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(iv) all current reports on Form 8-K filed by AT Co. with the SEC under the Exchange Act since January 1, 2003; and

(v) each other form, report, schedule, registration statement and definitive proxy statement filed by AT Co. or any of its Subsidiaries with the SEC since January 1, 2003 and prior to the date hereof (collectively, and together with the items specified in clauses (i) through (iv) above, the "AT Co. SEC Documents").

(b) As of their respective dates, the AT Co. SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, and none of such AT Co. SEC Documents when filed contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited consolidated financial statements and unaudited consolidated interim financial statements included in the AT Co. SEC Documents (including any related notes and schedules) fairly present in all material respects the financial position of AT Co. and its consolidated Subsidiaries as of the respective dates thereof and the results of operations and changes in cash flows, changes in stockholder's equity or other information included therein for the periods or as of the respective dates then ended, subject, where appropriate, to normal year-end audit adjustments (none of which AT Co. management expects to be material), in each case in accordance with past practice and GAAP, consistently applied, during the periods involved (except as otherwise stated therein). Since January 1, 2002, AT Co. has timely filed all reports, registration statements and other filings required to be filed with the SEC under the rules and regulations of the SEC. Except as set forth in the AT Co. SEC Documents filed prior to the date hereof or Section 5.4 of the AT Co. Disclosure Letter or liabilities incurred in the ordinary course of business, consistent with past practice, since the Interim Balance Sheet Date, AT Co. and its Subsidiaries have not incurred any liability or obligation that is of a nature that would be required to be disclosed on a consolidated balance sheet of AT Co. and its Subsidiaries or in the notes thereto prepared in conformity with GAAP, other than liabilities or obligations that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Spinco Business.

(c) AT Co. has designed and maintains a system of internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. AT Co. (A) has designed and maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) to ensure that material information required to be disclosed by AT Co. in the reports that it files or submits under the Exchange Act with respect to the AT Co. Business and the Spinco Business is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to AT Co.'s management as appropriate to allow timely decisions regarding required disclosure and to make the certifications of the principal executive officer and principal financial officer of AT Co. required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act and (B) has disclosed, based on its most recent evaluation of such disclosure controls and procedures prior to the date hereof to AT Co.'s auditors and the audit committee of AT Co.'s Board of Directors, (x) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect AT Co.'s ability to record, process, summarize and report financial information with respect to the AT Co. Business and the Spinco Business and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in the AT Co.'s internal controls over financial reporting with respect to the AT Co. Business and the Spinco Business. AT Co. has made available to the Company any such disclosure made by management to AT Co.'s auditors and the audit committee of AT Co.'s Board of Directors.

5.5 Brokers or Finders. Other than Merrill Lynch, Pierce, Fenner & Smith Incorporated, JP Morgan Securities Inc. and Stephens, Inc., no agent, broker, investment banker, financial advisor or other similar Person is or will be entitled, by reason of any agreement, act or statement by AT Co. or any

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of its Subsidiaries, directors, officers or employees, to any financial advisory, broker's, finder's or similar fee or commission, to reimbursement of expenses or to indemnification or contribution in connection with any of the transactions contemplated by this Agreement or other Transaction Agreement.

ARTICLE VI

Representations and Warranties of AT Co. and Spinco

Except as disclosed in the corresponding section of the Disclosure Letter delivered by Spinco to the Company immediately prior to the execution of this Agreement and signed by an authorized officer of Spinco (the "Spinco Disclosure Letter") (it being agreed that disclosure of any item in any section of the Spinco Disclosure Letter shall be deemed disclosure with respect to any other section of this Agreement to which the relevance of such item is reasonably apparent on its face), AT Co. and Spinco, jointly and severally, represent and warrant to the Company as follows:

6.1 Organization, Qualification.

(a) Spinco and each of the Spinco Subsidiaries is, or on the date of its incorporation will be a corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation, has, or will have, all requisite power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted or as proposed to be conducted, except where the failure to be so organized, existing and in good standing or to have such power and authority would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco, and is, or will be, duly qualified and licensed to do business and is, or will be, in good standing in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except for jurisdictions in which the failure to be so qualified or to be in good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. The copies of the Spinco Certificate of Incorporation and Bylaws and the Certificate of Incorporation and Bylaws (or analogous governing documents) of each Spinco Subsidiary that is, or upon completion of the Contribution will be, a Significant Subsidiary of Spinco previously made available to the Company are complete and correct copies of such documents as in full force and effect on the date hereof.

(b) Section 6.1(b) of the Spinco Disclosure Letter sets forth a list of the Spinco Subsidiaries and their respective jurisdictions of incorporation, together with a designation of those Spinco Subsidiaries that upon completion of the Contribution will constitute Significant Subsidiaries of Spinco.

6.2 Capital Stock and Other Matters.

(a) As of the date hereof, (i) the authorized capital stock of Spinco consists of 1,000 shares of Spinco Common Stock, (ii) 1,000 shares of Spinco Common Stock are issued and outstanding, and (iii) no shares of Spinco Common Stock are held by Spinco in its treasury. All of the issued and outstanding shares of Spinco Common Stock immediately prior to the Effective Time will be validly issued, fully paid and nonassessable and free of pre-emptive rights.

(b) No bonds, debentures, notes or other indebtedness of Spinco or any of the Spinco Subsidiaries having the right to vote (or convertible into or exercisable for securities having the right to vote) on any matters on which holders of shares of capital stock of Spinco (including Spinco Common Stock) may vote ("Spinco Voting Debt") are, or immediately prior to the Effective Time will be, issued or outstanding.

(c) Except in connection with the Merger or as otherwise provided for in the Transaction Agreements, there are not, and immediately prior to the Effective Time there will not be, any outstanding, securities, options, warrants, convertible securities, calls, rights, commitments, agreements, arrangements, undertakings or Contracts of any kind to which Spinco or any Spinco Subsidiary is a party or by which any of them is bound obligating Spinco or any Spinco Subsidiary to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock, Spinco Voting Debt or other

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voting securities of Spinco or any Spinco Subsidiary or obligating Spinco or any Spinco Subsidiary to issue, grant, extend, redeem, acquire or enter into any such security, option, warrant, convertible security, call, right, commitment, agreement, arrangement, undertaking or Contract.

(d) There are not, and immediately prior to the Effective Time there will not be, any stockholder agreements, voting trusts or other Contracts (other than the Distribution Agreement) to which Spinco is a party or by which it is bound relating to voting or transfer of any shares of capital stock of Spinco.

6.3' Corporate Authority; No Violation.

(a) Spinco has the corporate power and authority to enter into this Agreement and each other Transaction Agreement to which it is a party and to carry out its obligations hereunder and thereunder. The execution, delivery and performance by Spinco of this Agreement and each other Transaction Agreement to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Spinco, except for such further action by the Board of Directors of Spinco required to effect the reclassification of the Spinco Common Stock, the distribution of the Spinco Exchange Notes to AT Co. and the payment of the Special Dividend, each as contemplated by the Distribution Agreement.

(b) This Agreement has been duly executed and delivered by Spinco and, assuming the due authorization, execution and delivery by the Company and AT Co., constitutes a legal, valid and binding agreement of Spinco, enforceable against Spinco in accordance with its terms (except insofar as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies). As of immediately prior to the Effective Time, each other Transaction Agreement to which Spinco is a party will have been duly executed and delivered by Spinco and will, assuming the due authorization, execution and delivery by the other parties thereto, constitute a legal, valid and binding agreement of Spinco, enforceable against Spinco in accordance with its terms (except insofar as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies).

(c) Neither the execution and delivery by Spinco of this Agreement and each other Transaction Agreement to which Spinco is a party, nor the consummation by Spinco of the transactions contemplated hereby or thereby, or performance by Spinco of the provisions hereof or thereof will (i) violate or conflict with any provision of Spinco's Certificate of Incorporation or Bylaws; (ii) result in a default (or an event that, with notice or lapse of time or both, would become a default) or give rise to any right of termination or buy-out by any third party, cancellation, amendment or acceleration of any obligation or the loss of any benefit under any Contract to which Spinco or any Spinco Subsidiary is a party or by which Spinco or any Spinco Subsidiary or any of the Spinco Assets is bound or affected; (iii) result in the creation of a Lien, pledge, security interest, claim or other encumbrance on any of the issued and outstanding shares of Spinco Common Stock or capital stock of any Spinco Subsidiary or on any of the Spinco Assets pursuant to any Contract to which Spinco or any Spinco Subsidiary is a party or by which Spinco or any Spinco Subsidiary or any of the Spinco Assets is bound or affected; or (iv) assuming the consents and approvals contemplated by Section 6.3(d) below are obtained, violate or conflict with any order, writ, injunction, decree, Law, ordinance, rule or regulation applicable to Spinco or any Spinco Subsidiary, or any of the properties, businesses or assets of any of the foregoing, other than, in the case of each of clauses (i) through (iv), any such violation, conflict, default, right, loss or Lien which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

(d) Other than in connection with or in compliance with (i) the provisions of the DGCL, (ii) the Securities Act, (iii) the Exchange Act, (iv) the HSR Act, (v) the Communications Act and FCC Rules, and (vi) the approvals set forth on Section 6.3(d) of the Spinco Disclosure Letter (collectively, the "Spinco Approvals"), no authorization, consent or approval of, or filing with, any Governmental Authority is necessary for the consummation by Spinco of the transactions contemplated by this Agreement and the other Transaction Agreements to which Spinco is a party, except for such

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authorizations, consents, approvals or filings that, if not obtained or made, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

6.4 Financial Statements.

(a) AT Co. and Spinco have previously made available to the Company:

(i) the audited combined balance sheets of Spinco and its Subsidiaries at December 31, 2002, 2003 and 2004, and the related audited combined statements of operations, cash flows and stockholder's equity for the fiscal years ended December 31, 2002, 2003 and 2004, including the notes thereto (collectively, the "Audited Financial Statements"); and

(ii) the unaudited interim combined balance sheet at September 30, 2005, and the related unaudited interim combined statements of operations, cash flows and stockholder's equity for the nine months ended September 30, 2005 (collectively, the "Interim Financial Statements") and, together with the Audited Financial Statements, the "Spinco Financial Statements").

(b) AT Co. and Spinco will deliver to the Company promptly upon request any and all other financial other financial statements for Spinco and Spinco Subsidiaries required to be included by Regulation S-X of the Exchange Act in the Registration Statement and the Proxy Statement/ Prospectus.

(c) The Spinco Financial Statements fairly present in all material respects, and any other financial statements prepared in accordance with Section 6.4(b) will fairly present in all material respects, the financial position of the Spinco Business as of the dates thereof, and the results of operations and changes in cash flows, changes in stockholder's equity or other information included therein for the periods or as of the dates then ended, in each case except as otherwise noted therein and subject, where appropriate, to normal year-end audit adjustments (none of which Spinco management expects to be material). The Spinco Financial Statements and such other financial statements have been or will be prepared in accordance with GAAP, and on a consistent basis, except as otherwise noted therein.

(d) As of the date hereof, neither Spinco nor any of the Spinco Subsidiaries is required to file any form, report, registration statement, prospectus or other document with the SEC.

(e) Except for liabilities incurred in the ordinary course of business, consistent with past practice, since the date of the balance sheet included in the Interim Financial Statements (the "Interim Balance Sheet Date") or as set forth in the Spinco Financial Statements or the notes thereto, since the Interim Balance Sheet Date, Spinco and the Spinco Subsidiaries have not incurred any liabilities or obligations that are of a nature that would be required to be disclosed on a consolidated balance sheet of Spinco and the Spinco Subsidiaries or in the notes thereto prepared in conformity with GAAP, other than liabilities or obligations that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

(f) At or prior to the Effective Time, Spinco will have (A) designed and be maintaining a system of internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) sufficient to provide reasonable assurances regarding the reliability of financial reporting with respect to the Spinco Business and the preparation of financial statements with respect to the Spinco Business for external purposes in accordance with GAAP, and (B) designed and be maintaining disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) to ensure that material information that AT Co. is required to disclose with respect to the Spinco Business in the reports AT Co. is required to file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to AT Co.'s management as appropriate to allow timely decisions regarding required disclosure and to make the certifications of the principal executive officer and principal financial officer of AT Co. required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act").

