)).

(23) Each Distributing 2 shareholder's holding period in the Controlled stock received in the External Distribution (including any fractional share interest in Controlled to which the shareholder may be entitled) will include the holding period of the Distributing 2 Common Stock with respect to which the External Distribution is made, provided that the shareholder holds such Distributing 2 Common Stock as a capital asset on the date of the External Distribution (section 1223(1)).

(24) Earnings and profits, if any, will be allocated between Distributing 2 and Controlled in accordance with section 312(h) and sections 1.312-10(b) and 1.1502-33(e)(3).

Other Rulings

(25) The Distribution Assets (including Assets Z, AA, BB, CC, DD, EE, FF, GG, HH, and II) will constitute "real property" for purposes of sections 856(c)(2)(C) and 856(c)(3)(A). The Easements, the Rights, and the Agreements are interests in real property and each will qualify, under section 856(c)(5)(B), as a "real estate asset," and assuming Controlled is the owner of the Easements, the Rights, and the Agreements, the amounts derived by Controlled under the agreements will be considered "rents from real property" within the meaning of section 856(d)(1).

(26) Payments received by Controlled under the Lease will be treated as "rents from real property" under section 856(d).

(27) Any amounts received by Controlled or Controlled Sub as reimbursements under a cost-sharing arrangement will not be included in the reimbursed party's gross income, including for purposes of section 856(c)(2) and (3) (to the extent Controlled is the reimbursed party). Also, the reimbursed party will not be entitled to a deduction for any expenses that are later reimbursed.

(28) All of the cash and Controlled Stock to be distributed in the Purging Distribution or Other Distributions by Controlled to holders of Controlled Stock will be treated as a distribution of property with respect to its stock to which sections 301 and 305(b) apply. Provided (a) Controlled elects to be taxed as, and qualifies as, a REIT as of the First REIT Taxable Year and (b) the Purging Distribution occurs during the First REIT Taxable Year and the Other Distributions occur thereafter, the amount of the distribution of stock shall be considered to equal the amount of cash that could have been received instead of such stock (section 1.305-1(b)(2) and 1.305-2(b),

Example (2), of the Income Tax Regulations). The Purging Distribution will not be deductible by Controlled.

Caveats

We express no opinion about the federal income tax treatment of the Transactions under other provisions of the Code and regulations or the tax treatment of any conditions existing at the time of, or effects resulting from, the Transactions that are not specifically covered by the above rulings. Rulings concerning the Purging Distribution and Other Distributions are void, and we do not express any opinion on the tax consequences of the Purging Distribution and the Other Distributions if the Purging Distribution is not completed by the end of the First REIT Taxable Year and the Other Distributions thereafter.

In particular, we express no opinion regarding:

(a) whether the Transactions (i) satisfy the business purpose requirement of section 1.355-(2)(b), (ii) are used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (*see* sections 355(a)(1)(B) and 1.355-2(d)), or (iii) are part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50 percent or greater interest in the distributing corporation or the controlled corporation (see sections 355(e) and 1.355-7);

(b) whether Controlled otherwise qualifies as a REIT under part II of subchapter M of Chapter 1 of the Code;

(c) whether any asset not listed above as part of the Distribution Assets or included in the Easements, the Rights, and the Agreements will qualify as a real estate asset;

(d) who is the owner of the Easements, the Rights, and the Agreements following their assignments, as described herein;

(e) whether Asset JJ that is a part of Distributing 1's System will qualify as real estate assets under section 856(c)(5)(B);

(f) whether any amounts paid to Controlled by Controlled Sub as rents will clearly reflect income for purposes of section 857(b)(7)(B); and

(g) the federal income tax treatment of the Merger or the transactions described in steps (xvi), (xvii), (xviii), (xxiv), (xxxii), (xxxiii), (xxxiv), and (xxxxvi).

Procedural Matters

This ruling letter is directed only to the taxpayer who requested it. Section 6110(k)(3) provides that it may not be used or cited as precedent.

A copy of this ruling letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of this ruling letter.

Under a power of attorney on file in this office, we are sending a copy of this ruling letter to your authorized representatives.

Sincerely,

_____

Filiz A. Serbes
Chief, Branch 3
Office of Associate Chief Counsel (Corporate)

EXHIBIT 26

Notification of Late Filing

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 12b-25

NOTIFICATION OF LATE FILING

(Check one): ☐ Form 10-K ☐ Form 20-F ☐ Form 11-K ☒ Form 10-Q ☐ Form 10-D
☐ Form N-CSR

For Period Ended: **March 31, 2019**

☐ Transition Report on Form 10-K
☐ Transition Report on Form 20-F
☐ Transition Report on Form 11-K
☐ Transition Report on Form 10-Q
☐ Transition Report on Form N-SAR

For the Transition Period Ended:

Read Instructions (on back page) Before Preparing Form. Please Print or Type.
Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

PART I - REGISTRANT INFORMATION

Windstream Holdings, Inc.
Full Name of Registrant

Former Name if Applicable

4001 Rodney Parham Road
Address of Principal Executive Office *(Street and Number)*

Little Rock, Arkansas 72212
City, State and Zip Code

PART II - RULES 12b-25(b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate)

☒
(a) The reason described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense;
(b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q or subject distribution report on Form 10-D, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and
(c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

PART III - NARRATIVE

State below in reasonable detail why Forms 10-K, 20-F, 11-K, 10-Q, 10-D, N-SAR, N-CSR, or the transition report or portion thereof, could not be filed within the prescribed time period.

Windstream Holdings, Inc. (the "Company") has determined it is unable to timely file its Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 (the "Quarterly Report") without unreasonable effort and expense for the reasons discussed below.

As previously disclosed, on February 25, 2019, the Company and all of its subsidiaries filed voluntary petitions for relief under Chapter 11 of Title 11 of the U.S. Code in the United States Bankruptcy Court for the Southern District of New York (the "Chapter 11 Cases"). During the pendency of the Chapter 11 Cases, the Company's management team and other financing and accounting personnel have devoted significant time and attention to materials and workflows required in connection with the Chapter 11 Cases, including proposed disclosures in the Quarterly Report. As a result, the Company is unable to complete the preparation of its financial statements and related disclosures and to have them properly certified by its principal executive and principal financial officers without unreasonable effort or expense.

Additionally, the Company is in the process of implementing Accounting Standard Update No. 2016-02, Leases ("ASC 842") and, with respect to such implementation, its assessment of the effectiveness of the Company's internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act. Implementation of ASC 842 has taken longer than anticipated due to the amount of time management and the Company's accounting and financial personnel have been required to devote to the Chapter 11 Cases during the past several months. As a result, the Company cannot finalize implementation of ASC 842 prior to the Quarterly Report filing deadline without unreasonable effort or expense.

In accordance with Rule 12b-25 of the Securities Exchange Act of 1934, the Company intends to file the Quarterly Report as soon as practicable, and in any case expects to do so no later than the fifth calendar day following the prescribed due date of the Quarterly Report.

The Company's expectation regarding the timing of the filing of the Quarterly Report is a forward-looking statement as defined in the Private Securities Litigation Reform Act of 1995, and actual events may differ from those contemplated by the statement. The statement is subject to certain risks and uncertainties, including the Company's inability to complete the work required to file its Quarterly Report in the time frame that is anticipated. Such forward-looking statements are made only as of the date of this Notification of Late Filing on Form 12b-25, and the Company does not undertake any obligation to update any forward-looking statement to reflect subsequent events or circumstances, except to the extent required by law.

PART IV - OTHER INFORMATION

(1) Name and telephone number of person to contact in regard to this notification.

Kristi M. Moody, EVP - General Counsel and Corporate Secretary	**(501)**	**748-7000**
(Name)	(Area Code)	(Telephone Number)

(2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If answer is no, identify report(s).

☒ Yes ☐ No

(3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

☒ Yes ☐ No

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

As a result of the adoption of ASC 842 and the filing of the Chapter 11 Cases discussed in Part III above, the Company will record a goodwill impairment charge of approximately $2.3 billion and reorganization expense of approximately $105 million during the first quarter of 2019. As of the date of this filing, the Company has not yet finalized all of the new leasing disclosures required under the provisions of ASC 842.

Windstream Holdings, Inc.

(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned hereunto duly authorized.

Date **May 10, 2019**

By **/s/ Kristi M. Moody**

Kristi M. Moody, EVP - General Counsel and Corporate Secretary

INSTRUCTION: The form may be signed by an executive officer of the registrant or by any other duly authorized representative. The name and title of the person signing the form shall be typed or printed beneath the signature. If the statement is signed on behalf of the registrant by an authorized representative (other than an executive officer), evidence of the representative's authority to sign on behalf of the registrant shall be filed with the form.

ATTENTION

Intentional misstatements or omissions of fact constitute Federal Criminal Violations (See 18 U.S.C. 1001).

EXHIBIT 27

2019 Q1 Windstream 10-Q

10-Q 1 a2019033110q.htm FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2019
or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Exact name of registrant as specified in its charter	State or other jurisdiction of incorporation or organization	Commission File Number	I.R.S. Employer Identification No.
Windstream Holdings, Inc.	Delaware	001-32422	46-2847717
Windstream Services, LLC	Delaware	001-36093	20-0792300

4001 Rodney Parham Road
Little Rock, Arkansas
(Address of principal executive offices)

72212
(Zip Code)

(501) 748-7000
(Registrants' telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock ($0.0001 par per share) (1)	WINMQ (1)	OTC Pink Sheets Market (1)

(1) On April 2, 2019, the NASDAQ Stock Market filed a Form 25 with the Securities and Exchange Commission to delist the common stock, par value $0.0001, per share of Windstream Holdings, Inc. (the "common stock") from the NASDAQ Global Select Market. The delisting was effective 10 days after the Form 25 was filed. The deregistration of the common stock under Section 12(b) of the Securities Exchange Act of 1934 will be effective 90 days, or such shorter period as the Securities and Exchange Commission may determine, after filing of the Form 25. Following deregistration of the common stock under Section 12(b) of the Securities Exchange Act of 1934, the common stock shall remain registered under Section 12(g) of the Securities Exchange Act of 1934. Trading of Windstream's common stock now occurs on the OTC Pink market under the symbol "WINMQ."

(DEBTOR-IN-POSSESSION)

NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Preparation of Interim Financial Statements, Continued:

There are no significant differences between the consolidated results of operations, financial condition, and cash flows of Windstream Holdings and those of Windstream Services other than for certain expenses incurred directly by Windstream Holdings principally consisting of audit, legal and board of director fees, common stock listing fees, other shareholder-related costs, income taxes, common stock activity, and payables from Windstream Services to Windstream Holdings. Earnings per share data has not been presented for Windstream Services because that entity has not issued publicly held common stock as defined in accordance with U.S. GAAP. Unless otherwise indicated, the note disclosures included herein pertain to both Windstream Holdings and Windstream Services.

Recently Adopted Accounting Standards

Leases – In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, Leases (Topic 842), as modified by subsequently issued ASU Nos. 2018-01, 2018-10, 2018-11, 2018-20 and 2019-01 (collectively "ASU 2016-02"). ASU 2016-02 requires recognition of right-of-use assets and lease liabilities on the balance sheet. Most prominent among the changes in ASU 2016-02 is the lessees' recognition of a right-of-use asset and a lease liability for operating leases. The right-of-use asset and lease liability are initially measured based on the present value of committed lease payments. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition. Expenses related to operating leases are recognized on a straight-line basis, while those related to financing leases are recognized under a front-loaded approach in which interest expense and amortization of the right-of-use asset are presented separately in the statement of operations. Similarly, lessors are required to classify leases as sales-type, finance or operating with classification affecting the pattern of income recognition. Classification for both lessees and lessors is based on an assessment of whether risks and rewards as well as substantive control have been transferred through a lease contract. ASU 2016-02 also requires qualitative and quantitative disclosures to assess the amount, timing and uncertainty of cash flows arising from leases.

On January 1, 2019, we adopted ASU 2016-02 using the modified retrospective transition method. Under the modified retrospective transition method, we recognized the cumulative effect of initial adoption as an adjustment to our opening accumulated deficit balance at the adoption date. Comparative information for prior periods has not been restated and continues to be reported in accordance with Topic 840.

We elected the practical expedients permitted under the transition guidance within ASU 2016-02 which, among other things, allowed us to carry forward the historical lease classification for capital and operating leases. We also elected the practical expedient related to land easements, allowing us to carry forward our accounting treatment for land easements on existing agreements. As a practical expedient, we elected not to recognize right-of-use assets and lease liabilities for leases with a term of 12 months or less.

Exclusive of our lease arrangement with Uniti Group, Inc. ("Uniti") described below, our existing operating lease portfolio primarily consists of fiber, colocation, real estate and equipment leases. Upon adoption of this standard, we recorded an additional lease liability of $408.4 million attributable to our operating leases based on the present value of the remaining minimum lease payments with an increase to leased assets or right-of-use assets of $382.5 million in our consolidated balance sheet. Included in the operating right-of-use assets is $6.6 million of previously recorded prepaid rent and $6.7 million in deferred rent arising from non-level rent payments. The difference between these amounts was recorded as an adjustment to our accumulated deficit.

We also recorded a cumulative effect adjustment of approximately $3.0 billion decreasing our accumulated deficit due to reassessing the accounting treatment of our arrangement with Uniti and certain of its subsidiaries. The transaction with Uniti had been accounted for as a failed spin-leaseback financing arrangement for financial reporting purposes due to prohibited continuing involvement. Under ASU 2016-02, the previous forms of prohibited continuing involvement no longer preclude the application of spin-leaseback accounting to the spin-off of assets to Uniti by Windstream Services and the lease of those assets by Windstream Holdings. As a result, we de-recognized the remaining net book value of assets transferred to Uniti of approximately $1.3 billion, recognized a right-of-use asset of approximately $3.9 billion equaling the adjusted Uniti lease liability, which decreased by $0.7 billion and recorded a deferred tax liability of approximately $0.3 billion in accordance with the standard's transition guidance as this arrangement is now accounted for as an operating lease.

1. Preparation of Interim Financial Statements, Continued:

We reassessed our accounting treatment for the December 2018 sale of certain fiber assets in Minnesota to Arvig Enterprises, Inc. accounted for as a financing transaction due to our continuing involvement. ASU 2016-02 no longer precludes partial sale recognition. As a result, we de-recognized $7.5 million net book value for the portion of the fiber assets Windstream no longer controls and the related $41.5 million financing lease obligation. The difference between these amounts was recorded as an adjustment to our accumulated deficit.

The following table presents the cumulative effect of the changes made to our consolidated balance sheet at December 31, 2018:

(Millions)	December 31, 2018	ASU 2016-02 Adjustments	January 1, 2019
Assets			
Prepaid expenses and other	$ 159.7	$ (0.7)	$ 159.0
Net property, plant and equipment	$ 4,920.9	$ (1,272.9)	$ 3,648.0
Operating lease right-of-use assets	$ —	$ 4,239.1	$ 4,239.1
Other assets	$ 94.0	$ (5.9)	$ 88.1
Liabilities			
Current portion of long-term lease obligations	$ 4,570.3	$ (4,570.3)	$ —
Current portion of operating lease obligations	$ —	$ 3,947.8	$ 3,947.8
Other current liabilities	$ 344.2	$ (15.4)	$ 328.8
Deferred income taxes	$ 104.3	$ 300.8	$ 405.1
Operating lease obligations	$ —	$ 317.2	$ 317.2
Other liabilities	$ 542.4	$ (58.8)	$ 483.6
Accumulated deficit	$ (3,205.3)	$ 3,038.3	$ (167.0)

Due in part to recording the $3.0 billion cumulative effect adjustment to equity presented above and the resulting increase in the carrying value of our reporting units, we recorded a pre-tax goodwill impairment charge of $2.3 billion in the first quarter of 2019. See Note 3 for additional information pertaining to the goodwill impairment charge.

The impact of adoption of ASU 2016-02 on our 2019 consolidated statement of operations and consolidated balance sheet are as follows:

	Three Months Ended March 31, 2019		
(Millions)	Under ASC 840	Effect of Adoption of ASU 2016-02	As reported
Costs and expenses			
Cost of services	$ 692.3	$ 168.8	$ 861.1
Selling, general and administrative	$ 198.3	$ —	$ 198.3
Depreciation and amortization	$ 354.9	$ (83.4)	$ 271.5
Interest expense	$ 205.6	$ (113.7)	$ 91.9
Income tax benefit (expense)	$ 275.9	$ (7.1)	$ 268.8
Net loss	$ (2,331.5)	$ 21.2	$ (2,310.3)

As presented in the table above, cost of services increased due to the recognition of annual straight-line rent expense attributable to the Uniti lease. The decrease in depreciation expense is from de-recognizing the remaining net book value of network assets transferred to Uniti and the decrease in interest expense is due to no longer accounting for the Uniti lease as a failed spin-leaseback financing arrangement.

EXHIBIT 28

2019 Q1 Uniti 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-36708

Uniti Group Inc.

(Exact name of registrant as specified in its charter)

Maryland	**46-5230630**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
10802 Executive Center Drive Benton Building Suite 300 Little Rock, Arkansas	**72211**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (501) 850-0820

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	UNIT	The NASDAQ Global Select Market

As of May 3, 2019, the registrant had 184,157,016 shares of common stock, $0.0001 par value per share, outstanding.

Uniti Group Inc.
Notes to the Condensed Consolidated Financial Statements – Continued
(unaudited)

operations, liquidity, financial condition and/or ability to pay dividends and service debt if Windstream were to default under the Master Lease or otherwise experiences operating or liquidity difficulties and becomes unable to generate sufficient cash to make payments to us.

Windstream is a publicly traded company and is subject to the periodic filing requirements of the Securities Exchange Act of 1934, as amended. Windstream filings can be found at www.sec.gov. Windstream filings are not incorporated by reference in this Quarterly Report on Form 10-Q.

Straight-Line Revenue Receivable—As discussed in "Recently Issued Accounting Standards" in this Note 2, we have adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") No. 2016-02, *Leases* ("ASC 842") effective January 1, 2019. This standard supersedes prior guidance regarding the evaluation of collectability of lease receivables, including straight-line revenue receivables. We have evaluated the collectability of our straight-line revenue receivable associated with the Master Lease in accordance with ASC 842, and in light of Windstream's pending bankruptcy, we concluded that the receivable should be written-off. As a result, effective January 1, 2019, the Master Lease will be accounted for on a cash basis in accordance with ASC 842, until a time at which there is more certainty regarding Windstream's decision to assume or reject the Master Lease. We have reflected the write off as a $61.5 million adjustment to equity resulting from a change in accounting standard.

Reclassifications—Certain prior year asset categories and related amounts in Note 8 have been reclassified to conform with current year presentation.

Recently Issued Accounting Standards

Leases—Effective January 1, 2019, we account for leases in accordance with ASC 842. The standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is comprised of amortization on the right-of-use asset ("ROU") and interest expense recognized based on an effective interest method, or as a single lease cost recognized on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. The accounting for lessors remains largely unchanged. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today.

We determine if an arrangement is a lease at contract inception. A lease exists when a contract conveys to the customer the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The definition of a lease embodies two conditions: (i) there is an identified asset in the contract that is land or a depreciable asset (i.e., property, plant, and equipment), and (ii) the customer has the right to control the use of the identified asset.

We enter into lease contracts including ground, towers, equipment, office, colocation and fiber lease arrangements, in which we are the lessee, and service contracts that may include embedded leases. Operating leases where we are the lessor are included in Leasing, Fiber Infrastructure and Tower revenues on our Condensed Consolidated Statements of Income.

From time to time we enter into direct financing lease arrangements that include (i) a lessee obligation to purchase the leased equipment at the end of the lease term, (ii) a bargain purchase option, (iii) a lease term having a duration that is for the major part of the remaining economic life of the leased equipment or (iv) provides for minimum lease payments with a present value amounting to substantially all of the fair value of the leased asset at the date of lease inception.

ROU assets and lease liabilities related to operating leases where we are the lessee are included in other assets and accounts payable, accrued expenses and other liabilities, respectively, on our Condensed Consolidated Balance Sheets. The lease liabilities are initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date.

ROU assets and lease liabilities related to finance leases where we are the lessee are included in property, plant and equipment, net and finance lease obligations, respectively, on our Condensed Consolidated Balance Sheets. The lease liabilities are initially measured in the same manner as operating leases and are subsequently measured at amortized cost using the effective interest method. ROU assets for finance leases are amortized on a straight-line basis over the remaining lease term.

EXHIBIT 29

May 2015 Press Release

Windstream reports first-quarter 2019 results

Delivered strongest quarterly broadband growth since 2011
Continued strong growth in Enterprise strategic sales
Company examining all options regarding Uniti master lease agreement

Release date: May 15, 2019

LITTLE ROCK, Ark. – Windstream Holdings, Inc., a leading provider of advanced network communications and technology solutions, today reported first-quarter results.

Windstream grew its Kinetic broadband customer base for the fourth consecutive quarter, adding 11,400 new subscribers, representing the strongest quarterly broadband growth since 2011.

Enterprise strategic sales continued to accelerate, representing more than 55 percent of total Enterprise sales during the first quarter. Sales of strategic products and services, including SD-WAN, UCaaS and OfficeSuiteUC®, now represent an annualized run-rate of $250 million in revenue and are growing at 44 percent year-over-year.