6.5 Absence of Certain Changes or Events. Except as specifically contemplated by this Agreement or the other Transaction Agreements, since the Interim Balance Sheet Date, the Spinco Business

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has been conducted in the ordinary course, consistent with past practice, and there has not been any event, occurrence, development or state of circumstances or facts that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. From the Interim Balance Sheet Date to the date hereof, none of AT Co., Spinco, or any of their respective Subsidiaries has taken any action or failed to take any action, which action or failure, as the case may be, would constitute a breach of Section 8.2 if taken without the Company's consent after the date hereof.

6.6 Investigations; Litigation.

(a) There is no investigation or review pending (or, to the knowledge of Spinco or AT Co., threatened) by any Governmental Authority with respect to Spinco or any of the Spinco Subsidiaries, or with respect to AT Co. or any AT Co. Subsidiary relating to the Spinco Business.

(b) There are no actions, suits, inquiries, grievances, arbitrations, investigations or proceedings pending (or, to the knowledge of Spinco or AT Co., threatened) against or affecting Spinco or any of the Spinco Subsidiaries or any of their respective properties or otherwise affecting the Spinco Business at law or in equity and there are no orders, judgments or decrees of any Governmental Authority, in each case which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

6.7 Compliance with Laws; Permits.

(a) Spinco and the Spinco Subsidiaries are, or on the Distribution Date will be, and have been since January 1, 2003, in compliance with all, and have received no notice of any violation (as yet unremedied) of any, Laws applicable to Spinco, such as Spinco Subsidiaries or any of their respective properties or assets or otherwise affecting the Spinco Business, except where such non-compliance, default or violation has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. Notwithstanding anything contained in this Section 6.7(a), no representation or warranty shall be deemed to be made in this Section 6.7(a) in respect of environmental, tax, employee benefits, labor or communications Laws, which are the subject of the representations and warranties made in Sections 6.10, 6.11, 6.12, 6.13 and 6.21 of this Agreement, respectively.

(b) Spinco and the Spinco Subsidiaries are, or on the Distribution Date will be, in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Authority necessary for Spinco and the Spinco Subsidiaries to own, lease and operate the Spinco Assets or to carry on the Spinco Business as it is now conducted, or on the Distribution Date will be conducted (the "Spinco Permits"), except where the failure to have any of the Spinco Permits has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. All Spinco Permits are in full force and effect, or immediately prior to the Effective Time will be in full force and effect, except where the failure to be in full force and effect has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

6.8 Proxy Statement/ Prospectus; Registration Statement. None of the information regarding AT Co. or its Subsidiaries, Spinco or the Spinco Subsidiaries, or the Spinco Business, or the transactions contemplated by this Agreement or any other Transaction Agreement provided by AT Co. or Spinco or any of their respective Subsidiaries specifically for inclusion in, or incorporation by reference into, the Proxy Statement/ Prospectus or the Registration Statement will, in the case of the definitive Proxy Statement/ Prospectus or any amendment or supplement thereto, at the time of the mailing of the definitive Proxy Statement/ Prospectus and any amendment or supplement thereto and at the time of the Company Stockholders Meeting, or, in the case of the Registration Statement, at the time it becomes effective, at the time of the Company Stockholders Meeting and at the Effective Time contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading.

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6.9 Information Supplied. All documents that Spinco is responsible for filing with any Governmental Authority in connection with the transactions contemplated hereby or by any other Transaction Agreement will comply in all material respects with the provisions of applicable Law. All information supplied or to be supplied by Spinco in any document, other than the Registration Statement, which is addressed in Section 6.8, filed with any Governmental Authority in connection with the transactions contemplated hereby and by the other Transaction Agreements will be, at the time of filing, at the Distribution Date and at the Effective Time, true and correct in all material respects.

6.10 Environmental Matters. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco:

(a) Spinco and each of the Spinco Subsidiaries is, or on the Distribution Date will be, and since January 1, 2003 has been, in compliance with all applicable Environmental Laws and Spinco and the Spinco Subsidiaries possess, or on the Distribution Date will possess, all Spinco Permits that are required under applicable Environmental Laws and are, or on the Distribution Date will be, in compliance with the terms and conditions thereof;

(b) neither Spinco nor any of the Spinco Subsidiaries has received written notice of, or is the subject of, any actions, causes of action, claims, investigations, demands or notices by any person asserting an obligation on the part of Spinco or the Spinco Subsidiaries to conduct investigations or clean-up activities under Environmental Law or alleging liability under or non-compliance with any Environmental Law (collectively, "Environmental Claims");

(c) neither Spinco nor any of the Spinco Subsidiaries is subject to any indemnification obligation with respect to Environmental Laws or Hazardous Materials, including such obligations regarding businesses currently or formerly owned or operated by Spinco or any of the Spinco Subsidiaries or regarding properties formerly owned or leased by Spinco or any of the Spinco Subsidiaries;

(d) there is no condition on, at, under or related to any property (including any release of a Hazardous Material into the air, soil, surface water, sediment or ground water at, under or migrating to or from such property) including related to property currently owned, leased or used by AT Co., Spinco or any of their respective Subsidiaries or created by AT Co.'s, Spinco's or any Spinco Subsidiary's operations that would give rise to liability for Spinco or any of the Spinco Subsidiaries under applicable Environmental Laws, and, to AT Co.'s and Spinco's knowledge, the foregoing representation is true and correct with regard to property formerly owned, leased or used by AT Co., Spinco or any of their respective Subsidiaries;

(e) neither AT Co., Spinco nor any of their respective Subsidiaries has any liability with respect to asbestos in any product or within any building or structure;

(f) AT Co. or Spinco has made available to the Company all material site assessments, environmental compliance audits, and other documents relating to environmental matters and relating to the Spinco Business, or the current or former properties or facilities of Spinco and the Spinco Subsidiaries to the extent such documents are in the possession, custody or control of AT Co., Spinco or any of their Subsidiaries, including, without limitation, such documents relating to (i) the environmental conditions on, under or about the properties or assets currently or formerly owned, leased, operated or used by Spinco, any of the Spinco Subsidiaries or any predecessor in interest thereto and (ii) any Hazardous Materials used, managed, handled, transported, treated, generated, stored, discharged, emitted, or otherwise released by Spinco, any of the Spinco Subsidiaries or any other Person on, under, about or from any of the properties currently or formerly owned or leased by, or otherwise in connection with the use or operation of any of the properties owned or leased, or otherwise in connection with the use or operation of any of the properties and assets of Spinco or any of the Spinco Subsidiaries, or their respective businesses and operations.

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(g) This Section 6.10 contains the sole and exclusive representations and warranties of AT Co. and Spinco with respect to environmental matters, including matters relating to Environmental Laws and Hazardous Materials.

6.11 Tax Matters.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Spinco or the Spinco Business, (i) all Tax Returns relating to AT Co. and its Subsidiaries, including Spinco and the Spinco Subsidiaries, or the Spinco Business required to be filed have been filed, (ii) all such Tax Returns are or will be true and correct in all respects, (iii) all Taxes shown as due and payable on such Tax Returns, and all Taxes (whether or not reflected on such Tax Returns) relating to AT Co. and its Subsidiaries, including Spinco and the Spinco Subsidiaries, in respect of the Spinco Business or otherwise in respect of the Spinco Business required to be paid, have been paid, (iv) all Taxes relating to AT Co. or its Subsidiaries, including Spinco and the Spinco Subsidiaries, in respect of the Spinco Business or otherwise in respect of the Spinco Business for any taxable period (or a portion thereof) beginning on or prior to the Closing Date (which are not yet due and payable) have been properly reserved for in the Spinco Financial Statements and (v) AT Co. and its Subsidiaries, including Spinco and the Spinco Subsidiaries, have duly and timely withheld all Taxes required to be withheld and such withheld Taxes have been either duly and timely paid to the proper Taxing Authority or properly set aside in accounts for such purpose and will be duly and timely paid to the proper Taxing Authority.

(b) No written agreement or other written document waiving or extending, or having the effect of waiving or extending, the statute of limitations or the period of assessment or collection of any Taxes relating to Spinco, any Spinco Subsidiary or the Spinco Business, and no power of attorney with respect to any such Taxes has been filed or entered into with any Taxing Authority.

(c) (i) No audits or other administrative proceedings or proceedings before any Taxing Authority are presently pending with regard to any Taxes or Tax Return of Spinco or any Spinco Subsidiary or the Spinco Business, as to which any Taxing Authority has asserted in writing any claim which, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco, any Spinco Subsidiary or the Spinco Business, and (ii) no Taxing Authority is now asserting in writing any deficiency or claim for Taxes or any adjustment to Taxes with respect to which Spinco or any Spinco Subsidiary or the Spinco Business, may be liable with respect to income or other material Taxes which has not been fully paid or finally settled.

(d) Neither Spinco nor any Spinco Subsidiary (i) is a party to or bound by or has any obligation under any Tax separation, sharing or similar agreement or arrangement other than the Tax Sharing Agreement, and the AT Co. and Subsidiaries Tax Sharing Policy currently in effect for taxable periods ending on or after December 31, 1991 (which shall be terminated with respect to Spinco and any Spinco Subsidiary as of the Closing Date), (ii) is or has been a member of any consolidated, combined or unitary group for purposes of filing Tax Returns or paying Taxes (other than a group of which AT Co. is the common parent corporation) or (iii) has entered into a closing agreement pursuant to Section 7121 of the Code, or any predecessor provision or any similar provision of state or local law.

(e) None of the Spinco Assets is subject to any Tax lien (other than liens for Taxes that are not yet due and payable).

(f) Section 6.11 of the Spinco Disclosure Letter lists all foreign jurisdictions in which Spinco or any Spinco Subsidiary files a material Tax Return.

(g) Neither Spinco nor any Spinco Subsidiary has agreed to make or is required to make any adjustment for a taxable period ending after the Effective Time under Section 481(a) of the Code by reason of a change in accounting method or otherwise, except where such adjustments have not had, and could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco or the Spinco Business.

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(h) Neither Spinco nor any Spinco Subsidiary has constituted either a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock (other than the Distribution) qualifying for tax-free treatment under Section 355 of the Code (i) in the two years prior to the date of this Agreement or (ii) in a distribution that could otherwise constitute part of a “plan” or “series of related transactions” (within the meaning of Section 355(e) of the Code) in connection with the Merger.

(i) None of AT Co., Spinco, and their respective Subsidiaries has taken or agreed to take any action that is reasonably likely to (nor is any of them aware of any agreement, plan or other circumstance that would) prevent the Tax-Free Status of the Transactions.

(j) None of AT Co., Spinco, and any of their Subsidiaries in respect of the Spinco Business has engaged in any listed transaction, or any reportable transaction the principal purpose of which was tax avoidance, within the meaning of Sections 6011, 6111 and 6112 of the Code.

6.12 Benefit Plans.

(a) Section 6.12(a) of the Spinco Disclosure Letter lists each “employee benefit plan” (as defined in Section 3(3) of ERISA), and all other benefit, bonus, incentive, deferred compensation, stock option (or other equity-based), severance, change in control, welfare (including post-retirement medical and life insurance) and fringe benefit plans, whether or not subject to ERISA and whether written or oral, sponsored, maintained or contributed to or required to be contributed to by Spinco or any of the Spinco Subsidiaries, to which Spinco or any of the Spinco Subsidiaries will be a party on the Distribution Date, as provided in the Employee Benefits Agreement, or in which any Person who is currently, has been or, on or prior to the Effective Time, is expected to become an employee of Spinco or any of the Spinco Subsidiaries (a “Spinco Employee”) will be a participant on the Distribution Date, or with respect to which Spinco or any of the Spinco Subsidiaries has any material liability (the “Spinco Benefit Plans”).

(b) No material liability under Title IV (including Sections 4069 and 4212(c) of ERISA) or Section 302 of ERISA has been or as of the Effective Time will have been incurred by Spinco, any of the Spinco Subsidiaries or any ERISA Affiliate of any of them, and no condition exists that would reasonably be expected to result in Spinco or any of the Spinco Subsidiaries incurring any such liability, other than liability for premiums due the PBGC as of the Distribution Date. The present value of accrued benefits under each Spinco Benefit Plan that is subject to Title IV of ERISA, determined based upon the actuarial assumptions used for funding purposes in the most recent actuarial report prepared by such plan’s actuary with respect to such plan, will not exceed the then current value of the assets of such plan allocable to such accrued benefits.

(c) No Spinco Benefit Plan is or will be at the Effective Time a “multiemployer plan,” as defined in Section 3(37) of ERISA and (ii) none of Spinco, any of the Spinco Subsidiaries or any ERISA Affiliate of any of them has made or suffered or will as of the Effective Time have made or suffered a “complete withdrawal” or a “partial withdrawal,” as such terms are respectively defined in Section 4203 and 4205 of ERISA, the liability for which has not been satisfied in full.

(d) Each Spinco Benefit Plan has been or for periods on or prior to the Distribution Date will have been operated and administered in all material respects in accordance with its terms and applicable Law, including ERISA and the Code. All contributions and premium payments required to be made with respect to any Spinco Benefit Plan have now been, or on the Distribution Date will have been, timely made, except as may otherwise be specifically permitted under the terms of the Employee Benefits Agreement. There are no pending or, to the knowledge of Spinco or AT Co., threatened claims by, on behalf of or against any of the Spinco Benefit Plans in effect as of the date hereof or any assets thereof, other than routine benefit claim matters, that, if adversely determined, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco, and no matter is pending (other than routine qualification determination filings, copies of which have been furnished to the Company or will be promptly furnished to the Company when made) before the IRS, the United States Department of Labor or the PBGC with respect to any Spinco Benefit Plan.

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(e) Subject to the initial qualification determination filings to be made to the Internal Revenue Service (copies of which will be promptly furnished to the Company when made), each Spinco Benefit Plan intended to be “qualified” within the meaning of Section 401(a) of the Code is, or on the Distribution Date will be, so qualified and the trusts maintained thereunder are, or on the Distribution Date will be, exempt from taxation under Section 501(a) of the Code; each trust maintained under any Spinco Benefit Plan intended to satisfy the requirements of Section 501(c)(9) of the Code has, or on the Distribution Date will have, satisfied such requirements and, in either such case, no event has occurred or condition is known to exist that would reasonably be expected to have a material adverse effect on such tax-qualified status for any such Spinco Benefit Plan or any such trust.

(f) No Spinco Benefit Plan provides, or on the Distribution Date will provide, medical, surgical, hospitalization, death or similar benefits (whether or not insured) for employees or former employees of Spinco or any Spinco Subsidiary or for any other Person for periods extending beyond their retirement or other termination of service, other than (i) coverage mandated by applicable Law, (ii) death benefits under any “pension plan,” or (iii) benefits the full cost of which is borne by the current or former employee (or his beneficiary).

(g) Except as contemplated by this Agreement and each other Transaction Agreement, no Spinco Benefit Plan or employment arrangement, no similar plan or arrangement sponsored or maintained by AT Co. in which any Spinco Employee is, or on the Distribution Date will be, a participant and no contractual arrangement between Spinco and any third party exists, or on the Distribution Date will exist, that could result in the payment to any current, former or future director, officer, stockholder or employee of Spinco or any of the Spinco Subsidiaries, or of any entity the assets or capital stock of which have been acquired by Spinco or a Spinco Subsidiary, of any money or other property or rights or accelerate or provide any other rights or benefits to any such individual as a result of the consummation of the transactions contemplated by the Transaction Agreements (including the Distribution), whether or not (a) such payment, acceleration or provision would constitute a “parachute payment” (within the meaning of Section 280G of the Code) or (b) some other subsequent action or event would be required to cause such payment, acceleration or provision to be triggered.

6.13 Labor Matters. Except to the extent listed in Section 6.13 of the Spinco Disclosure Letter, neither Spinco nor any of the Spinco Subsidiaries is a party to, or bound by, any collective bargaining agreement or other Contract with employees, a labor union or labor organization. Except for such matters which have not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco, (a) as of the date hereof, (i) there are no strikes or lockouts with respect to Spinco Employees, and (ii) there are not now, and to the knowledge of Spinco or AT Co., since January 1, 2003 there has not been, any union organizing effort pending or threatened against Spinco or any of the Spinco Subsidiaries; (b) there is no unfair labor practice, charge, complaint, labor dispute (other than routine individual grievances) or labor arbitration proceeding pending or, to the knowledge of Spinco or AT Co., threatened against Spinco or any of the Spinco Subsidiaries; (c) there is no slowdown, or work stoppage in effect or, to the knowledge of Spinco or AT Co., threatened with respect to Spinco Employees; and (d) Spinco and the Spinco Subsidiaries are in compliance with all applicable Laws respecting (i) employment and employment practices, (ii) terms and conditions of employment and wages and hours, (iii) collective bargaining and labor relations practices, (iv) layoffs, (v) immigration, and (vi) the payment of taxes and other withholdings. As of the date hereof, neither Spinco nor any of the Spinco Subsidiaries has any liabilities under the WARN Act as a result of any action taken by Spinco and that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

6.14 Intellectual Property Matters. Section 6.14 of the Spinco Disclosure Letter contains a complete and accurate list of (i) all patented or registered Intellectual Property Rights (and pending applications therefore) owned by Spinco or any of the Spinco Subsidiaries, and (ii) all other patented or registered Intellectual Property Rights (and pending applications therefor) used by Spinco or any of the Spinco Subsidiaries, in each case, to the extent material to the Spinco Business taken as a whole. Spinco and the Spinco Subsidiaries own and possess, or will immediately prior to the Effective Time own and

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possess, free and clear of any Liens, except Permitted Encumbrances, all right, title and interest in and to, or have, or will immediately prior to the Effective Time have, adequate licenses or other valid and enforceable rights to use, all material Intellectual Property Rights used or held for use in connection with the Spinco Business as currently conducted and as proposed to be conducted immediately prior to the Effective Time (including in connection with services provided by Spinco and the Spinco Subsidiaries to third parties) (the “Spinco IP Rights”), except where the failure to own or possess such items would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. To the best of AT Co.’s or Spinco’s knowledge, there is no assertion or claim challenging the validity, enforceability, ownership or use of any of the foregoing that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. The conduct of the Spinco Business as currently conducted and proposed to be conducted immediately prior to the Effective Time does not infringe, misappropriate or otherwise conflict in any way with any Intellectual Property Rights of any third party that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. To the best of AT Co.’s or Spinco’s knowledge, there are no infringements or misappropriations of, or other conflicts with, any Intellectual Property Rights owned by or licensed by or to Spinco or any Spinco Subsidiary that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. The transactions contemplated by this Agreement shall not impair the right, title or interest of Spinco or any Spinco Subsidiary in and to the Spinco IP Rights, and all of the Spinco IP Rights shall be owned or available for use by the Surviving Corporation immediately after the Effective Time on terms and conditions identical, in all material respects, to those under which Spinco and the Spinco Subsidiaries owned or used the Spinco IP Rights immediately prior to the Effective Time, except where such impairment or failure to be owned or available for use would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

6.15 Material Contracts.

(a) Except for this Agreement, each other Transaction Agreement, the Spinco Credit Agreement, the Indenture governing the Spinco Notes, the Voting Agreement, the Spinco Benefit Plans and except as filed as an exhibit to any AT Co. SEC Document or as disclosed in Section 6.15 of the Spinco Disclosure Letter, neither AT Co. nor any of its Subsidiaries with respect to the Spinco Business is, and neither Spinco nor any Spinco Subsidiary will be immediately prior to the Effective Time a party to or bound by any “material contract” (as such term is defined in item 601(b)(10) of Regulation S-K of the SEC), (all contracts of the type described in this Section 6.15 being referred to herein as “Spinco Material Contracts”).

(b) Neither Spinco nor any Spinco Subsidiary nor AT Co. nor any AT Co. Subsidiary is in breach of or default under the terms of any Spinco Material Contract where such breach or default has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. To the knowledge of Spinco or AT Co. and their respective Subsidiaries, no other party to any Spinco Material Contract is in breach of or in default under the terms of any Spinco Material Contract where such breach or default has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. Each Spinco Material Contract is a valid and binding obligation of Spinco or any Spinco Subsidiary or AT Co. or any AT Co. Subsidiary which is a party thereto and, to the knowledge of Spinco or AT Co. and their respective Subsidiaries, of each other party thereto, and is in full force and effect, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in effect, relating to creditors’ rights generally and (ii) equitable remedies of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

6.16 Brokers or Finders. Except for Merrill Lynch, Pierce, Fenner & Smith Incorporated, JP Morgan Securities Inc. and Stephens, Inc., no agent, broker, investment banker, financial advisor or other similar Person is or will be entitled, by reason of any agreement, act or statement by Spinco or any Spinco Subsidiaries, directors, officers or employees, to any financial advisory, broker’s, finder’s or similar

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fee or commission, to reimbursement of expenses or to indemnification or contribution in connection with any of the transactions contemplated by this Agreement or each other Transaction Agreement.

6.17 Board and Stockholder Approval. The Boards of Directors of AT Co. and Spinco, in each case, at a meeting duly called, have unanimously approved this Agreement and declared it advisable. As of the date hereof, the sole stockholder of Spinco is AT Co. Immediately after execution of this Agreement, AT Co. will approve and adopt (the “Spinco Stockholder Approval”) at a meeting of AT Co., as Spinco’s sole stockholder, all aspects of this Agreement and other Transaction Agreements and the transactions contemplated hereby and thereby which require the consent of Spinco’s stockholders under the DGCL, the NYSE rules, Spinco’s Certificate of Incorporation or Spinco’s Bylaws. The approval of AT Co.’s stockholders is not required to effect the transactions contemplated by the Distribution Agreement, this Agreement or the other Transaction Agreements. Upon obtaining the Spinco Stockholder Approval, the approval of Spinco’s stockholders after the Distribution Date will not be required to effect the transactions contemplated by this Agreement, including the Merger, unless this Agreement is amended in accordance with Section 251(d) of the DGCL after the Distribution Date and such approval is required, solely as a result of such amendment, under the DGCL, Spinco’s Certificate of Incorporation or Spinco’s Bylaws or by the IRS.

6.18 Assets.

(a) After giving effect to the Contribution and the other transactions described in or contemplated by the Distribution Agreement, Spinco, together with the Spinco Subsidiaries, will have, in all material respects, good and valid title (and, with respect to the Owned Real Property and Spinco Leasehold Improvements, good and marketable title) or, in the case of the Leased Real Property, valid leasehold interests in, all of the Spinco Assets, except where the failure to have such good and valid or marketable title, or valid leasehold interest, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

(b) At the Effective Time, the Assets of Spinco and the Spinco Subsidiaries, take together with the services available from AT Co. under the Transition Services Agreement, the Assets subject to the Shared Assets Agreement and the Contracts subject to the Shared Contracts Agreement, will be sufficient for the operation of the Spinco Business in all material respects as currently conducted and as proposed to be conducted at the Effective Time.

6.19 Spinco Real Property.

(a) Section 6.19(a) of the Spinco Disclosure Letter sets forth the address and description of all Real Property that is, or following the Contribution will be, Spinco Owned Real Property, the loss of which would be material and adverse to the Spinco Business as a whole. With respect to such Spinco Owned Real Property: (A) except as set forth in Section 6.19(a) of the Spinco Disclosure Letter, Spinco or Spinco Subsidiaries have not leased or otherwise granted to any Person the right to use or occupy such Spinco Owned Real Property or any material portion thereof; and (B) other than the right of the Company pursuant to this Agreement, there are no outstanding options, rights of first offer or rights of first refusal to purchase such Spinco Owned Real Property or any material portion thereof or interest therein.