"Windstream began the year with another solid quarter, demonstrating the company's continued momentum in the marketplaces we serve," said Tony Thomas, president and chief executive officer of Windstream.

"We stand alone among major U.S. telecom service providers with 14 consecutive months of consumer broadband subscriber growth through April, as well as our strongest quarterly broadband growth since 2011. We were pleased to deliver sequential revenue and ARPU growth in our consumer business as a result," Thomas said. "We also continued to see strong customer adoption of our Enterprise strategic products and services and remain the largest SD-WAN service provider in the country."

Results under GAAP

Total revenues and sales were $1.32 billion, a decrease of 9 percent from the same period a year ago, and total service revenues were $1.30 billion, a decrease of 9 percent year-over-year. GAAP revenue comparisons are

impacted by the sale of the Consumer CLEC business completed on Dec. 31, 2018.

The company reported an operating loss of $2.4 billion compared to $69 million of operating income in the same period a year ago. The company reported a net loss of $2.3 billion, or a loss of $54.26 per share, compared to a net loss of $121 million, or a loss of $3.25 per share, a year ago.

Note: GAAP results include a $2.3 billion non-cash goodwill impairment charge in the first quarter related to Windstream's Consumer & Small Business, Enterprise and Wholesale segments primarily attributable to the effects of the adoption of ASC 842, the new lease accounting standard of the Financial Accounting Standards Board (FASB) and the filing of the Chapter 11 reorganization cases.

Consumer & Small Business service revenues were $454 million, a decrease of 4 percent from the same period a year ago, and segment income was $272 million compared to $282 million year-over-year.

Enterprise service revenues were $680 million, a 7 percent decrease from the same period a year ago, and segment income was $153 million compared to $146 million year-over-year.

Wholesale service revenues were $169 million, an 8 percent decrease from the same period a year ago, and segment income was $114 million compared to $128 million year-over-year.

Adjusted Results of Operations

Adjusted total revenues and sales were $1.32 billion compared to $1.41 billion in the same period a year ago. Adjusted total service revenues were $1.30 billion compared to $1.39 billion year-over-year.

Adjusted OIBDAR was $447 million compared to $462 million in the same period a year ago, a decline of 3 percent year-over-year.

Adjusted capital expenditures were $193 million compared to $208 million in the same period a year ago.

Note: Adjusted OIBDAR is Adjusted OIBDA before the annual cash rent payment due under the master lease agreement with Uniti. Adjusted OIBDA is operating

income (loss) before depreciation and amortization and goodwill impairment, excluding rent expense under the master lease agreement with Uniti, pension expense, share-based compensation expense, restructuring charges, merger, integration and certain other costs. Adjusted capital expenditures excludes post-merger integration capital expenditures for Broadview Network Holdings, Inc. and EarthLink Holdings Corp. Adjusted OIBDAR and Adjusted OIBDA also exclude the operating results of the sold Consumer CLEC business.

Chapter 11 Reorganization Update

On Feb. 25, 2019, Windstream Holdings and all of its subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York. The company intends to use the court-supervised process to address obligations accelerated as a result of an adverse litigation decision issued on Feb. 15, 2019, by Judge Jesse Furman in the U.S. District Court of the Southern District of New York.

The company received court approval in April to access $1 billion in recently arranged financing. Fitch and Moody's, two leading credit rating agencies, have assigned investment grade ratings to the financing transaction. This new financing combined with cash generated by the company's ongoing operations will be available to ensure the company continues operating as usual while it works with creditors to negotiate a mutually agreeable resolution.

The company is evaluating all options as part of the Chapter 11 reorganization process regarding the master lease with Uniti Group, Inc., including renegotiation, recharacterization and rejection of the agreement.

"We believe the lease payment under the master lease is significantly above market. In fact, given the prescriptive valuation process outlined in the lease, we estimate payment could be reduced by 80 percent or more if the lease were to be renewed in 2030 because of the significant decline in the value of copper facilities, which comprised 54 percent of the initial value of the lease in 2015," Thomas said.

"Overall we are pleased with the progress of the Chapter 11 reorganization process. Windstream intends to move through the court-supervised process as quickly and efficiently as possible and will emerge a healthier and stronger company," Thomas said.

2019 Financial Plan

Windstream expects the 2019 Adjusted OIBDAR decline to improve versus the 5 percent decline in 2018 on a pro-forma basis. The improvement will be driven largely by an approximate 100 basis-point increase in its consolidated Adjusted OIBDAR margin, driven by strong improvement of more than 8 percent in cash expenses.

The company expects consumer broadband growth of approximately 30,000 subscribers. The company also expects Kinetic consumer revenue trends to improve year-over-year, driven by improved broadband ARPU and subscriber trends.

The company expects to drive growth in Enterprise strategic revenues by approximately 30 percent in 2019, as SD-WAN and UCaaS sales continue to accelerate. Enterprise contribution margin dollars are expected to increase by approximately 2 percent year-over-year.

Management Webcast

Management has provided pre-recorded remarks on the company's results via webcast on the company's investor relations website at investor.windstream.com. Financial, statistical and other information related to the remarks also are posted on the site.

About Windstream

Windstream Holdings, Inc., a FORTUNE 500 company, is a leading provider of advanced network communications and technology solutions. Windstream provides data networking, core transport, security, unified communications and managed services to mid-market, enterprise and wholesale customers across the U.S. The company also offers broadband, entertainment and security services for consumers and small and medium-sized businesses primarily in rural areas in 18 states. Services are delivered over multiple network platforms including a nationwide IP network, our proprietary cloud core architecture and on a local and long-haul fiber network spanning approximately 150,000 miles. Additional information is available at windstream.com or windstreamenterprise.com. Please visit our newsroom at news.windstream.com or follow us on Twitter at @Windstream or @WindstreamBiz.

Cautionary Statement Regarding Forward Looking Statements

Windstream claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for this press release. This release contains various forward-looking statements which represent our expectations or beliefs concerning future events, including, without limitation, our future performance, our ability to comply with the covenant in the agreements governing our indebtedness and the availability of capital and terms thereof. Statements expressing expectations and projections with respect to future matters are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We caution that these forward-looking statements involve a number of risks and uncertainties and are subject to many variables which could impact our future performance. These statements are made on the basis of management's views, estimates, projections, beliefs, and assumptions, as of the time the statements are made, regarding future events and results. There can be no assurance, however, that management's expectations will necessarily come to pass. Actual future events and our results may differ materially from those expressed in these forward-looking statements as a result of a number of important factors.

A wide range of factors could cause actual results to differ materially from those contemplated in our forward- looking statements, including, but not limited to:

- risks and uncertainties relating to the Chapter 11 Cases, including completion of the Chapter 11 Cases;
- our ability to pursue our business strategies during the pendency of the Chapter 11 Cases;
- our ability to generate sufficient cash to fund our operations during the pendency of the Chapter 11 Cases;
- our ability to propose and implement a business plan;
- the diversion of management's attention as a result of the Chapter 11 Cases;
- increased levels of employee attrition as a result of the Chapter 11 Cases;

- our ability to obtain Bankruptcy Court approval with respect to our motions filed in our Chapter 11 Cases from time to time;

- our ability to continue as a going concern;

- volatility of our financial results as a result of the Chapter 11 Cases;

- the conditions to which our debtor-in-possession financing is subject to and the risk that these conditions may not be satisfied for various reasons, including for reasons outside of our control;

- our ability to obtain confirmation of a Chapter 11 plan of reorganization and the effective date of any confirmed plan;

- the impact of a protracted restructuring on our business;

- the impact of any challenge by creditors or other parties to previously completed transactions;

- risks associated with third-party motions in the Chapter 11 Cases;

- the potential adverse effects of the Chapter 11 Cases on our liquidity or results of operations and increased legal and other professional costs necessary to execute our reorganization;

- trading price and volatility of our common stock, including the stock trading on the OTC Pink Sheets as maintained by the OTC Market Group, Inc.;

- our substantial debt could adversely affect our cash flow and impair our ability to raise additional capital on favorable terms;

- the cost savings and expected synergies from the mergers with EarthLink and Broadview may not be fully realized or may take longer to realize than expected;

- the integration of Windstream and EarthLink and Broadview may not be successful, may cause disruption in relationships with customers, vendors and suppliers and may divert attention of management and key personnel;

- the potential for incumbent carriers to impose monetary penalties for failure to meet specific volume and term commitments under their special access pricing and tariff plans, which Windstream uses to lease last-mile connections to serve its retail business data service customers, without FCC action;

- the impact of the FCC's comprehensive business data services reforms that were confirmed by an appellate court, which may result in greater capital investments and customer and revenue churn because of possible price increases by our ILEC suppliers for certain services we use to serve customer locations where we do not have facilities;

- the impact of new, emerging or competing technologies and our ability to utilize these technologies to provide services to our customers;

- unanticipated increases or other changes in our future cash requirements, whether caused by unanticipated increases in capital expenditures, increases in pension funding requirements, or otherwise;

- for certain operations where we utilize facilities owned by other carriers, adverse effects on the availability, quality of service, price of facilities and services provided by other carriers on which our services depend;

- our election to accept statewide offers under the FCC's Connect America Fund, Phase II, and the impact of such election on our future receipt of federal universal service funds and capital expenditures, and any return of support received pursuant to the program or future versions of the program implemented by the FCC;

- our ability to make rent payments under the master lease to Uniti, which may be affected by results of operations, changes in our cash requirements, cash tax payment obligations, or overall financial position;

- adverse changes in economic conditions in the markets served by us;

- the extent, timing and overall effects of competition in the communications business;

- unfavorable rulings by state public service commissions in current and further proceedings regarding universal service funds, inter-carrier compensation or other matters that could reduce revenues or increase expenses;

- material changes in the communications industry that could adversely affect vendor relationships with equipment and network suppliers and customer relationships with wholesale customers;

- earnings on pension plan investments significantly below our expected long term rate of return for plan assets or a significant change in the discount rate or other actuarial assumptions;

- unfavorable results of litigation or intellectual property infringement claims asserted against us;

- the risks associated with noncompliance by us with regulations or statutes applicable to government programs under which we receive material amounts of end-user revenue and government subsidies, or noncompliance by us, our partners, or our subcontractors with any terms of our government contracts;

- the effects of federal and state legislation, and rules and regulations, and changes thereto, governing the communications industry;

- loss of consumer households served;

- the impact of equipment failure, natural disasters or terrorist acts;

- the effects of work stoppages by our employees or employees of other communications companies on whom we rely for service; and

- other risks and uncertainties referenced from time to time in Windstream's Annual Report on Form 10-K, including those additional factors under "Risk Factors" in Item 1A of Part 1, and in other filings of ours with the SEC at www.sec.gov or not currently known to us or that we do not currently deem to be material.