(b) Section 6.19(b) of the Spinco Disclosure Letter sets forth the address of all Spinco Leased Real Property, the loss of which would be material and adverse to the Spinco Business as a whole, and a true and complete list of all Spinco Leases for such properties (including all amendments, extensions, renewals, guaranties and other agreements with respect thereto) for each such Spinco Leased Real Property. Spinco has made available to the Company a true and complete copy of each such Spinco Lease document, and in the case of any such Lease that is an oral Lease, a written summary of the material terms of such Lease. Except as set forth in Section 6.19(b) of the Spinco Disclosure Letter, or as would not be reasonably expected to have a Material Adverse Effect on Spinco, with respect to each such Spinco Lease: (i) Spinco or Spinco’s Subsidiaries’ possession and quiet enjoyment of the Spinco Leased Real Property under such Spinco Lease has not been disturbed, and, to Spinco’s knowledge, there

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are no disputes with respect to such Spinco Lease; (ii) neither Spinco nor Spinco Subsidiaries owe any material brokerage commissions or finder's fees with respect to such Spinco Lease; (iii) Spinco or Spinco Subsidiaries have not subleased, licensed or otherwise granted any Person the right to use or occupy such Spinco Leased Real Property or any portion thereof; (iv) Spinco or Spinco Subsidiaries have not collaterally assigned or granted any other security interest in such Spinco Lease or any interest therein; and (v) there are no Liens on the estate or interest created by such Spinco Lease other than Permitted Encumbrances.

(c) Except as would not be reasonably expected to have a Material Adverse Effect on Spinco, the Spinco Leasehold Improvements and all buildings, structures, improvements, fixtures, building systems and equipment, and all components thereof, included in the Spinco Owned Real Property are in good condition and repair and sufficient for the operation of the Spinco Business.

6.20 Communications Regulatory Matters.

(a) Spinco and the Spinco Subsidiaries hold, or on the Distribution Date will hold, all approvals, authorizations, certificates and licenses issued by the FCC, state public service or public utility commissions (the "State Regulators") set forth in Section 6.19(a) of the Spinco Disclosure Letter, and all other material regulatory permits, approvals, licenses, and other authorizations, including but not limited to franchises, ordinances and other agreements granting access to public rights of way, issued or granted to Spinco or any Spinco Subsidiary by a state or federal agency or commission or other federal, state or local or foreign regulatory bodies regulating competition and telecommunications businesses (the "Spinco Licenses") that are required for the conduct of the Spinco Business, as presently conducted and as proposed to be conducted, except such Spinco Licenses the failure of which to so hold would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

(b) Each Spinco License is, or will be on the Distribution Date, valid and in full force and effect and has not been, or will not have been, suspended, revoked, cancelled or adversely modified, except where the failure to be in full force and effect, or the suspension, revocation, cancellation or modification of which has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. No Spinco License is subject to (i) any conditions or requirements that have not been imposed generally upon licenses in the same service, unless such conditions or requirements would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco, or (ii) any pending regulatory proceeding (other than those affecting the wireline industry generally) or judicial review before a Governmental Authority, unless such pending regulatory proceedings or judicial review would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco. Neither AT Co. nor Spinco has knowledge of any event, condition or circumstance that would preclude any Spinco License from being renewed in the ordinary course (to the extent that such Spinco License is renewable by its terms), except where the failure to be renewed has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

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

(d) Spinco or a wholly owned Spinco Subsidiary owns, or on the Distribution Date will own, one hundred percent (100%) of the equity and controls, or on the Distribution Date will control, one hundred percent (100%) of the voting power and decision-making authority of each licensee of the Spinco Licenses, except where the failure to own such equity or control such voting power and decision-making

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authority of such licensees would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Spinco.

6.21 Spinco Operations. Spinco is a direct, wholly owned Subsidiary of AT Co. that, subject to the terms of the Distribution Agreement, following the Contribution will own, directly or indirectly, the Spinco Assets, and will have assumed, directly or indirectly, the Spinco Liabilities, all as provided in the Distribution Agreement.

6.22 Opinion of Spinco Financial Advisor. Spinco and AT Co., as the sole stockholder of Spinco, have received the written opinions of Merrill Lynch, Pierce, Fenner & Smith Incorporated, JP Morgan Securities Inc. and Stephens, Inc., to the effect that, as of the date hereof the Exchange Ratio (as defined therein) is fair from a financial point of view to holders of AT Co. Common Stock who become holders of Spinco Common Stock in the Distribution. Spinco has previously delivered a copy of such opinion to the Company.

6.23 Company Common Stock. Neither AT Co. nor Spinco owns (directly or indirectly, beneficially or of record) nor is a party to any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of, in each case, any shares of capital stock of the Company (other than as contemplated by this Agreement).

6.24 Affiliate Transactions. Except as specifically provided in this Agreement or any of the other Transaction Agreements or as disclosed in the AT Co. SEC Documents, there are no transactions or Contracts of the type that would be required to be disclosed by Spinco under Item 404 of Regulation S-K if Spinco were a company subject to such Item between or among (a) AT Co., Spinco or any Spinco Subsidiary, on the one hand, and (b) Jeffrey R. Gardner or Francis X. Frantz, on the other hand.

ARTICLE VII

Representations and Warranties of the Company

Except as disclosed in the corresponding section of the Disclosure Letter delivered by the Company to AT Co. and Spinco immediately prior to the execution of this Agreement and signed by an authorized officer of the Company (the "Company Disclosure Letter") (it being agreed that disclosure of any item in any section of the Company Disclosure Letter shall be deemed disclosure with respect to any other section of this Agreement to which the relevance of such item is reasonably apparent on its face), the Company represents and warrants to AT Co. and Spinco as follows:

7.1 Organization, Qualification.

(a) The Company is a corporation duly organized, validly existing and in good standing under the Laws of Delaware, has all requisite power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted, except where the failure to be so organized, existing and in good standing or to have such power and authority would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, and is duly qualified and licensed to do business and is in good standing in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except for jurisdictions in which the failure to be so qualified or to be in good standing would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The copies of the Company's Certificate of Incorporation and Bylaws and the Certificate of Incorporation and Bylaws (or analogous governing documents) of any Company Subsidiary that is a Significant Subsidiary of the Company, previously made available to AT Co. and Spinco are complete and correct copies of such documents as in full force and effect on the date hereof.

(b) Section 7.1(b) of the Company Disclosure Letter sets forth a list of the Company Subsidiaries and their respective jurisdictions of incorporation or organization, together with a designation of those Company Subsidiaries constituting Significant Subsidiaries of the Company.

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7.2 Capital Stock and Other Matters.

(a) The authorized capital stock of the Company consists of 200,000,000 shares of Company Common Stock and 20,000,000 shares of preferred stock of the Company. At the close of business on December 6, 2005, (i) 71,130,634 shares of Company Common Stock were issued and outstanding, 342,469 shares of Company Common Stock were reserved for issuance pursuant to the Company Stock Plans; (ii) 3,400 shares of Company Common Stock were held by the Company in its treasury or by its Subsidiaries; and (iii) no shares of preferred stock of the Company were issued and outstanding. All of the issued and outstanding shares of Company Common Stock are validly issued, fully paid and nonassessable and free of preemptive rights.

(b) No bonds, debentures, notes or other indebtedness of the Company or any of the Company Subsidiaries having the right to vote (or convertible into or exercisable for securities having the right to vote) on any matters on which holders of shares of capital stock of the Company (including Company Common Stock) may vote ("Company Voting Debt") are, or at the Distribution Date will be, issued or outstanding.

(c) Except as set forth in Section 7.2(a) above or as set forth in Section 7.2(c) of the Company Disclosure Letter, there are no outstanding securities, options, warrants, convertible securities, calls, rights, commitments, agreements, arrangements, undertakings or Contracts of any kind to which the Company or any of the Company Subsidiaries is a party or by which any of them is bound obligating the Company or any of the Company Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of Company Common Stock, Company Voting Debt or other voting securities of the Company or any of the Company Subsidiaries or obligating the Company or any of the Company Subsidiaries to issue, grant, extend, redeem, acquire or enter into any such security, option, warrant, convertible security, call, right, commitment, agreement, arrangement, undertaking or Contract.

(d) Except for that certain Securityholders Agreement, dated February 14, 2005, by and among the Company and certain of its stockholders, there are no stockholder agreements, voting trusts or other Contracts to which the Company is a party or by which it is bound relating to voting or transfer of any shares of capital stock of the Company.

7.3 Corporate Authority: No Violation.

(a) The Company has the corporate power and authority to enter into this Agreement, and subject to obtaining the Requisite Approval, to carry out its obligations hereunder. The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of the Company, subject to obtaining the Requisite Approval. This Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by AT Co., and Spinco, constitutes a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms (except insofar as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies).

(b) Neither the execution and delivery by the Company of this Agreement nor the consummation by the Company of the transactions contemplated hereby or compliance by the Company with any of the provisions hereof will (i) violate or conflict with any provisions of the Company's Certificate of Incorporation or Bylaws; (ii) result in a default (or an event that, with notice or lapse of time or both, would become a default) or give rise to any right of termination by any third party, cancellation, amendment or acceleration of any obligation or the loss of any benefit under, any Contract to which the Company or any of the Company Subsidiaries is a party or by which the Company or any of the Company Subsidiaries is bound or affected; (iii) result in the creation of a Lien, pledge, security interest, claim or other encumbrance on any of the issued and outstanding shares of Company Common Stock or on any of the assets of the Company or any of the Company Subsidiaries pursuant to any Contract to which the Company or any of the Company Subsidiaries is a party or by which the Company or the Company

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Subsidiaries is bound or affected; or (iv) assuming the consents and approvals contemplated by Section 7.3(c) below are obtained, violate or conflict with any order, writ, injunction, decree, Law, ordinance, rule or regulation applicable to the Company or any of the Company Subsidiaries, or any of the properties, business or assets of any of the foregoing, other than, in the case of each of clauses (i) through (iv), any such violation, conflict, default, right, loss or Lien which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(c) Other than in connection with or in compliance with (i) the provisions of the DGCL, (ii) the Securities Act, (iii) the Exchange Act, (iv) the HSR Act, (v) the Communications Act and applicable rules and regulations thereunder, (vi) the approvals set forth on Section 7.3(c) of the Company Disclosure Letter; (vii) the rules and regulations of the NYSE, and (viii) the Requisite Approval (collectively, the "Company Approvals"), no authorization, consent or approval of, or filing with any Governmental Authority is necessary for the consummation by the Company of the transactions contemplated by this Agreement, except for such authorizations, consents, approvals or filings that, if not obtained or made, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

7.4 Company Reports and Financial Statements.

(a) The Company has previously made available to Spinco complete and correct copies of:

(i) Company's Annual Reports on Form 10-K filed with the SEC under the Exchange Act for the years ended December 31, 2004, and the Company's audited consolidated balance sheet at December 31, 2003 and 2002, and the related audited consolidated statements of operations, cash flows and stockholder's equity for the fiscal years ended December 31, 2003 and 2002 (the "Company Pre-IPO Financial Statements");

(ii) Company's Quarterly Reports on Form 10-Q filed with the SEC under the Exchange Act for the quarters ended March 31, 2005, June 30, 2005 and September 30, 2005;

(iii) each definitive proxy statement filed by the Company with the SEC under the Exchange Act prior to the date hereof;

(iv) all current reports on Form 8-K filed by the Company with the SEC under the Exchange Act prior to the date hereof; and

(v) each other form, report, schedule, registration statement and definitive proxy statement filed by the Company or any of its Subsidiaries with the SEC prior to the date hereof (collectively, and together with the items specified in clauses (i) through (iv) above, the "Company SEC Documents").

(b) As of their respective dates, the Company SEC Documents complied in all material respects, and each other form, report, schedule, registration statement and definitive proxy statement filed by the Company or any of its Subsidiaries after the date hereof and prior to the Effective Time (the "Additional Company SEC Documents") will comply in all material respects, with the requirements of the Securities Act or the Exchange Act, as the case may be, and none of such Company SEC Documents when filed contained, or will contain, an untrue statement of a material fact or omitted, or will omit, to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The audited consolidated financial statements and unaudited consolidated interim financial statements included in the Company SEC Documents and the Additional Company SEC Documents and the Company Pre-IPO Financial Statements fairly present in all material respects, or will fairly present in all material respects, the financial position of the Company and its consolidated Subsidiaries as of the respective dates thereof and the results of operations and changes in cash flows, changes in stockholder's equity or other information included therein for the periods or as of the respective dates then ended, subject, where appropriate, to normal year-end audit adjustments (none of which Company management expects to be material), in each case in accordance with past practice and GAAP, consistently applied, during the periods involved

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(except as otherwise stated therein). Since its initial public offering in February 2005, the Company has timely filed all reports, registration statements and other filings required to be filed with the SEC under the rules and regulations of the SEC. Except as set forth in the Company SEC Documents filed prior to the date hereof or as set forth in Section 7.4 of the Company Disclosure Letter or liabilities incurred in the ordinary course of business, consistent with past practice, since the Interim Balance Sheet Date, the Company and its Subsidiaries have not incurred any liability or obligation that is of a nature that would be required to be disclosed on a consolidated balance sheet of the Company and its Subsidiaries or in the footnotes thereto prepared in conformity with GAAP, other than liabilities or obligations that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(c) The Company and the Company Subsidiaries have designed and maintain a system of internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company (A) has designed and maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) to ensure that material information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications of the principal executive officer and principal financial officer of the Company required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act and (B) has disclosed, based on its most recent evaluation of such disclosure controls and procedures prior to the date hereof to the Company's auditors and the audit committee of the Company's Board of Directors, (x) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect the Company's ability to record, process, summarize and report financial information with respect to the Company and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting. The Company has made available to AT Co. and Spinco any such disclosure made by management to the Company's auditors and the audit committee of the Company's Board of Directors.

7.5 Absence of Certain Changes or Events. Except as specifically contemplated by this Agreement, since the Interim Balance Sheet Date, each of the Company and the Company Subsidiaries has conducted its business in the ordinary course, consistent with past practice, and there has not been any event, occurrence, development or state of circumstances or facts that has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. From the Interim Balance Sheet Date to the date hereof, none of the Company or any of the Company Subsidiaries has taken any action or failed to take any action, which action or failure, as the case may be, would constitute a breach of Section 8.1 if taken without the consent of AT Co. and Spinco after the date hereof.

7.6 Investigations; Litigation. Except as described in the Company SEC Documents:

(a) There is no investigation or review pending (or, to the knowledge of the Company, threatened) by any Governmental Authority with respect to the Company or any of the Company Subsidiaries.

(b) There are no actions, suits, inquiries, grievances, arbitrations, investigations or proceedings pending (or, to the knowledge of the Company, threatened) against or affecting the Company or any of the Company Subsidiaries or any of their respective properties at law or in equity before and there are no orders, judgments or decrees of or before any Governmental Authority, in each case which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

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7.7 Compliance with Laws: Permits.

(a) The Company and the Company Subsidiaries are, and since January 1, 2003 have been, in compliance with all, and have received no notice of any violation (as yet unremedied) of any, Laws, applicable to the Company, such Company Subsidiaries or any of their respective properties or assets, except where such non-compliance, default or violation has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. Notwithstanding anything contained in this Section 7.7(a), no representation or warranty shall be deemed to be made in this Section 7.7(a) in respect of environmental, tax, employee benefits, labor or communications Laws matters, which are the subject of the representations and warranties made in Sections 7.10, 7.11, 7.12, 7.13 and 7.15 of this Agreement, respectively.

(b) The Company and the Company Subsidiaries are in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Authority necessary for the Company and the Company Subsidiaries to own, lease and operate their properties and assets or to carry on their businesses as they are now being conducted (the "Company Permits"), except where the failure to have any of the Company Permits has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. All Company Permits are in full force and effect, except where the failure to be in full force and effect has not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

7.8 Proxy Statement/ Prospectus: Registration Statement. None of the information regarding the Company or the Company Subsidiaries or the transactions contemplated by this Agreement provided by the Company specifically for inclusion in, or incorporation by reference into, the Proxy Statement/ Prospectus or the Registration Statement will, in the case of the definitive Proxy Statement/ Prospectus or any amendment or supplement thereto, at the time of the mailing of the definitive Proxy Statement/ Prospectus and any amendment or supplement thereto, and at the time of the Company Stockholders Meeting, or, in the case of the Registration Statement, at the time it becomes effective, at the time of the Company Stockholders Meeting and at the Effective Time, contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading. The Registration Statement will comply in all material respects with the provisions of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations promulgated thereunder, except that no representation is made by the Company with respect to information provided by AT Co. or Spinco specifically for inclusion in, or incorporation by reference into, the Registration Statement.

7.9 Information Supplied. All documents that the Company is responsible for filing with any Governmental Authority in connection with the transactions contemplated hereby or by any other Transaction Agreement will comply in all material respects with the provisions of applicable Law. All information supplied or to be supplied by the Company in any document, other than the Proxy Statements/ Prospectus and Registration Statement, which are addressed in Section 7.8, filed with any Governmental Authority in connection with the transactions contemplated hereby and by the other Transaction Agreements will be, at the time of filing, at the Distribution Date and at the Effective Time, true and correct in all material respects.

7.10 Environmental Matters. Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company:

(a) The Company and each of the Company Subsidiaries is and since January 1, 2003 has been in compliance with all applicable Environmental Laws and the Company and the Company Subsidiaries possess all Company Permits that are required under applicable Environmental Laws, and are in compliance with the terms and conditions thereof;

(b) neither the Company nor any of the Company Subsidiaries has received written notice of, or, is the subject of, any Environmental Claims;

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(c) neither the Company nor any of the Company Subsidiaries is subject to any indemnification obligation with respect to Environmental Laws or Hazardous materials, including such obligations regarding businesses currently or formerly owned or operated by the Company or any of the Company Subsidiaries or regarding properties formerly owned or leased by the Company or any of the Company Subsidiaries;

(d) there is no condition on, at, under or related to any property (including any release of a Hazardous Material into the air, soil, surface water, sediment or ground water at, under or migrating to or from such property), including related to property currently owned, leased or used by the Company or any of the Company Subsidiaries or created by the Company's or any Company Subsidiary's operations that, would give rise to liability for the Company or any of the Company Subsidiaries under applicable Environmental Laws, and, to the Company's knowledge, the foregoing representation is true and correct with regard to property formerly owned, leased or used by the Company or any of the Company Subsidiaries; and

(e) neither the Company nor any Company Subsidiary has any liability with respect to asbestos in any product or within any building or structure;

(f) The Company has made available to AT Co. and Spinco all material site assessments, environmental compliance audits, and other documents relating to environmental matters, and relating to the Company or its current or former properties or facilities to the extent such documents are in the possession, custody or control of the Company or any of the Company Subsidiaries, including without limitation such documents relating to (i) the environmental conditions on, under or about the properties or assets currently or formerly owned, leased, operated or used by the Company, any of the Company Subsidiaries or any predecessor in interest thereto and (ii) any Hazardous Materials used, managed, handled, transported, treated, generated, stored, discharged, emitted, or otherwise released by the Company, any of the Company Subsidiaries or any other Person on, under, about or from any of the properties currently or formerly owned or leased by, or otherwise in connection with the use or operation of any of the properties owned or leased, or otherwise in connection with the use or operation of any of the properties and assets of the Company or any of the Company Subsidiaries, or its businesses and operations.

(g) This Section 7.10 contains the sole and exclusive representations and warranties of AT Co. and Spinco with respect to environmental matters, including matters relating to Environmental Laws and Hazardous Materials.

7.11 Tax Matters.

(a) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company, (i) all Tax Returns relating to the Company and the Company Subsidiaries required to be filed have been filed, (ii) all such Tax Returns are true and correct in all respects, (iii) all Taxes shown as due and payable on such Tax Returns, and all Taxes (whether or not reflected on such Tax Returns) relating to the Company or any the Company Subsidiary required to be paid, have been paid, (iv) all Taxes relating to the Company and the Company Subsidiaries for any taxable period (or a portion thereof) beginning on or prior to the Closing Date (which are not yet due and payable) have been properly reserved for in the books and records of the Company, and (v) the Company and the Company Subsidiaries have duly and timely withheld all Taxes required to be withheld and such withheld Taxes have been either duly and timely paid to the proper Taxing Authority or properly set aside in accounts for such purpose and will be duly and timely paid to the proper Taxing Authority.

(b) No written agreement or other written document waiving or extending, or having the effect of waiving or extending, the statute of limitations or the period of assessment or collection of any Taxes relating to the Company or any Company Subsidiary and no power of attorney with respect to any such Taxes has been filed or entered into with any Taxing Authority.

(c) No audits or other administrative proceedings or proceedings before any Taxing Authority are presently pending with regard to any Taxes or Tax Return of the Company or any Company Subsidiary,

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as to which any Taxing Authority has asserted in writing any claim which, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, and no Taxing Authority is now asserting in writing any deficiency or claim for Taxes or any adjustment to Taxes with respect to which the Company or any Company Subsidiary may be liable with respect to income or other material Taxes which has not been fully paid or finally settled.

(d) Neither the Company nor any Company Subsidiary (i) is a party to or bound by or has any obligation under any Tax separation, sharing or similar agreement or arrangement, (ii) is or has been a member of any consolidated, combined or unitary group for purposes of filing Tax Returns or paying Taxes (other than a group of which the Company is the common parent corporation) or (iii) has entered into a closing agreement pursuant to Section 7121 of the Code, or any predecessor provision or any similar provision of state or local law.

(e) None of the assets of the Company or any of the Company Subsidiaries is subject to any Tax lien (other than liens for Taxes that are not yet due and payable).

(f) Section 7.11 of the Company Disclosure Letter lists all foreign jurisdictions in which the Company or any Company Subsidiary files a material Tax Return.

(g) Neither the Company nor any Company Subsidiary has agreed to make or is required to make any adjustment for a taxable period ending after the Effective Time under Section 481(a) of the Code by reason of a change in accounting method or otherwise, except where such adjustments have not had, and could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

(h) Neither the Company nor any Company Subsidiary has constituted either a “distributing corporation” or a “controlled corporation” (within the meaning of Section 355(a)(1)(A) of the Code) in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (I) in the two years prior to the date of this Agreement or (II) in a distribution that could otherwise constitute part of a “plan” or “series of related transactions” (within the meaning of Section 355(e) of the Code) in connection with the Merger.

(i) Neither the Company nor any of the Company Subsidiaries has taken or agreed to take any action that is reasonably likely to (nor are any of them aware of any agreement, plan or other circumstance that would) prevent the Tax-Free Status of the Transactions.

(j) Neither the Company nor any Company Subsidiary has engaged in any listed transaction, or any reportable transaction the principal purpose of which was tax avoidance, within the meaning of Sections 6011, 6111 and 6112 of the Code.

7.12 Benefit Plans.

(a) Section 7.12(a) of the Company Disclosure Letter lists each “employee benefit plan” (as defined in Section 3(3) of ERISA), and all other benefit, bonus, incentive, deferred compensation, stock option (or other equity-based), severance, change in control, welfare (including post-retirement medical and life insurance) and fringe benefit plans, whether or not subject to ERISA and whether written or oral, sponsored, maintained or contributed to or required to be contributed to by the Company or any of the Company Subsidiaries, to which the Company or any of the Company Subsidiaries is a party or in which any Person who is currently, has been or, prior to the Effective Time, is expected to become an employee of the Company or any of the Company Subsidiaries (a “Company Employee”) is a participant (the “Company Benefit Plans”), or with respect to which the Company or any of the Company Subsidiaries has or could have any material liability.

(b) No material liability under Title IV (including Sections 4069 and 4212(c) of ERISA) or Section 302 of ERISA has been incurred by the Company, any of the Company Subsidiaries or any ERISA Affiliate of any of them, and no condition exists that would reasonably be expected to result in the Company, any of the Company Subsidiaries or any ERISA Affiliate of any of them of incurring any such liability, other than liability for premiums due the PBGC. The present value of accrued benefits

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under each Company Benefit Plan that is subject to Title IV of ERISA, determined based upon the actuarial assumptions used for funding purposes in the most recent actuarial report prepared by such plan's actuary with respect to such plan, did not exceed, as of its latest valuation date, the then current value of the assets of such plan allocable to such accrued benefits.

(c) (i) No Company Benefit Plan is a "multiemployer pension plan," as defined in Section 3(37) of ERISA and (ii) none of the Company, any of the Company Subsidiaries or any ERISA Affiliate of any of them has made or suffered a "complete withdrawal" or a "partial withdrawal," as such terms are respectively defined in Sections 4203 and 4205 of ERISA, which has not been satisfied in full.