In addition to these factors, actual future performance, outcomes and results may differ materially because of more general factors including, among others,

general industry and market conditions and growth rates, economic conditions, and governmental and public policy changes.

Windstream undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause Windstream's actual results to differ materially from those contemplated in the forward-looking statements should be considered in connection with information regarding risks and uncertainties that may affect Windstream's future results included in other filings with the Securities and Exchange Commission at www.sec.gov.

-end-

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Chris King, 704-319-1025
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EXHIBIT 30

Services' Proposed Findings of Fact and Conclusions of Law

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

U.S. BANK NATIONAL ASSOCIATION, solely in its capacity as indenture trustee of Windstream Services, LLC's 6 3/8% Senior Notes due 2023, Plaintiff and Counterclaim-Defendant, v. WINDSTREAM SERVICES, LLC, Defendant, Counterclaim-Plaintiff, and Counterclaim-Defendant v. AURELIUS CAPITAL MASTER, LTD. Counterclaim-Defendant and Counterclaim-Plaintiff.	Case No.: 17-CV-7857 (JMF)

WINDSTREAM SERVICES, LLC'S CORRECTED PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

Services and its various stakeholders, for over two years following the execution of the 2015 Transaction, no holder or beneficial owner of Services' notes ever suggested to Services that the 2015 Transaction violated the Indenture or any of Services' other debt instruments. (Fletcher Direct ¶ 49)

B. The Master Lease

21. Also in connection with the 2015 Transaction, Holdings entered into a master lease dated as of April 24, 2015 ("Master Lease") with certain of Uniti's subsidiaries, in which Holdings has the exclusive right, as tenant, to use the Transferred Assets for an initial period of fifteen years with up to four, five-year renewal options. (WIN Ex. 2 (Master Lease).)

22. Services is not a signatory to the Master Lease and has no obligation to make any payments or to perform any obligations under Master Lease, including no obligation to fund Holdings' lease payments under the Master Lease. (Fletcher Direct ¶ 38.)

23. The Master Lease requires Holdings to make lease payments totaling approximately $650 million per year (with occasional inflation adjustments), as well as to pay all property taxes, insurance, and repair or maintenance costs associated with the Transferred Assets. (WIN Ex. 2 (Master Lease) Article 2.1, Article 4.1, Article 9.1.)

24. Under the Master Lease, the Transferor Subsidiaries are able to use and occupy the Transferred Assets as express beneficiaries. (WIN Ex. 2 (Master Lease) Article 6.2, Article 7.2, Article 22.3.) Holdings, as tenant under the Master Lease, expressly reserved the right of the Transferor Subsidiaries to use the Transferred Assets. (Fletcher Direct ¶ 41; WIN Ex. 2 (Master Lease) Article 6.2, Article 7.2, Article 22.3.) As express beneficiaries, the Transferor Subsidiaries have the right to enter into agreements, such as assignment and collocation agreements, with third parties concerning the Transferred Assets. (Fletcher Direct ¶ 42; WIN Ex. 2 (Master Lease) Article 6.2, Article 7.2, Article 22.3.) Additionally, if there was an existing

EXHIBIT 31

May 2019 Uniti Earnings Presentation

2019-05-15 03:28:01

Reorg

Uniti Group Inc.
Edited Transcript of UNIT presentation 14-May-19 6:00pm GMT

Tue 05/14/2019 18:00

Event Type: Conference Presentation

Event Title: Uniti Group Inc at JPMorgan Global Technology, Media and Communications Conference

City: Boston

Story Type: transcript

Ticker: UNIT

Uniti Group Inc at JPMorgan Global Technology, Media and Communications Conference

Boston May 14, 2019 (Thomson StreetEvents) -- Edited Transcript of Uniti Group Inc presentation Tuesday, May 14, 2019 at 6:00:00pm GMT

TEXT version of Transcript

Corporate Participants

- Bill DiTullio, **Uniti Group Inc.** - *Director of Finance & IR*
- Mark A. Wallace, **Uniti Group Inc.** - *Executive VP, CFO & Treasurer*
- Ronald J. Mudry, **Uniti Group Inc.** - *Chief Revenue Officer & Senior VP*

Conference Call Participants

- Philip A. Cusick, **JP Morgan Chase & Co, Research Division** - *MD and Senior Analyst*

Presentation

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. My name is Phil Cusick. Thanks for joining us. I cover the communications and infrastructure space here at JPMorgan. I want to introduce Mark Wallace, the CFO of Uniti Group and Treasurer of Uniti Group; Ron Mudry, the Chief Revenue Officer on the end; and Bill DiTullio, Director of Finance and Investor Relations. Mark, Ron and Bill, thanks for joining us.

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Phil, thanks for having us again this year.

Questions and Answers

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Let's start by talking for a few minutes about your relationship with Windstream. Just talk to us about how much of Uniti's cash flow is being generated on Windstream's leased asset. So let's just start in -- with the heavy piece.

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Sure. Today, Windstream represents about 6[illegible]% of our revenues. It represents about -- or they represent about 84% of our adjusted EBITDA. And so they continue to be a very important customer, expect them to be an important customer and important tenant, continuing on post-emergence from bankruptcy. Clearly, we're looking for the -- on the bankruptcy process, we think it's in everyone's interest for the bankruptcy process to proceed expeditiously and for it to come to a resolution as soon as possible. And that's what we're focused on navigating the bankruptcy process this year with Windstream. And then secondly, also, making sure that all our business units continue to perform. So Uniti Leasing, Uniti Fiber and Uniti Towers as well.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. Let's dig a little further into that. Windstream has put more than $600 million of capital into that network since the deal. What's the latest mix of fiber and copper, sort of, value in the agreement?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Yes. So if anybody doesn't know what Phil is referring to, so when Windstream overbuilds our copper network with fiber, which they did to improve the network, then we -- then those new fiber assets become our property, so also referred to as TCIs, or tenant capital improvements. Since our spinoff roughly 4 years ago, they've invested about $640 million in overbuilding the copper network. And so the mix within the -- we don't really break out when they overbuild, we don't really break out the components or what the values are, or we don't disaggregate the $640 million. Overall, though, the Windstream network in and of itself represents about 67,000 route miles. It represents over 3 million strand miles of network, and most of that is probably going to be last mile in metro network.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. And can you give us an example of a mutually beneficial change to your Windstream relationship that you would consider? You've talked about exploring or being open to options that would be mutually beneficial.

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Sure. So what we've talked about in the Windstream bankruptcy process is that we would be open to mutually beneficial transactions regarding the lease and, frankly, some other assets as well, but let me just stay with the lease. So when we talk about mutually beneficial transactions regarding the lease, what we generally are referring to is things where the -- one example would be where Windstream leases fiber strands from us that they currently don't generate any revenue on or any substantial amount of revenue on. So they do have assets that are unproductive, I'd refer to them as unproductive fiber strands that they lease from us that they currently pay rent on. So one example would be -- and we believe that if those strands -- if we reacquired those leasehold rights from Windstream on some of those fiber strands that we could release into third-party customers and derive revenue. So in other words, that would be, if we could structure a transaction that was like that with Windstream, I'd -- we'd characterize that as mutually beneficial, meaning that Windstream would be compensated by us for the release of leasehold rights that they currently have on those strands. We would then take those unproductive strands -- so they wouldn't be getting -- giving up any significant amount of EBITDA. We would then take those strands and then lease them to a third-party so we would achieve at least leverage neutral from an EBITDA standpoint and have actual upside from those strands as we lease them up over time, and then we would also achieve some amount of revenue diversification as well. So that's an example of the type of transaction that we think would be beneficial to both parties.

Now in terms of compensating Windstream for those leasehold rights and with the -- then there's multiple ways that we could compensate them. We could compensate them for relinquishing leasehold rates either by reducing the rent proportionally to the amount of assets or leasehold rights that we take back. You could also compensate them by keeping the lease payments exactly the same as they are today and paying cash for them upfront. So getting -- providing Windstream some additional liquidity today as well.

So those are a couple of constructs. There's a lot of different variations on that example that I could walk through. But another one would be to the extent that Windstream may have assets or businesses that we would be interested in acquiring just outright and in addition to anything that we do around the lease itself, so that would be another construct as well.

So these things -- there are a number of different things that we've thought through. There's a lot of different permutations to different examples that I could give, but our goal here is to try to work with Windstream to be -- to reach things that are mutually beneficial to both parties.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. Could you act as an agent today to sell some strands of -- or capacity to customers who are interested? So customers that you know in your own business who might be interested in those assets and you sort of pass that on to Windstream?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Yes. Sure. And Ron Mudry, who runs our Uniti Leasing business and is our Chief Revenue Officer, is here with me, so I'll let him comment as well about just the demand that we see for that. But certainly, as we interact with our customers, in many cases, we'll know if Windstream has assets in a particular market. And to the extent that we can be helpful, not with any -- not because of any marketing agreement that we have in place with them because we don't really have anything for us with Windstream, but just to be helpful as a landlord to the extent that we know of things and know that there's a need by a customer in a market where Windstream has available fibers strands, then yes, we'll be more than happy to bring that to Windstream's attention. Ron?

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. I'll let -- let me let Ron comment on that as well.

Ronald J. Mudry, Uniti Group Inc. - Chief Revenue Officer & Senior VP

Yes. So we think that the strands that are not being utilized fully by Windstream could be very valuable in the market. A lot of demand from customers. We, obviously, aren't out there marketing them actively right now because they are on lease to Windstream. But we have talked with some customers about it and talked with Windstream as well, and we see high demand. And one of the unique things that I see out there is the opportunity to combine fibers that we're leasing to Windstream that aren't being used with other fibers that we own or have available to us or even some new build that we would do to supplement those. And by bringing together those different networks, we can solve different solutions than either company can do on their own. So it's a real benefit to bringing that together, I think.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

That's a good bridge to your opco, sort of, propco structure for Uniti. Can you just expand on that, Ron, and talk about what competitive advantages you have over other types of companies?

Ronald J. Mudry, Uniti Group Inc. - Chief Revenue Officer & Senior VP

In -- with respect to the opco/propco? Or...

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

And the potential that you can create this and why you're able to do it attractively?

Ronald J. Mudry, Uniti Group Inc. - Chief Revenue Officer & Senior VP

Yes. We think the opco/propco structure that we recently announced in the Bluebird acquisition with Macquarie is very interesting because it allows us as a REIT to own the fiber, be the property company and lease that to the operating company, which in the case of Bluebird is owned by Macquarie. And from our perspective, it's a perfect alignment because we want to own those assets, lease them into that operating entity, have a very certain return under the lease, although there is an element to that, that it converts to a partial variable rent later on where we can participate in the revenue. So we still have upside, and we're aligned with them to provide growth capital into that market, provide sales leads into that market. Even though the operating company is being run by Macquarie, we're completely aligned with them as both a capital partner and a partner that wants to drive revenue.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

What does interest look like from other sort of Bluebird like companies? Is there pipeline of these coming, Mark?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Yes. So I'm -- I have a great degree of confidence that we'll do more opco/propco structures in the future. Ever since we did the one with Macquarie, we've had a lot of inbound inquiries regarding those types of structures. And they're -- to Ron's point, they're very flexible structures. I mean they have a lot of attractive element both to us, but they have a lot of attractive elements to the operating partner as well. So again, the lease structures that we've put in place, they're very long-term financing arrangements. So in many cases, with renewals, they can go 40, 50 years with renewal options that we can build into the lease. So the partner has a -- so the opco partner has a long-term financing partner. They have certainty of the financing costs over time. In many cases, they can get higher leverage than what they could otherwise. In most of these cases, we also have -- they're also looking to have us as a capital partner. So as they expand and add onto the network, we have the option to fund CapEx into their business and help them grow their network. And then, as Ron said, we both enjoy kind of a -- we can structure in a variable rate competent as well. So as they grow their business, so as we've -- as they grow their business, we help fund the business, and then we also share -- have an increasing share of their revenue stream as well. So there's a lot of good features in these transactions for both parties.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

What was it about Macquarie that made them the best partner for this?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

So Macquarie is a, I'd say, they're -- one, they're a very sophisticated, well-respected player in

the infrastructure space. And so it was a business model that they were familiar with. In terms of as a business model opco/propco, sometimes referred to as a concessionary model, but often used in toll roads, airports, other types of infrastructure, and they were familiar with that model. And look, I mean, Macquarie has been -- in hindsight, we couldn't have picked a better partner. They've been great to deal with from a negotiating standpoint. They obviously -- I think they'll be a great long-term partner with us. They, obviously, want to do additional bolt-on acquisitions. You saw us also provide them also do -- take our Midwest assets as well as part of that transaction and include it with not just Bluebird but also doing an opco/propco on existing assets. And so I just think they've been a great partner all the way around.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

As more Bluebirds come along, does it make sense to open it up and look at every possible partner again? Or does the bigger Macquarie gets with you, the more sense it makes just to stick with them?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

I think it really depends on -- I mean there's going to be transactions that Macquarie may or may not be interested in. There'll be transactions that are priced differently that may or may not meet their return thresholds and they may not be in their markets. So, for example, as you know, in the Uniti Fiber business, we have a concentration in the Southeast market, and that's where we want to continue to do bolt-on acquisitions. So I think it really depends on kind of where they want to take their business in the -- where they want to take their fiber business. And so I think it will probably naturally shake out as to whether or not we continue to do all of our transactions with Macquarie or do other transactions with other parties.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. You've said you expect to deploy more capital into Uniti Leasing than other business units. What is your available capital today? And what sources do you have?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Yes. So I'd say we have a lot of different sources of capital. I think capital is very plentiful in terms of availability. The question for us right now given the Windstream bankruptcy proceeding, it's not a question of capital. We have offers for -- to provide capitals routinely. The real question is pricing and terms. And so with the cost of capital and the public markets being elevated right now, then we've chosen to kind of go slow on larger transactions. You've seen us do some smaller transaction. And look, we announced 1 that I'll let Ron talk about here in a few minutes recently on our call. But it's really, as long as our cost of capital remains elevated, we'll go relatively -- be relatively conservative on doing larger transactions on M&A front. What we're really focusing right now on is investing in our current businesses. So we'll spend, let's say, roughly $125 million of capital -- organic capital investments into our Uniti Fiber business this year to complete a lot of the dark fiber and small cell projects that we're building out, and then we will spend $60 million to $70 million this year in the Uniti Towers business to continue to complete approximately 200 tower builds this year.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Ron, you want to talk about that?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

I think you also can talk about the acquisition that we made in...

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

SFN?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Yes.

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

Yes. So I can talk about SFN. So SFN -- in the first quarter, we announced that we did the SFN transaction, and well, SFN is a small, local, regional fiber internet provider in Southeast Georgia. We acquired them for $6 million into a 20-year master lease, triple net master lease with them that will pay us annual rent of about $570,000 per year with an escalator of 2% -- annual escalator of 2%. So their network is not that large but, obviously, there are strands that we will retain for our own use that we can probably -- we will most likely use on Uniti Fiber side to maybe sell with services to enterprise wholesale customers as well. So even though it was a smaller transaction, it was one that we were able to execute on. It's immediately accretive, had an initial cash yield of 9.5%. So again, these are the types of deals that we can kind of do in the meantime with the Windstream overhang.

Ronald J. Mudry, Uniti Group Inc. - Chief Revenue Officer & Senior VP

And I'll just add that the opco/propco structure we were talking about a minute ago is just a different way of structuring something that could include a sale leaseback, like we did in this transaction. So there's a lot of different entities that we can partner with in different parts to -- of the country to use that structure as well.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. I want to open it up to the audience and take any questions before I move on to the -- from the leasing segment. Anything you guys want to hit?

There's one up here.

Unidentified Analyst,

So just in the midstream negotiations, who is leading it from their side? Is it Elliot? I mean who's -- because it's a bit difference if it's their management team who are their debtholders. And...

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Right. So in terms of the bankruptcy process, as I understand it, so Windstream has the exclusive right to put forth a plan of reorganization, and I believe that is their right up until the -- near the end of June. And then they can get, I believe, it's a 60-day extension on that. So I'd say it's really Windstream right now that is in the -- it's -- they're really driving the process right now. From

our standpoint, what we've tried to do is to try to -- remember when I said earlier that I think it's in everybody's interest to make the processes as expeditious as possible, what we've tried to do is we certainly have entertained and initiated discussions with Windstream's advisors, Windstream's legal counsel and between our advisors and our counsel. And so we tried to make sure that Windstream knows that, and frankly a lot of the investment community, to let them know that we're willing to engage in discussions when the other parties are ready as well. And we've also tried to be -- both communicated to Windstream's advisors as well as try to communicate to the investment community what we think some of these mutually beneficial transactions are that we're interested in having more discussions with them about.

Unidentified Analyst,

So there's been no -- we're just going to reject the lease and have fun?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

No. Haven't heard anything about that and don't expect to.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Does the alignment of some of your biggest equityholders and their creditors sort of make you hopeful that this all gets done pretty quickly?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Yes. I mean we're actually pretty optimistic about the process. The bankruptcy process so far has played out pretty much as we expected. And so, look, I mean, we're not -- make no -- I won't be surprised that there's a few twists and turns that we didn't anticipate. But so far, I think we're pretty optimistic. I think there is a recognition that the Windstream network that we leased to them is mission-critical, so that's good to -- that everybody has that understanding, which we've always have said that it's mission-critical to their operations. And as I've -- as we've talked to even investors and even this morning, I think there's a recognition more and more that it's in everybody's interest to proceed through the bankruptcy process as quickly as possible.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

If this was cleaned up tomorrow, is there a series of deals you have sort of lined up and ready to go?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Sure. Look, I think the -- I think once Windstream emerges in kind of the base cases, the lease either gets assumed as is or gets consensually renegotiated on good terms for both parties. I think we're pretty optimistic again about how that plays out in terms of Uniti's long-term success here. And by that, what I mean is that expecting Windstream to come -- to emerge from bankruptcy lower leveraged and there -- and also -- and therefore, a better credit profile, I think that's going to enhance the cost of capital for Uniti Group significantly. The rick that we always have of Windstream intervening into financial distress ever since we were spun off for 4 years ago, that would have been alleviated because Windstream would have just emerged from the bankruptcy process.

And then there's other things happening in our business as well. So the capital intensity, as we've

said, in the Uniti Fiber business will start to come down going into 2020 as we finish up some of our capital investment projects. We'll start to be able to take those projects as they come to fruition and then lease them up. In the Uniti Leasing business, leasing up large dark fiber projects have the incremental margin on every lease-up -- on every dollar of lease-up is 80% to 90%. There's a tremendous amount. So we can kind of move from the investment phase into the realization phase and get the yield up on those assets, which will be favorable. And then as I said, I'm very confident that we'll do more opco/propco and that we'll continue to invest essential amount of capital into the Uniti Leasing business, which has continued to develop a very strong pipeline and I think will have an even stronger pipeline by the time Windstream emerges. So I think coming out of -- so just to continue on that theme, I think also kind of our base case would be, all that said, is I think a lot of things will happen within Uniti Group that will make Uniti financial profile much stronger than it has been historically. And I think that we'll be -- expect us to target both a stronger, probably more conservative dividend payout ratio. We'll target a dividend that can grow as our FFO -- as our AFFO grows over time, and we'll be targeting a better corporate credit rating as well.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. Flag me if you have a question, otherwise, I want to move on. And you were starting to talk about the other part of the business, let's go there. And what are the synergies of having fiber towers and leasing all under 1 roof? Is it sort of -- do they cooperate and add value to each other?

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

Yes. I'll start and let Ron jump in if he wants. But yes, we view our Fiber and our Towers and Leasing business as being very complementary. We believe by offering a full suite of offerings and services uniquely positions us to be a complete infrastructure provider, and we have potential to unlock significant value for our company and our stockholders. Obviously, there are synergies between owning all the businesses. So for instance, with a wireless carrier, not only can we sell them fiber for dark fiber to the tower or small cell or build towers for them, but we can also potentially lease them long haul routes if they want to. And in fact, we've already started to do this, and we believe this will be able to further potentially do that in the future with more wireless customers. So obviously, building fiber to our towers is of great strategic importance to us because it provides our customer with a complete set of services that we -- that they can go to 1 company for and believe it creates a stickier customer and a much longer-term relationship.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

And as you think about the capital return profile from the 3 different types of assets, how do they line up?

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

Yes. So starting with our fiber business, so primarily, the build-outs that we're doing right now are dark fiber and small cell projects. So currently, we have 7 large dark fiber projects, 7 small cell projects under development. All but 3 of those should be complete by the end of this year with the remainder complete by mid-next year, I'd say. So a lot of our net success-based CapEx is going towards those projects today. And with that anchor tenant in mind, again, we don't do any build on a spec basis, it's always with an anchor tenant secured, we target initial cash yields of 5% to 7% on those. And again, those incremental margins from dark fiber and small cell are about the 85% range, so very high incremental margins coming online.