(d) Each Company Benefit Plan has been operated and administered in all material respects in accordance with its terms and applicable Law, including, ERISA and the Code. All contributions required to be made with respect to any Company Benefit Plan have been timely made, except for outstanding contributions in the ordinary course. There are no pending or, to the knowledge of the Company, threatened claims by, on behalf of or against any of the Company Benefit Plans or any assets thereof, other than routine benefit claim matters, that, if adversely determined would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company and no matter is pending (other than routine qualification determination filings, copies of which have been furnished to the AT Co. and Spinco or will be promptly furnished to the AT Co. and Spinco when made) with respect to any of the Company Benefit Plans before the IRS, the United States Department of Labor or the PBGC.

(e) Each Company Benefit Plan intended to be "qualified" within the meaning of Section 401(a) of the Code is so qualified and the trusts maintained thereunder are exempt from taxation under Section 501(a) of the Code, each trust maintained under any Company Benefit Plan intended to satisfy the requirements of Section 501(c)(9) of the Code has satisfied such requirements and, in either such case, no event has occurred or condition is known to exist that would reasonably be expected to have a material adverse effect on such tax-qualified status for any such Company Benefit Plan or any such trust.

(f) No Company Benefit Plan provides medical, surgical, hospitalization, death or similar benefits (whether or not insured) for employees or former employees of Company or any Company Subsidiary for periods extending beyond their retirement or other termination of service, other than (i) coverage mandated by applicable Law, (ii) death benefits under any "pension plan," or (iii) benefits the full cost of which is borne by the current or former employee (or his beneficiary). The Company has the right, and will have the right after the Effective Time to terminate any Company Benefit Plan or to amend any such Company Benefit Plan to reduce future benefits, (including any Company Benefit Plan that provides post-retirement medical and life insurance benefits) without incurring or otherwise being responsible for any material liability with respect thereto.

(g) No Company Benefit Plan or employment arrangement, and no contractual arrangements between the Company and any third party, exists that could result in the payment to any current, former or future director, officer, stockholder or employee of the Company or any of the Company Subsidiaries, or of any entity the assets or capital stock of which have been acquired by the Company or a Company Subsidiary, of any money or other property or rights or accelerate or provide any other rights or benefits to any such individual as a result of the consummation of the transactions contemplated by the Transaction Agreements whether or not (a) such payment, acceleration or provision would constitute a "parachute payment" (within the meaning of Section 280G of the Code) or (b) some other subsequent action or event would be required to cause such payment, acceleration or provision to be triggered.

7.13 Labor Matters. Except to the extent listed in Section 7.13 of the Company Disclosure Letter, neither the Company nor any of the Company Subsidiaries is a party to, or bound by, any collective bargaining agreement or other Contract with employees, a labor union or labor organization. Except for such matters which have not had, and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, (a) as of the date hereof, (i) there are no strikes or lockouts with respect to Company Employees, and (ii) there are not now and, to the knowledge of the Company, since January 1, 2003 there has not been, any union organizing effort pending or

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threatened against the Company or any of the Company Subsidiaries; (b) there is no unfair labor practice, charges or complaint, labor dispute (other than routine individual grievances) or labor arbitration proceeding pending or, to the knowledge of the Company, threatened against the Company or any of the Company Subsidiaries; (c) there is no slowdown, or work stoppage in effect or, to the knowledge of Company, threatened with respect to Company Employees; and (d) the Company and the Company Subsidiaries are in compliance with all applicable Laws respecting (i) employment and employment practices, (ii) terms and conditions of employment and wages and hours, (iii) collective bargaining and labor relations practices, (iv) layoffs, (v) immigration, and (vi) the payments of taxes and other withholdings. As of the date hereof, neither the Company nor any of the Company Subsidiaries has any liabilities under the WARN Act as a result of any action taken by the Company and that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

7.14 Intellectual Property Matters. Section 7.14 of the Company Disclosure Letter contains a complete and accurate list of (i) all patented or registered Intellectual Property Rights (and pending applications therefor) owned by the Company or any of the Company Subsidiaries, and (ii) all other patented or registered Intellectual Property Rights (and pending applications therefor) used by the Company or any of the Company Subsidiaries and material to the business of the Company and the Company Subsidiaries in each case, to the extent material to the business of the Company as a whole. The Company and the Company Subsidiaries own and possess free and clear of any Liens except Permitted Encumbrances, all right, title and interest in and to, or have adequate licenses or other valid and enforceable rights to use all material Intellectual Property Rights used or held for use in connection with the business of the Company and the Company Subsidiaries taken as a whole as currently conducted and as proposed to be conducted immediately prior to Effective Time (including in connection with services provided by the Company and the Company Subsidiaries to third parties) (the "Company IP Rights"), except where the failure to own or possess such items would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. To the best of the Company's knowledge, there is no assertion or claim challenging the validity, enforceability, ownership or use of any of the foregoing that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The conduct of the business of the Company and the Company Subsidiaries taken as a whole as currently conducted and as proposed to be conducted immediately after the Effective Time does not infringe, misappropriate or otherwise conflict in any way with any Intellectual Property Rights of any third party that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. To the best of the Company's knowledge, there are no infringements or misappropriations of or other conflicts with, any Intellectual Property Rights owned by or licensed by or to the Company or any Company Subsidiary that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. The transactions contemplated by this Agreement shall not impair the right, title or interest of the Company or any Company Subsidiary in and to the Company IP Rights, and all of the Company IP Rights shall be owned or available for use by the Surviving Corporation immediately after the Effective Time on terms and conditions identical in all material respects to those under which the Company and the Company Subsidiaries owned or used the Company IP Rights immediately prior to the Effective Time, except where such impairment or failure to be owned or available for use would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

7.15 Communications Regulatory Matters.

(a) The Company and the Company Subsidiaries hold all approvals, authorizations, certificates and licenses issued by the FCC and State Regulators set forth in Section 7.15(e) of the Company Disclosure Letter, and all other material regulatory permits, approvals, licenses, and other authorizations, including but not limited to franchises, ordinances and other agreements granting access to public rights of way, issued or granted to the Company or any Company Subsidiary by a state or federal agency or commission or other federal, state or local or foreign regulatory bodies regulating competition and telecommunications businesses (the "Company Licenses") that are required for the Company and the Company

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Subsidiaries to conduct its business, as presently conducted and as proposed to be conducted, except such Company Licenses the failure of which to so hold would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

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

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

(d) The Company or a Company Subsidiary owns one hundred percent (100%) of the equity and controls one hundred percent (100%) of the voting power and decision-making authority of each licensee of the Company Licenses, except where the failure to own such equity or control such voting power and decision-making authority of such licensees would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

7.16 Material Contracts.

(a) Except for this Agreement, each other Transaction Agreement, the Company Benefit Plans and except as filed as an exhibit to any Company SEC Document or as disclosed in Section 7.16 of the Company Disclosure Letter, as of the date hereof, neither the Company nor any of the Company Subsidiaries is a party to or bound by any "material contract" (as such term is defined in item 601(b)(10) of Regulation S-K of the SEC) (all contracts of the type described in this Section 7.16 being referred to herein as "Company Material Contracts").

(b) Neither the Company nor any Company Subsidiary is in breach of or default under the terms of any Company Material Contract where such breach or default has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. To the knowledge of the Company, no other party to any Company Material Contract is in breach of or in default under the terms of any Company Material Contract where such breach or default has had, or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. Each Company Material Contract is a valid and binding obligation of the Company or any Company Subsidiary which is a party thereto and, to the knowledge of the Company, of each other party thereto, and is in full force and effect, except that (i) such enforcement may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar Laws, now or hereafter in effect, relating to creditors' rights generally and (ii) equitable remedies of specific performance and injunctive and other

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forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

7.17 Company Real Property.

(a) Section 7.17(a) of the Company Disclosure Letter sets forth the address and description of all Company Owned Real Property, the loss of which would be material and adverse to the business of the Company as a whole. With respect to such Company Owned Real Property: (A) except as set forth in Section 7.17(a) of the Company Disclosure Letter or as would not reasonably be expected to have a Material Adverse Effect on the Company, the Company or Company Subsidiaries have not leased or otherwise granted to any Person the right to use or occupy such Company Owned Real Property or any material portion thereof; and (B) other than the right of the Company pursuant to this Agreement, there are no outstanding options, rights of first offer or rights of first refusal to purchase such Company Owned Real Property or any material portion thereof or interest therein.

(b) Section 7.17(b) of the Company Disclosure Letter sets forth the address of all Company Leased Real Property, the loss of which would be material and adverse to the business of the Company as a whole, and a true and complete list of all Company Leases for such property (including all amendments, extensions, renewals, guaranties and other agreements with respect thereto) for each such Company Leased Real Property. The Company has made available to AT Co. a true and complete copy of each such Company Lease document, and in the case of any such Lease that is an oral Lease, a written summary of the material terms of such Lease. Except as set forth in Section 7.17(b) of the Company Disclosure Letter or as would not reasonably be expected to have a Material Adverse Effect on the Company, with respect to each such Spinco Lease: (i) the Company's or Company Subsidiaries' possession and quiet enjoyment of the Company Leased Real Property under such Company Lease has not been disturbed, and to Company's knowledge, there are no disputes with respect to such Company Lease; (ii) Company or Company Subsidiaries have not subleased, licensed or otherwise granted any Person the right to use or occupy such Company Leased Real Property or any portion thereof; (iii) the Company or Company Subsidiaries have not collaterally assigned or granted any other security interest in such Company Lease or any interest therein; and (iv) there are no Liens on the estate or interest created by such Company Lease other than Permitted Encumbrances.

(c) Except as would not reasonably be expected to have a Material Adverse Effect on the Company, the Company Leasehold Improvements and all buildings, structures, improvements, fixtures, building systems and equipment, and all components thereof, included in the Company Owned Real Property are in good condition and repair and sufficient for the operation of the Company Business.

7.18 ¹ Opinion of Company Financial Advisors. The Company has received the written opinions of Wachovia Capital Markets, LLC and Bear Stearns & Co., Inc., to the effect that, as of the date hereof, the financial effects of the Merger are fair, from a financial point of view, to the Company and its stockholders. The Company has previously delivered a copy of such opinion to AT Co.

7.19 Brokers or Finders. Except for Wachovia Capital Markets, LLC and Bear Stearns & Co., Inc., a copy of whose engagement agreement has been provided to AT Co., no agent, broker, investment banker, financial advisor or other similar Person is or will be entitled, by reason of any agreement, act or statement by the Company, or any of the Company Subsidiaries, directors, officers or employees, to any financial advisory, broker's, finder's or similar fee or commission, to reimbursement of expenses or to indemnification or contribution in connection with any of the transactions contemplated by this Agreement or any other Transaction Agreement.

7.20 Takeover Statutes. Other than Section 203 of the DGCL, no "fair price," "moratorium," "control share acquisition," "business combination," "stockholder protection" or other similar antitakeover statute or regulation enacted under Delaware law, or, to the knowledge of the Company, under the law of any other jurisdiction, will apply to this Agreement, the Voting Agreement, the Merger or the transactions contemplated hereby or thereby. Assuming the accuracy of the representation and warranty set forth in Section 7.3, the action of the Board of Directors of the Company in approving this Agreement

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and the transactions provided for herein is sufficient to render inapplicable to this Agreement, the Voting Agreement, the Merger and the transactions contemplated hereby or thereby and the transactions provided for herein, the restrictions on "business combinations" (as defined in Section 203 of the DGCL) as set forth in Section 203 of the DGCL.

7.21 Certain Board Findings. The Board of Directors of the Company, at a meeting duly called and held, (i) has determined that this Agreement and the transactions contemplated hereby, including the Merger, and the issuance of shares of Company Common Stock pursuant to the Merger, are advisable, fair to and in the best interests of the Company and the stockholders of the Company, (ii) approved this Agreement and the transactions contemplated hereby, including the Merger and (iii) has resolved to recommend that the stockholders of the Company entitled to vote thereon adopt this Agreement at the Company Stockholders Meeting.