Ronald J. Mudry, Uniti Group Inc. - Chief Revenue Officer & Senior VP

Yes. The only thing I'll add to that as those dark fiber projects come online and they're in our main operating territory in the Southeast, in addition to selling additional wireless carriers on them, we can light -- for dark fiber, we can light those networks and sell enterprises and schools and things like that. So those are incremental lease-up they have in a lot of small transactions as opposed to the big second tenant that comes on as a second tenant on the entire network that you built for the anchor. So all of those help to add to our profile.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

What do those markets or areas of those markets look like where you're building fiber and small cells?

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

So primarily, we're building, we operate in tier 2 and tier 3 markets. We don't operate mostly in the tier 1 larger type cities but rural, suburban type of areas. And a lot of those builds that we're doing today are in the Southeast where we have the most dense owned fiber and we have a large contiguous network. A lot of these transaction -- a lot of these projects that we're working on came when we did the PEG, the Tower Cloud and the Southern Light transactions who are inherited. So obviously, doing 14 projects at once and completing them, it takes time, and it can be challenging at times as well. I think going forward, we talked about our capital intensity coming down from where it is today to probably around 42% by the end of this year as a percentage of Uniti Fiber's revenue, and then thereafter, reaching 30 -- mid-30% range. But that would be a factor of these projects wrapping up. We will continue to do dark fiber and small cell build-outs but probably not at the rate that we're doing today. We'll have a better -- since we inherit a lot of these projects, we will set the cadence better going forward and not do so many projects at once. But most of that lease-up, to Ron's point, will come from additional enterprise, wholesale and E-Rate government opportunities. And really, that's going to -- with that lease-up coming online for these projects that we're competing, that's when the initial yields go from that 5% to 7% into the, what I'll call, low to mid-teens range.

Ronald J. Mudry, Uniti Group Inc. - Chief Revenue Officer & Senior VP

I'd just add that those projects generally have a lot of good local lease-up within that metro area that we did that build. But another benefit that we're seeing by tying the different legacy companies together is the ability to then connect them regionally, so connect from that tier 2 tier 3 market up to the main hub in Atlanta or up in Ashburn or something to get them to the cloud. And I think that we're seeing more cross-region traffic from our tier 2, tier 3 markets that's driving a lot of that connectivity to the tier 1.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Can -- and can you give me more detail in terms of what type of areas these are? I understand it's in the Southeast, but is this like a small market downtown core? Or are these indoor? Are they outdoor? Are they arenas? What should we be thinking about?

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

They're mostly metro type of builds. So in Southeast, it'll primarily be, again, tier 2 type cities. So, for instance, in North Florida, we're doing a much larger build there, but it's a metro type of fiber. So it's going through downtowns, it's passing through business parks, passing by office buildings. They may be in university towns as well. There might be a major university there, a government building, health care systems. So when we designed these networks, we're building

them on behalf of the anchor tenant but we're also building them keeping in mind to make sure we're maximizing the lease-up potential that we have in each of these markets so we can get the market share that we think should be getting in those markets to further that lease-up and grab those returns.

Ronald J. Mudry, Uniti Group Inc. - Chief Revenue Officer & Senior VP

And these are very deep networks. I mean if we're building dark fiber to macro towers, we're hitting virtually every tower for the anchor customer in that market. So it's broad-reaching, it's going to be denser in the downtown area, of course. When you're dealing with small cells, it's similar, and the small cells are dense out in the suburban areas and so forth. So while those are all little networks tied back to their hub, they provide a tremendous base for the entire market in order to provide other kinds of services as you tie them together with the backbone.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

And this is probably hard to generalize, but overall, how much of the fiber that these networks are based on was already there, either in your acquisition or that you had built in the last few years, versus what you're building custom for the customer now?

Ronald J. Mudry, Uniti Group Inc. - Chief Revenue Officer & Senior VP

I mean that varies project by project. We'll take on a project where we've got extensive existing infrastructure and we're just adding a small component of new capital to it, and we'll have a project that's completely greenfield. And so it really is a little bit of both, and it just depends upon the market, the competition and the anchor customer's contract.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. And you mentioned dark fiber. Lit -- your lit services have seen some headwinds lately as customers convert to dark. Should we expect that, that continues sort of forever? Or is there a bubble that's happening now?

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

Yes. So lit services, to your point, Phil, we are seeing more and more customers move over to dark fiber services versus lit. So today, 50% of our wireless -- of our Uniti Fiber revenues, pretty much close to 50% of revenue, is coming from lit services, over 54% from wireless. But when you look at our backlog, over 77% of our backlog is coming from dark fiber and small cells. So as those get deployed and brought on, we would expect to see the shift go more away from lit to dark fiber becoming a larger part. Also, as we start to lease up these networks that we're talking about as we complete the construction build, leasing them up with enterprise, wholesale, E-Rate government, those percentages will also increase as well. So we should see more of a mix going towards dark fiber, small cell, enterprise, E-Rate types of things, and you probably will most likely see that lits start to come down some as well.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. Can you give me an idea -- turning the page to towers, can you give me an idea of how much of -- in many of your towers, you are providing back haul too today and what the plan is over the next years?

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

From our Towers business? Yes, so on the Towers business side, I think Mark mentioned before, we expect to build about 200 towers this year. We have 300 towers under -- currently under some form of development. And our longer-term, we expect to build about 200 to 300 towers per year on average over the next 5 years, and that's all within the U.S. So again, from a return metric style, it's very similar to the anchor economics of our dark fiber, small cell projects. So when we secure the anchor tenant for our tower builds, again, we're targeting that 5% to 7% initial yield. And then when you add on the second and third tenants, that's really when you're driving those incremental yields up into the teens because really there's little incremental CapEx that's required to add that second tenant. So again, as we continue to build out -- we're still on kind of the beginning stages of leasing up those towers, but as we continue to build out, we have to definitely keep that in mind, leasing up those towers with additional tenants. We have secured MLAs with a few of the wireless customers today, and we look to secure more with the -- to offer towers to all the wireless carriers.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Help me understand, the 200 towers this year, is that for predominantly 1 customer? And how's the early lease-up look on those?

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

Yes. So yes, the 200 towers this year is predominately for 1 customer. And in fact, AT&T announced us as a preferred bundle service provider for them and an alternative fiber provider. So one thing -- there's one thing we are seeing, Phil, is tower -- the carriers are looking for vendor diversity when it comes to towers. So we, obviously, feel we can -- we fit that mold because we can be more flexible on certain of our amendment terms for those towers. For example, when a carrier takes space on our tower, they're paying us for that space, but we could be more flexible to how they operate within that space. Even when they look to increase their space on the tower, obviously, we're going to charge them for that, but again, we'll give them the flexibility of how they can operate within that space where we give flexibility than some of the maybe traditional tower companies would as well. So yes, they're predominantly for 1 customer today, and would look -- and look to add more, I think, with the additional tenants.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

What's the initial yield for that first customer?

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

Again, it's similar to the fiber business, it's about 5% to 7% initial yield is what we're targeting.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

And that's a lot more than a traditional tower might be for a builder today. Does that mean that that's part of why you've sort of cut off the upside over time?

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

Yes. So as part of that flexibility that we do give our customers, we're able to secure better anchor

economics than some of our -- the traditional tower companies. And yes, I mean, we still believe we get very attractive lease-up yields, again, into the mid -- what I'll call, low to mid-teens again. But yes, by offering that extent of flexibility, we usually get better anchor economics.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. And going forward, you've talked about 200 to 300 a year. How much of that is sort of contracted and preagreed that you'll be doing this?

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

Yes. So we don't do anything on a contracted basis. I mean we work with our customer, they usually give us an area where we're looking to build the towers and we can -- we have the right to build the 200 towers, but we're not committed to anything. We don't have to build those 200 towers, but that's what we expect based on the volume and indicated interest from our customer what we expect to build annually.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

I think you said to my question last week that there is no limit on you selling these towers to another tower owner, for example.

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Yes. That's correct.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

And is there any sort of poison pill in those contracts that would make it not palatable to an existing tower company?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

No. I think they're valuable as they are.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. Any more questions out here? I've got one from the line to clarify from earlier. Windstream spent about $600 million on fiber -- or I'm sorry, on their leased network in the last few years. You said most of that was fiber, I believe. How much of that was sort of split between metro and long haul? Anything you can give us there?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

I actually don't have the details and -- on that with me. I'd say that, that question is probably better directed towards Windstream since it's their network, and that would be the -- they'd be the best source of that information.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

I tried for whoever is on the line. And then last, how do you think about your, sort of, TRS versus QRS structure today? Where are you in the mix today? And how do you manage that over time?

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Yes. So what we have in the TRS is predominantly the Uniti Fiber business right now. Okay, now we have assets in the TRS that don't have to stay in the TRS over time, but they were simply there because it was convenient to close those -- all those acquisitions into 1, into the TRS rather than trying to split the assets up between what's TRS versus QRS eligible at the time of closing, that would've taken a longer period of time from sign to close. So most -- but all of Uniti leasing is in the QRS assets. Uniti Towers is in the QRS assets, both U.S. as well as the Latin America assets were there as well. Over time, we will migrate more of the TRS assets that are already eligible over into the QRS, and it's just simply a matter of kind of timing as to, one, we'll try to make sure that we -- before we do it, we'll try to make sure -- we had to figure out the best way to separate the real estate from the operating equipment and do that, and do that in a tax-efficient manner. Anytime you move things from a taxable entity to a nontaxable entity, then you make -- generate taxable gain. Now in the TRS, we have NOLs, but we still want to be -- try to be tax efficient in terms of generating gains and how we use NOLs as well. So it's really just a tax planning strategy for us.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Okay. Good. Thanks very much, guys.

Bill DiTullio, Uniti Group Inc. - Director of Finance & IR

Sure. Thanks, Phil.

Philip A. Cusick, JP Morgan Chase & Co, Research Division - MD and Senior Analyst

Thank you.

Ronald J. Mudry, Uniti Group Inc. - Chief Revenue Officer & Senior VP

Thank you.

Mark A. Wallace, Uniti Group Inc. - Executive VP, CFO & Treasurer

Thank you.

EXHIBIT 32

Fletcher Dep. Tr.

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
No. 17 Civ. 7857 (JMF)
----------)
U.S. BANK NATIONAL ASSOCIATION, solely in its capacity as indenture trustee of Windstream Services, LLC's 6 3/8% Senior Notes due 2023,

Plaintiff-Counterclaim Defendant,

vs.

WINDSTREAM SERVICES, LLC,

Defendant-Counterclaimant,

vs.

AURELIUS CAPITAL MASTER, LTD.,

Counterclaim Defendant.

----------)

VIDEOTAPED 30(b)(6) DEPOSITION OF WINDSTREAM SERVICES, LLC by
JOHN P. FLETCHER
New York, New York
November 2, 2017

Reported by:
Linda Salzman
JOB NO. 133133

November 2, 2017
9:19 a.m.

Videotaped 30(b)(6) Deposition of WINDSTREAM SERVICES, LLC by JOHN P. FLETCHER, held at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York, pursuant to Notice, before Linda Salzman, a Notary Public of the State of New York.

APPEARANCES:

FRIEDMAN KAPLAN SEILER & ADELMAN
Attorneys for Plaintiff
7 Times Square
New York, New York 10036
BY: EDWARD FRIEDMAN, ESQ.
CHRIS COLORADO, ESQ.
JEFFREY FOURMAUX, ESQ.

KIRKLAND & ELLIS
Attorneys for
Defendant-Counterclaimant and the Witness
601 Lexington Avenue
New York, New York 10022
BY: AARON MARKS, ESQ.
RUSH HOWELL, ESQ.

(Continued)

APPEARANCES: (Continued)

KRAMER LEVIN NAFTALIS & FRANKEL
Attorneys for Counterclaim Defendant
1177 Avenue of the Americas
New York, New York 10036
BY: ARTHUR AUFSES III, ESQ.

Also Present:
MICHAEL McCARTHY, Maslon
DALE SWINDELL, Videographer

STIPULATIONS

IT IS HEREBY STIPULATED AND AGREED by and among counsel for the respective parties hereto, that the sealing and certification of the within deposition shall be and the same are hereby waived;

IT IS FURTHER STIPULATED AND AGREED all objections, except as to the form of the question, shall be reserved to the time of the trial;

IT IS FURTHER STIPULATED AND AGREED that the within deposition may be signed before any Notary Public with the same force and effect as if signed and sworn to before the Court.

J. Fletcher
requirements. And it had to meet long-term strategic objectives of the company.
And the two main reasons, after reflecting on all those different considerations that I recall, are 1, Holdings provided us significant flexibility over time as how to discharge our obligations under this agreement.
At the top entity level, to use as many corporate controlled subsidiaries as they exist today or in the future to discharge their obligations and to react to how our business changes over time.
And second, it gave us, we believe, some important structural tension with our relationship with Uniti, over time, because this is a long-term agreement, and we wanted to have some improved leverage in how this agreement would be negotiated over time, and not having direct contractual privity with the operating companies we thought was

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a benefit in that long-term relationship.
Those are two examples of the things I can think of three years later, after all those factors I went through, and Bob Gunderman was not involved in this, in the structuring of detailed activity, to determine the answer to this question.
Q. Was one of the considerations that led to the decision to have Holdings as the sole signatory the sale and leaseback covenant in the indenture?
A. Our compliance with all of those various considerations, including the corporate finance considerations, including the debt agreements, which would include the indenture and all its restrictive covenants, including the sale of the leaseback provision, would have been considered.
MR. FRIEDMAN: One more question. Let me show you -- I guess I will mark as an exhibit the e-mail

J. Fletcher
-- let me mark as Exhibit 4A an e-mail from your counsel.
(Exhibit 4A, 10/29/2017 e-mail, marked for identification, as of this date.)
A. It's not in front of me?
Q. No. Here is 4A.
Just for your benefit, Mr. Fletcher, there was some back and forth between counsel, trying to answer some questions here. And you should feel free to read as much of that document as you want, but --
MR. MARKS: Can he read it at lunch?
MR. FRIEDMAN: I actually have one question I want to ask and then we will take a break.
Q. Sorry. I'm calling your attention, Mr. Fletcher, to question 8, which appears on the second page of the document, where it says, "As to question 8," and do you see the second paragraph it says:

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"Specifically:
"(a) Has Holdings given any of the subsidiaries permission to use the leased property;
"(b) If so, how has that permission been granted and communicated.
"(c) What are the terms and conditions of such permission.
And if you look at the answer to question at the very top of the e-mail, the second paragraph, you see that the answer includes the statement that Holdings has given the subsidiaries permission to use the leased property?
MR. MARKS: Objection.
A. I don't see that answer. You lost me on this. I've never seen this document.
Q. I know. I'm giving this to you because I'm going to ask you a question.
A. Okay.
Q. You see it says, as to question 8, you see on the first page where it says that?

J. Fletcher
moving your equipment in a way that they don't have a pure leasehold estate that I equate with the term "lease."
Q. Now, you referred to the transferor subsidiaries as being express beneficiaries under the master lease. Correct?
A. Yes.
Q. Is it their status as express beneficiaries that provides the transferor subsidiaries with the right to enter into collocation agreements, pole agreements, that kind of thing?
A. Yes, that's the principal device. The second element is where they have retained title for preexisting arrangements existing before the commencement date.
Q. We were looking at permitted assignments, starts on page 74 of the master lease.
A. I'm there.
Q. And there is a provision 22.2, subsection Romanette 2 on page 74 that

J. Fletcher
refers to:
"Without landlord's prior written consent, there can be an assignment of this master lease or a sublease of the leased property to any of tenant subsidiaries," and the provision goes on.
Do you see that?
A. I see that provision.
Q. Do you know why there is a provision in the master lease allowing certain assignments without the landlord's prior written consent?
MR. MARKS: Objection to form.
A. I believe this is a common framework you see in leases where landlords prohibit assignments and they come back and have exceptions that allow things that either are or could be assignments to be permitted.
I think it's a fairly customary framework for a lease, is to prohibit assignment of the leasehold property.
Q. When you say it's "customary

J. Fletcher
framework," is it your testimony it's customary framework to have a prohibition for a carveout for assignments that can be made without the consent of the landlord?
A. That's my experience more often, and it depends on the sophistication of the landlord. Before a transaction of this type, I think that would be more customary.
Q. Well, in this case, at the time the master lease was prepared, CSL was an indirect wholly owned subsidiary of Holdings, correct?
A. Correct.
Q. Let me ask you the question. Was there any negotiation over the terms in this master lease?
A. Yes.
Q. And who were the parties on either side of the negotiation?
A. There was only one Windstream at this point. And as we disclosed in the Form 10, this was not an arm's length transaction. There really weren't two

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parties.
I think that the primary framework is Windstream, with me as the principal negotiator, negotiating this for the benefit of Windstream.
And we tended to do things that weren't what I wanted to do in this agreement, what Windstream wanted to do in this agreement, was frequently because of accounting and tax requirements that our advisors told us you need to have this type of provision.
So we began with a template that our advisors thought would be representative of an agreement that would be, that would meet those tax and accounting requirements of a traditional lease.
Q. Did you have a reason for desiring for Holdings a provision that certain assignments could be made without the landlord's prior consent?
A. I had a desire for that, and one example of it is provision 22.3 that we

EXHIBIT 33

Response to Kentucky Public Service Commission Second Request for Information

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

APPLICATION OF WINDSTREAM KENTUCKY EAST, LLC AND WINDSTREAM KENTUCKY WEST, LLC (1) FOR A DECLARATORY RULING THAT APPROVAL IS NOT REQUIRED FOR THE TRANSFER OF A PORTION OF THEIR ASSETS; (2) ALTERNATIVELY FOR APPROVAL OF THE TRANSFER OF ASSETS; 3 FOR A DECLARATORY RULING THAT COMMUNICATIONS SALES AND LEASING, INC. IS NOT SUBJECT TO KRS 278.020(1); AND (4) FOR ALL OTHER) REQUIRED APPROVALS AND RELIEF	CASE NO. 2014-00283

WINDSTREAM KENTUCKY EAST, LLC AND WINDSTREAM KENTUCKY WEST, LLC'S RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Windstream Kentucky East, LLC and Windstream Kentucky West, LLC (collectively "Applicants"), file the following responses to the Second Request for Information propounded by the Commission Staff in accord with the instructions submitted with that request.

Respectfully submitted,

Mark R. Overstreet
R. Benjamin Crittenden
STITES & HARBISON, PLLC
421 West Main Street
P.O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477
moverstreet@stites.com
bcrittenden@stites.com

KE242:0KE23:23876:1:FRANKFORT

VERIFICATION

I, John P. Fletcher, Executive Vice President, Secretary and General Counsel, of Windstream Holdings, Inc., after being duly sworn, state that the facts contained in the responses to data requests for which I am listed as a witness are true and accurate to the best of my knowledge.

John P. Fletcher

STATE OF ARKANSAS)
)
COUNTY OF PULASKI)

Subscribed and sworn before me on this the 31 day of October, 2014.

Notary Public State at Large

My Commission Expires:

FELICIA DAVIS
Pulaski County
My Commission Expires
June 24, 2015

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the Responses to Commission Staff's Second Request for Information was served via United States Postal Service, First Class Mail, postage prepaid, on this the 3rd day of November, 2014 upon:

Douglas F. Brent
Stoll Keenon Ogden
2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202-2828

Gardner F. Gillespie
Sheppard Mullin Richter & Hampton, LLP
2099 Pennslyvania Avenue, N.W., Suite 100
Washington, DC 20006-6801

Don Meade
Priddy, Cutler, Naake & Meade, PLLC
800 Republic Building
429 West Muhammad Ali Boulevard
Louisville, KY 40202

Scott J. Rubin
333 Oak Lane
Bloomsburg PA 17815

Counsel for Windstream Kentucky East, LLC and
Windstream Kentucky West, LLC

KE242:0KE23:23876:1:FRANKFORT

REQUEST NO. 1: Refer to the response to Item 3 of Staff's First Request for Information ("Staff's First Request"), which states that the contemplated transaction will have a "minimal" legal effect upon easements and rights of way currently owned by Applicant that will be transferred to the REIT.

a. Explain in detail the basis for your contention that "Windstream will transfer its beneficial rights and interests to CSL but [Windstream] will retain title" to easements currently owned by Applicants.

RESPONSE: Windstream will retain legal title to all easements and rights of way owned by the Applicants. No assignments of easements will be recorded in any real property records, and no agreements will be amended or assigned to reflect CSL as a party. Other parties to the easements and rights of way will not be given notice of the transfer to CSL, and they will continue to bill Windstream, receive payment from Windstream, and interact with Windstream with respect to all matters associated with the easements and rights of way. Through this transaction, Windstream will transfer the beneficial ownership rights and interests to the easements and rights of way to CSL. In this context, beneficial ownership means that CSL will own the right to all future income, gains or benefits from the easements and rights of way, as well as exposure to all risk of loss associated with those assets.

At the time of the transfer of the interest in the easements and rights of way, CSL will immediately and contemporaneously lease the interest back to Windstream for its long-term use under the Master Lease. At the conclusion of these transactions, Windstream will continue utilizing the easements and rights of way in the same manner it does now. There will be no operational impact. Accordingly, Windstream determined that

it would be imprudent to transfer title to the easements and rights of way because doing so would have resulted only in unnecessary and duplicate titling and re-titling obligations.

b. Provide citations to and copies of Kentucky statutory, regulatory, and case law that supports your contention that "Windstream will transfer its beneficial rights and interests to CSL but [Windstream] will retain title" to easements currently owned by Applicants.