7.22 Vote Required. The only vote of the stockholders of the Company required under any of the DGCL, the NYSE rules or the Company's Certificate of Incorporation for adoption of this Agreement, is the affirmative vote of the holders of a majority in voting power of all outstanding shares of Company Common Stock at the Company Stockholders Meeting (sometimes referred to herein as the "Requisite Approval").

7.23 Affiliate Transactions. Except as specifically provided in this Agreement or any of the other Transaction Agreements or as disclosed in the Company SEC Reports, there are no transactions or Contracts of the type required to be disclosed by the Company under Item 404 of Regulation S-K between or among (a) the Company or any Company Subsidiary, on the one hand, and (b) any individual who is a "named executive officer" of the Company (as such term is defined in Section 402 of Regulation S-K), on the other hand.

ARTICLE VIII

Covenants and Agreements

8.1 Conduct of Business by the Company Pending the Merger. Following the date of this Agreement and prior to the earlier of the Effective Time and the Termination Date, except as may be consented to in writing by AT Co. and Spingo (which consent shall not be unreasonably withheld, conditioned or delayed) or as set forth in Section 8.1 of the Company Disclosure Letter, the Company covenants and agrees that each of the Company and the Company Subsidiaries shall conduct its operations in accordance with its ordinary course of business, consistent with past practice and in compliance with all Laws applicable to it or to the conduct of its business, and use all reasonable best efforts to preserve intact its present business organization, maintain rights and franchises, keep available the services of its current officers and key employees and preserve its relationships with customers, suppliers and others having business dealings with it in such a manner that its goodwill and ongoing businesses are not impaired in any material respect. Following the date of this Agreement and prior to the earlier of the Effective Time and the Termination Date except (i) as may be required by Law (provided that any party availing itself of such exception must first consult with the other party), (ii) as may be consented to in writing by AT Co. and Spingo (which consent shall not be unreasonably withheld, conditioned or delayed), (iii) as may be expressly permitted by this Agreement or the other Transaction Agreements, or (iv) as set forth in Section 8.1 of the Company Disclosure Letter, the Company shall not, nor shall it permit any of the Company Subsidiaries to:

(a) (i) declare or pay any dividends on or make other distributions in respect of any shares of its capital stock or partnership interests (whether in cash, securities or property), except for the declaration and payment of cash dividends or distributions paid on or with respect to a class of capital stock all of which shares of capital stock, as the case may be, of the applicable corporation are owned directly or indirectly by the Company and the payment of regular quarterly dividends each in an amount not to exceed \$0.36 per share at times consistent with the past dividend payment practices of the Company (including a final partial regular quarterly dividend to be declared and paid to pre-Closing Company stockholders, pro rated for the number of days elapsed between (x) the beginning of the quarterly period

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in which the Effective Time occurs and (y) the day immediately preceding the Effective Time); (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of, or in substitution for, shares of its capital stock; or (iii) redeem, repurchase or otherwise acquire, or permit any Subsidiary to redeem, repurchase or otherwise acquire, any shares of its capital stock (including any securities convertible or exchangeable into such capital stock), except as required by the terms of the securities outstanding on the date hereof or as required by the terms of a Company Benefit Plan;

(b) issue, deliver or sell, or authorize any shares of its capital stock of any class, any Company Voting Debt or any securities convertible into, or any rights, warrants or options to acquire, any such shares, Company Voting Debt or convertible securities, other than (i) the issuance of shares of Company Common Stock upon the exercise of stock options that are outstanding on the date hereof pursuant to the Company Benefit Plans; and (ii) issuances by a wholly owned Subsidiary of the Company of its capital stock to such Subsidiary's parent or another wholly owned Subsidiary of the Company;

(c) amend its Certificate of Incorporation or Bylaws (or other similar organizational documents) in any manner that would prevent or materially impair or delay the consummation of the transactions contemplated by this Agreement;

(d) acquire or agree to acquire by merger or consolidation, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, limited liability entity, joint venture, association or other business organization or division thereof or otherwise acquire or agree to acquire any material assets, (excluding the acquisition of assets used in the operations of the business of the Company and its Subsidiaries in the ordinary course consistent with past practice, which assets do not constitute a business unit, division or all or substantially all of the assets of the transferor);

(e) except in the ordinary course of business, consistent with past practice, sell, lease, license or otherwise encumber or subject to any Lien or otherwise dispose of, or agree to sell, lease, license or otherwise encumber or subject to any Lien or otherwise dispose of, any of its assets (including capital stock of Subsidiaries of the Company but excluding inventory and obsolete equipment, in each case, in the ordinary course of business consistent with past practice).

(f) except in the ordinary course of business, consistent with past practice, incur any indebtedness for borrowed money or guarantee or otherwise become contingently liable for any such indebtedness or issue or sell any debt securities or warrants or rights to acquire any debt securities of the Company or any of its Subsidiaries or guarantee any debt securities of others or enter into any material lease (whether such lease is an operating or capital lease) or otherwise incur any material obligation or liability (absolute or contingent) other than (i) the incurrence of additional indebtedness under the Company Credit Agreement in an amount not to exceed \$5,000,000, (ii) pursuant to any customer Contract or vendor Contract entered into in the ordinary course of business consistent with past practice, and (iii) in connection with equipment leasing in the ordinary course of business consistent with past practice;

(g) except in the ordinary course of business, consistent with past practice, incur or commit to any individual capital expenditure or any obligation or liability in connection with any capital expenditure in excess of \$2,000,000 or incur or commit to aggregate capital expenditures or obligations or liabilities in connection with any capital expenditure in excess of \$5,000,000, in each case, other than capital expenditures or obligations or liabilities in connection therewith to repair or replace facilities destroyed or damaged due to casualty or accident (whether or not covered by insurance), or as contemplated by the Company's 2005 or 2006 capital expenditure budget, copies of which have been previously provided to AT Co. and Spinco;

(h) except to the extent provided in subsection (h) of Section 8.1 of the Company Disclosure Letter, (i) other than in the ordinary course of business, consistent with past practice, grant any material increases in the compensation of any of its directors, officers or employees, except in the ordinary course of business consistent with past practice; (ii) pay or agree to pay to any director, officer or employee,

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whether past or present, any pension, retirement allowance or other employee benefit not required or contemplated by any of the existing benefit, severance, termination, pension or employment plans, Contracts or arrangements as in effect on the date hereof; (iii) other than in the ordinary course of business consistent with past practice, enter into any new, or materially amend any existing, employment or severance or termination, Contract with any director, officer or employee; (iv) accelerate the vesting of, or the lapsing of restrictions with respect to, any stock options or other stock-based compensation; or (v) become obligated under any new pension plan, welfare plan, multiemployer plan, employee benefit plan, severance plan, benefit arrangement or similar plan or arrangement that was not in existence on the date hereof, or amend any such plan or arrangement in existence on the date hereof if such amendment would have the effect of materially enhancing any benefits thereunder;

(i) establish, adopt, enter into, terminate or amend any collective bargaining agreement, plan, trust, fund, policy or arrangement for the benefit of any current or former directors, officers, employees or any of their beneficiaries, except, in each case, as would not result in a material increase in the cost of maintaining such collective bargaining agreement, plan, trust, fund, policy or arrangement;

(j) authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation or dissolution of the Company or any of the Company Subsidiaries;

(k) make any material change in its methods of accounting in effect at the Interim Balance Sheet Date or change its fiscal year;

(l) enter into or amend any agreement or arrangement with any Affiliate of the Company or any such Company Subsidiary, other than with wholly owned Company Subsidiaries, on terms less favorable to the Company or such Company Subsidiary, as the case may be, than could be reasonably expected to have been obtained with an unaffiliated third party on an arm's-length basis;

(m) except in the ordinary course of business, consistent with past practice, modify, amend, terminate, renew or fail to use reasonable best efforts to renew any Material Contract to which the Company or any of the Company Subsidiaries is a party or waive, release or assign any material rights or claims thereunder or enter into any Material Contract not in the ordinary course of business consistent with past practice and not terminable by the Company or the Company Subsidiary party thereto without penalty on ninety (90) days' or less notice;

(n) except as would not be expected to materially and adversely affect the Company or any of its Affiliates or the Surviving Corporation on a going-forward basis after the Effective Time, (i) make or rescind any material express or deemed election relating to Taxes, including elections for any and all joint ventures, partnerships, limited liability companies or other investments where the Company has the capacity to make such binding election, (ii) settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes, (iii) amend any material Tax Returns or (iv) change in any material respect any of its methods of reporting income or deductions for federal income tax purposes from those expected to be employed in the preparation of its federal income tax return for the taxable year ending December 31, 2005 (unless such change is required by Law); provided, however, that the Company may make or rescind any such election, settle or compromise any such claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy, change any such method of reporting or amend any such Tax Return without AT Co.'s and Spinco's prior written consent if the amount of Tax liabilities relating to such action does not exceed \$2,000,000; and further provided that the Company may make elections under Section 754 of the Code and under IRS Notice 2003-65 in respect of its Subsidiaries;

(o) except in the ordinary course of business, consistent with past practice, pay, discharge or satisfy any material claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction (which includes the payment of final and unappealable judgments) or in accordance with their terms, of liabilities reflected or reserved against in, or contemplated by, the most recent consolidated financial statements (or the notes thereto) of the Company included in the Company's Annual Report on Form 10-K for the fiscal year ended

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December 31, 2004, or incurred in the ordinary course of business since the date of such financial statements;

(p) subject to the terms and conditions of this Agreement, intentionally take or agree or commit to take any action that would result in any of its representations and warranties set forth in this Agreement being or becoming untrue in any material respect, or in any of the conditions set forth in Article IX not being satisfied at the Effective Time; or

(q) agree or commit to do any of the foregoing actions.

8.2 *Conduct of Business by Spinco and AT Co. Pending the Merger.* Following the date of this Agreement and prior to the earlier of the Effective Time and the Termination Date, except as may be consented to in writing by the Company (which consent shall not be unreasonably withheld, conditioned or delayed) or as set forth in Section 8.2 of the Spinco Disclosure Letter, AT Co. and Spinco jointly and severally covenant and agree that AT Co. and the AT Co. Subsidiaries (in regard to the Spinco Business only) and each of Spinco and the Spinco Subsidiaries shall conduct its operations in accordance with its ordinary course of business, consistent with past practice and in compliance with all Laws applicable to it or to the conduct of its business, and use all reasonable best efforts to preserve intact its present business organization, maintain rights and franchises, keep available the services of its current officers and key employees and preserve its relationships with customers, suppliers and others having business dealings with it in such a manner that its goodwill and ongoing businesses are not impaired in any material respect. Following the date of this Agreement and prior to the earlier of the Effective Time and the Termination Date except (i) as may be required by Law (provided that any party availing itself of such exception must first consult with the other party), (ii) as may be consented to in writing by the Company (which consent shall not be unreasonably withheld, conditioned or delayed), (iii) as may be expressly permitted by this Agreement or the other Transaction Agreements, (iv) as required to permit the ordinary course operation of AT Co.'s cash management system prior to the Effective Time, including any distributions of cash in connection therewith, or (v) as set forth in Section 8.2 of the Spinco Disclosure Letter, Spinco shall not, nor shall AT Co. and Spinco permit any of the Spinco Subsidiaries to:

(a) (i) declare or pay any dividends on or make other distributions in respect of any shares of its capital stock or partnership interests (whether in cash, securities or property), except for the declaration and payment of cash dividends or distributions paid on or with respect to a class of capital stock or partnership interests all of which shares of capital stock or partnership interests, as the case may be, of the applicable corporation or partnership are owned directly or indirectly by AT Co. or Spinco or as contemplated by the Distribution Agreement or required in connection with the Contribution; (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of, or in substitution for, shares of its capital stock, except as contemplated by the Distribution Agreement; or (iii) redeem, repurchase or otherwise acquire, or permit any Subsidiary to redeem, repurchase or otherwise acquire, any shares of its capital stock (including any securities convertible or exchangeable into such capital stock), except as required by the terms of the securities of AT Co. outstanding on the date hereof or as required by any Spinco Benefit Plan.