RESPONSE: The law is well-established that beneficial ownership rights to property may be separated from legal title and held by different parties. This issue has been addressed by the United States Supreme Court, which held that "[t]he expression 'beneficial use' or 'beneficial ownership or interest' in property is quite frequent in the law, and means, in this connection, such right to its enjoyment as exists where the legal title is in one person and the right to such beneficial use or interest is in another, and where such right is recognized by law, and be enforced by the courts at the suit of such owner or of someone on its behalf." *Montana Catholic Missions v. Missoula County*, 435 U.S. 561 (1978).

Windstream is unaware of Kentucky law expressly addressing the right of a party to transfer beneficial rights and interests to easements or rights of way while retaining legal title. However, Kentucky law has long recognized that property is comprised of a number of different rights that may be bundled together or held by different parties. *See, e.g., Kentucky Department of Revenue v. Hobart Manufacturing Company*, 549 S.W.2d 297, 299-300 (Ky. 1977); *Button v. Drake*, 195 S.W.2d 66, 69 (Ky. 1946) (Recognizing that property is not the thing itself, but the rights one has in the object). Under this framework, Kentucky Courts have recognized that "[u]ndoubtedly, beneficial interest and ownership interest are distinct and separate from each other." *See Sadler v. Buskirk*, 2013 Ky. App. Unpub.

LEXIS 1005 *8 (November 22, 2013). Windstream is simply transferring certain of its rights in the easements and rights of way, and immediately leasing them back from CSL. There is nothing in Kentucky law that prohibits a property owner from taking such action.

c. Explain in detail the basis for your contention that "Windstream will transfer its beneficial rights and interests to CSL but [Windstream] will retain title" to rights of way currently owned by Applicants.

RESPONSE: See Response to 1(a).

d. Provide citations to and copies of Kentucky statutory, regulatory, and case law that supports your contention that "Windstream will transfer its beneficial rights and interests to CSL but [Windstream} will retain title" to rights of way.

RESPONSE: See Response to 1(b).

Witness to all of Question 1: John P. Fletcher

2. Refer to the response to Item 4 of Staff's First Request, which states that the contemplated transaction will have a "minimal" legal effect upon pole attachments and pole attachment rates currently charged by Applicants and included in the Applicants' current tariffs.

a. Explain in detail the basis for your contention that transferring legal title to the poles to CSL and then leasing the poles back to Windstream will have minimal legal effect upon pole attachments.

RESPONSE: The only legal effect that the contemplated transaction will have upon pole attachments is that CSL will hold legal title to the poles. As set forth in Windstream's Response to Item 4 of the Staff's First Request, there will be no change in the nature, scope or manner of use of the poles, and third parties will continue to interact with the Applicants concerning all matters arising from these arrangements. Specifically, the Applicants will continue to be responsible for all of the following: (1) regulatory compliance regarding pole attachments; (2) receipt of revenue from pole attachment fees; (3) network maintenance and make-ready work associated with pole attachment requests; (4) NESC compliance; and (5) inspection and safety requirements.

b. Provide Kentucky statutory, regulatory, and case law that supports your contention that the proposed transaction will have minimal legal effect upon pole attachments.

RESPONSE: See Response to 1(b). Windstream is unaware of any Kentucky statutory, regulatory, or case law that addresses this issue specifically.

c. Explain in detail the basis for your contention the transferring legal title to the poles to CSL and then leasing the poles back to Windstream will have minimal legal effect upon pole attachment rates.

RESPONSE: The contemplated transaction will have no effect on pole attachment rates. The rates will remain tariffed following the closing of the transaction will remain subject to Commission review and approval.

d. Provide Kentucky statutory, regulatory, and case law that supports your contention that the proposed transaction will have minimal legal effect upon pole attachments.

RESPONSE: See Response to 1(b). Windstream is unaware of any Kentucky statutory, regulatory, or case law that addresses this issue specifically.

Witness to all of Question 2: John P. Fletcher

EXHIBIT 34

2015 Email From Michaels to Culver

From: Michaels, Mary
Sent: Monday, March 09, 2015 9:56 PM
To: John.Culver@fitchratings.com
Cc: Gunderman, Bob
Subject: RE: Fitch follow up questions

John,

Pls see below for my responses to your questions.

Thanks,
Mary

-----Original Message-----
From: John.Culver@fitchratings.com [mailto:John.Culver@fitchratings.com]
Sent: Monday, March 09, 2015 1:21 PM
To: Michaels, Mary
Subject: RE: Fitch follow up questions

Hi Mary,
I had a few more questions, I may have sent some of these earlier in different forms.

Thanks,
John

1. Are there any provisions in the Master Lease to modify it in the event of a decline in Windstream's business, in order to provide relief? If so how would such relief be determined, and to what degree would this be limited (in the credit agreement)?

THERE ARE NOT ANY TERMS IN THE AGREEMENT TO ALLOW WIN TO MODIFY THEY LEASE PAYMENT

2. What is the nature of the secured debt at CS&L, would it be an equity pledge of the various distribution systems or will it be secured by a pledge on the hard assets?

IT WOULD BE A PLEDGE OF SUBSTANTIALLY ALL SUBSIDIARIES OF CS&L, TOGETHER WITH A PLEDGE OF THE PERSONAL PROPERTY BY MOST OF THE CS&L SUBSIDIARIES (CERTAIN SUBS WILL NOT BECOME GUARANTORS DUE TO REGULATORY ISSUES)

3. Is there a preliminary copy of the credit agreement at CS&L or a summary of the terms and conditions?

WE HAVE A PRELIMINARY DRAFT BUT IT IS A LITTLE EARLY IN THE PROCESS. I EXPECT THAT WE WILL FILL IN MANY HOLES THIS WEEK. CAN I PROVIDE TO YOU NEXT WEEK?

4. Similar to #3 if you have any preliminary offering documents for the secured and unsecured notes at CS&L.

SAME COMMENT. PLS LET ME KNOW IF THIS IS A PROBLEM FOR YOU?

5. I have some questions on the non-compete language: My reading it looks like where WIN is ILEC and Distribution systems are subject to Master Lease, the non-compete provisions apply. So for markets like Nebraska or NY where WIN is the ILEC, but the distribution systems are not subject to the Master Lease, CS&L could compete against Windstream. For example, buying a cable system distribution assets. Also, outside of the ILEC areas subject to the Master Lease, CS&L will be able to compete freely, for example, against any WIN operation in the national operations areas. Are these views correct?

YOUR ASSUMPTIONS LISTED ARE CORRECT

6. Have any additional management employees (particularly CFO) been named for CS&L, as well as any additional board members? With regard to the "related party" info for our rating package, are Kenny Gunderman and Bob Gunderman related?

KENNY IS CURRENTLY WORKING ON FILLING THE OTHER MANAGEMENT ROLES AND WE EXPECT HIM TO MAKE MANAGEMENT APPOINTMENT SIN THE NEAR FUTURE. WE WILL KEEP YOU UPDATED ON ANY DEVELOPMENTS. BOB AND KENNY ARE BROTHERS.

7. With respect to the failed sale-leaseback, this language is cited as the cause of the accounting treatment "Due to various forms of continuing involvement, including Windstream Subsidiary remaining the legal counterparty to the various easements, permits and pole attachment agreements related to the Distribution Systems, the transaction will be accounted for as a failed sale-leaseback."

THAT IS CORRECT.

Is it a fair assumption that it would have been an administrative nightmare to get all the easement's, etc. changed to CS&L in terms of the legal counterparty, or is there another reason to have Windstream remain the legal counterparty.

YES, THAT IS A FAIR ASSUMPTION.

John Culver, CFA
Senior Director
Corporate Ratings
FitchRatings

t: 312-368-3216
john.culver@fitchratings.com

From: "Michaels, Mary" <Mary.Michaels@windstream.com>

To: "John.Culver@fitchratings.com" <John.Culver@fitchratings.com>

Date: 02/28/2015 08:40 AM

Subject: RE: Fitch follow up questions

John,

Hope you are well. Below are some answers to your questions. Please let me know if you would like to discuss.

The transaction will be given Failed Sale Leaseback accounting treatment.
As annual payments are made, a portion of the payment will decrease the long-term lease obligation with the balance of the payment charged to interest expense using the effective interest method.

We will amend the credit agreement to allow the spin off to occur. The covenants remain the same, with the lease given operating lease treatment.
I anticipate the banks allowing an initial / starter RP basket for WIN of roughly $750M.

The lease payment is technically subordinated to the WIN Corp debt, however as a practical reality it is clearly a priority payment.

Yes, it will be on WIN Corp and Holdings books; yes the lease obligation declines over time.

The REIT timing is contingent on the Form 10 going effective. We are hopeful this could happen mid-March; which would allow us to launch the CSL financing mid to late March and close in Mid-April. Essentially, we will close 30-35 days after the Form 10 going effective.

Thanks,
Mary

-----Original Message-----
From: John.Culver@fitchratings.com [mailto:John.Culver@fitchratings.com]
Sent: Tuesday, February 24, 2015 12:50 PM
To: Michaels, Mary
Subject: Fitch follow up questions

Hi Mary,

I hope all is well & I'm sure you're busy with the follow-ups on earnings.
I do have some questions I wanted to follow up on regarding the upcoming REIT financing as well as its effect on Windstream Corp., when you have the opportunity.

1. From the perspective of the credit agreement, how is the payment to the REIT going to be treated? I assume you will need to amend or redo the credit agreement. Is that correct? If so, what covenant changes do you anticipate will occur, for example to restricted payments, leverage covenants, etc.. How will the credit agreement treat the payment to the

REIT? I'm a little unclear here as well as to how this occurs, since it appears the payment will be made by Corp. to Holdings, which will in turn make the payment to the REIT. Where is the lease payment in priority with respect to the credit agreement, is it subordinated or viewed as pari passu?

2. Similar to 1, how will the payment fall into the unsecured debt limitations on debt incurrence, limitations on capital leases?

3. From the form 10, this looks like the accounting will be akin to a capitalized lease rather than an operating lease, and that it will be on Holdings books as such. Will the case be the same for Windstream Corp? And as you progress through the terms of the lease this obligation declines until it is renewed?

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4. Please provide an update on timing of REIT financing, and your expectations for timing on the REIT assessment. I understand from the call the spin will be in 2Q so I didn't know if the financing was going to be pushed to later in March from our conversation a few weeks ago.
Thanks,
John

John Culver, CFA
Senior Director
Corporate Ratings
FitchRatings

t: 312-368-3216
john.culver@fitchratings.com