(b) issue, deliver or sell, or authorize any shares of Spinco's capital stock or capital stock of any Spinco Subsidiary of any class, any Spinco Voting Debt or any securities convertible into, or any rights, warrants or options to acquire, any such shares, Spinco Voting Debt or convertible securities including additional options or other equity-based awards that could be converted into any option to acquire Spinco Common Stock pursuant to the Employee Benefits Agreement, other than (i) pursuant to this Agreement, pursuant to the Distribution Agreement and (ii) issuances by a wholly owned Subsidiary of Spinco of its capital stock to such Subsidiary's parent or another wholly owned Subsidiary of Spinco;

(c) acquire or agree to acquire by merger or consolidation, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, limited liability entity, joint venture, association or other business organization or division thereof or otherwise acquire or agree to acquire any material assets (excluding the acquisition of assets used in the operations of the business of Spinco and its Subsidiaries in the ordinary course

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consistent with past practice, which assets do not constitute a business unit, division or all or substantially all of the assets of the transferor);

(d) except in the ordinary course of business, consistent with past practice, sell, lease, license or otherwise encumber or subject to any Lien or otherwise dispose of, or agree to sell, lease, license or otherwise encumber or subject to any Lien or otherwise dispose of, any of its assets (including capital stock of Spinco Subsidiaries but excluding inventory and obsolete equipment, in each case, in the ordinary course of business consistent with past practice);

(e) incur any indebtedness for borrowed money or guarantee or otherwise become contingently liable for any such indebtedness or issue or sell any debt securities or warrants or rights to acquire any debt securities of Spinco or any of its Subsidiaries or guarantee any debt securities of others or enter into any material lease (whether such lease is an operating or capital lease) or otherwise incur any material obligation or liability (absolute or contingent), other than (i) the incurrence of additional indebtedness under the Spinco Credit Agreement or other sources to fund ordinary course capital requirements of Spinco and the Spinco Subsidiaries, (ii) pursuant to any customer Contract or vendor Contract entered into in the ordinary course of business consistent with past practice, and (iii) in connection with equipment leasing in the ordinary course of business, consistent with past practice;

(f) except in the ordinary course of business, consistent with past practice, incur or commit to any individual capital expenditure or any obligation or liability in connection with any capital expenditure, or incur or commit to aggregate capital expenditures or obligations or liabilities in connection with any capital expenditure, in each case, other than capital expenditures or obligations or liabilities in connection therewith to repair or replace facilities destroyed or damaged due to casualty or accident (whether or not covered by insurance), or as contemplated by the 2005 or 2006 capital expenditure budget of AT Co. or Spinco, copies of which have been previously provided to the Company;

(g) authorize, recommend, propose or announce an intention to adopt a plan of complete or partial liquidation or dissolution of Spinco or any of its Subsidiaries;

(h) make any material change in AT Co.'s methods of accounting with respect to the Spinco Business in effect at the Interim Balance Sheet Date;

(i) except as would not be expected to materially and adversely affect Spinco or any of its Subsidiaries or the Spinco Business, or the Surviving Corporation on a going-forward basis after the Effective Time, (i) make or rescind any material express or deemed election relating to Taxes of Spinco or any of its Subsidiaries or the Spinco Business, including elections for any and all joint ventures, partnerships, limited liability companies or other investments where AT Co. or Spinco has the capacity to make such binding election (other than any election necessary in order to obtain the IRS Contribution Ruling, the IRS Distribution Ruling, the IRS Debt Exchange Ruling, the IRS Special Dividend Ruling and/or the Distribution Tax Opinion), (ii) settle or compromise any material claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes of Spinco or any of its Subsidiaries or the Spinco Business, (iii) amend any material Tax Returns of Spinco or any of its Subsidiaries or relating to the Spinco Business or (iv) change in any material respect any method of reporting income or deductions of Spinco or any of its Subsidiaries or the Spinco Business for federal income tax purposes from those expected to be employed in the preparation of its federal income tax return for the taxable year ending December 31, 2005 (unless such change is required by Law), provided, however, that Spinco may make or rescind any such election, settle or compromise any such claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy, change any such method of reporting or amend any such Tax Return without the Company's prior written consent if the amount of Tax liabilities relating to such action does not exceed \$2,000,000;

(j) except in the ordinary course of business, consistent with past practice, pay, discharge or satisfy any material claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than the payment, discharge or satisfaction, in the ordinary course of business, consistent with past practice (which includes the payment of final and unappealable judgments) or in

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accordance with their terms, of liabilities reflected or reserved against in, or contemplated by, the Interim Financial Statements (or the notes thereto) of Spinco included in the Spinco Financial Statements, or incurred in the ordinary course of business since the date of such financial statements;

(k) subject to the terms and conditions of this Agreement, intentionally take or agree or commit to take any action that would result in any of its representations and warranties set forth in this Agreement or the other Transaction Agreements being or becoming untrue in any material respect, or in any of the conditions set forth in Article IX not being satisfied at the Effective Time; or

(l) agree to commit to take any of the foregoing actions.

8.3 Tax Matters. Prior to the Effective Time, each of AT Co., Spinco and the Company agrees to use its reasonable best efforts to cause the Tax-Free Status of the Transactions.

8.4 Proxy Statement/ Prospectus.

(a) As promptly as practicable following the date hereof, the Company, AT Co. and Spinco shall prepare, and the Company shall file with the SEC, the Proxy Statement/ Prospectus and the Registration Statement (the Proxy Statement/ Prospectus will be included as a prospectus in the Registration Statement) with respect to the transactions contemplated by this Agreement, and each of the Company and Spinco shall use its reasonable best efforts to have such Proxy Statement/ Prospectus cleared by the SEC under the Exchange Act and the Registration Statement declared effective by the SEC under the Securities Act, as promptly as practicable after such filings.

(b) As promptly as practicable after the Registration Statement shall have become effective, the Company shall mail, or cause to be mailed, the Proxy Statement/ Prospectus to its stockholders.

(c) The Company shall, as promptly as practicable after receipt thereof, provide to AT Co. and Spinco copies of any written comments and advise AT Co. and Spinco of any oral comments with respect to the Proxy Statement/ Prospectus and the Registration Statement received from the SEC.

(d) The Company shall provide AT Co. and Spinco with a reasonable opportunity to review and comment on any amendment or supplement to the Proxy Statement/ Prospectus or Registration Statement prior to filing the same with the SEC, and with a copy of all such filings made with the SEC. No amendment or supplement to the Proxy Statement/ Prospectus or the Registration Statement will be made by the Company without the approval of AT Co. and Spinco (such approval not to be unreasonably withheld, conditioned or delayed). The Company will advise AT Co. and Spinco promptly after it receives notice thereof, of the time when the Registration Statement has become effective or any supplement or amendment has been filed, of the issuance of any stop order, of the suspension of the qualification of the Company Common Stock issuable in connection with the Merger for offering or sale in any jurisdiction, or of any request by the SEC for amendment of the Proxy Statement/ Prospectus or the Registration Statement or comments thereon and responses thereto or requests by the SEC for additional information.

(e) If, at any time prior to the Effective Time, any event or circumstance should occur that results in the Proxy Statement/ Prospectus or the Registration Statement containing an untrue statement of a material fact or omitting to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, or that otherwise should be described in an amendment or supplement to the Proxy Statement/ Prospectus or the Registration Statement, AT Co., Spinco and the Company shall promptly notify each other of the occurrence of such event and then promptly prepare, file and clear with the SEC and mail, or cause to be mailed, to the Company's stockholders each such amendment or supplement.

(f) AT Co. and Spinco agree to promptly provide the Company with the information concerning AT Co. and Spinco and their respective Affiliates required to be included in the Proxy Statement/ Prospectus and the Registration Statement. In furtherance of the foregoing, AT Co. and Spinco shall use all reasonable best efforts to, or shall use all reasonable best efforts to cause their respective representatives to, furnish promptly to the Company such additional financial and operating data and other information, as to their and their

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respective Subsidiaries' businesses as the Company may require in connection with the preparation of the Proxy Statement/ Prospectus and the Registration Statement.

8.5 Listing. As promptly as practicable following the date hereof, the Company shall make application to the NYSE for the listing of the shares of Company Common Stock to be issued pursuant to the transactions contemplated by this Agreement and use all reasonable best efforts to cause such shares to be Approved for Listing.

8.6 Reasonable Best Efforts; Regulatory Matters.

(a) Subject to the terms and conditions set forth in this Agreement, each of AT Co., Spinco and the Company shall use all reasonable best efforts (subject to, and in accordance with, applicable Law) to take promptly, or cause to be taken, all actions, and to do promptly, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable under applicable Laws and regulations to consummate and make effective the Merger and the other transactions contemplated by this Agreement, including (i) the obtaining of all necessary actions or nonactions, waivers, consents and approvals, including the Company Approvals and the Spinco Approvals, from any Governmental Authority and the making of all necessary registrations and filings and the taking of all steps as may be necessary to obtain an approval or waiver from, or to avoid an action or proceeding by, any Governmental Authority, (ii) the obtaining of all necessary consents, approvals or waivers from third parties, (iii) the defending of any lawsuits or other legal proceedings, whether judicial or administrative, challenging this Agreement or the consummation of the transactions contemplated by this Agreement and (iv) the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by this Agreement.

(b) Subject to the terms and conditions herein provided and without limiting the foregoing, each of AT Co., Spinco and the Company shall (i) promptly but in no event later than fifteen (15) days after the date hereof make their respective filings and thereafter make any other required submissions under the HSR Act, (ii) promptly (but in no event later than fifteen (15) days after the date hereof) file all applications (required to be filed with the FCC (the "FCC Applications"), and any State Regulators (the "PSC Applications"), each as set forth on Schedule 8.6(a), to effect the transfer of control of the Spinco Licenses (collectively, the "Telecommunications Regulatory Consents") and respond as promptly as practicable to any additional requests for information received from the FCC or any State Regulator by any party to a FCC Application or PSC Application, (iii) use all reasonable best efforts to cure not later than the Effective Time any violations or defaults under any FCC Rules or rules of any State Regulator, (iv) use all reasonable best efforts to cooperate with each other in (x) determining whether any filings are required to be made with, or consents, permits, authorizations or approvals are required to be obtained from, any third parties or other Governmental Authorities in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby and (y) timely making all such filings and timely seeking all such consents, permits, authorizations or approvals, (v) use all reasonable best efforts to take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby all such further action as reasonably may be necessary to resolve such objections, if any, as the HSR Agencies, state antitrust enforcement authorities or competition authorities of any other nation or other jurisdiction or any other Person may assert under relevant antitrust or competition laws with respect to the transactions contemplated hereby; and (vi) subject to applicable legal limitations and the instructions of any Governmental Authority, keep each other apprised of the status of matters relating to the completion of the transactions contemplated thereby, including promptly furnishing the other with copies of notices or other communications received by the Company, AT Co. or Spinco, as the case may be, or any of their respective Subsidiaries, from any third party and/or any Governmental Authority with respect to such transactions.

(c) In furtherance and not in limitation of the covenants of the parties contained in this Section 8.6, if any administrative or judicial action or proceeding, including any proceeding by a private party, is instituted (or threatened to be instituted) challenging any transaction contemplated by this Agreement as violative of any Regulatory Law, each of the Company, AT Co. and Spinco shall cooperate in all respects with each other and use all reasonable best efforts to contest and resist any such action or proceeding and to have vacated,

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lifted, reversed or overturned any decree, judgment, injunction or other order, whether temporary, preliminary or permanent, that is in effect and that prohibits, prevents or restricts consummation of the transactions contemplated by this Agreement. Notwithstanding the foregoing or any other provision of this Agreement, nothing in this Section 8.6 shall limit a party's right to terminate this Agreement pursuant to Section 11.1(b) or 11.1(c) so long as such party has, prior to such termination, complied with its obligations under this Section 8.6.

(d) If any objections are asserted with respect to the transactions contemplated hereby under any Regulatory Law or if any suit is instituted by any Governmental Authority or any private party challenging any of the transactions contemplated hereby as violative of any Regulatory Law, each of the Company, AT Co. and Spinco, shall use all reasonable best efforts to resolve any such objections or challenge as such Governmental Authority or private party may have to such transactions under such Regulatory Law so as to permit consummation of the transactions contemplated hereby. For purposes of this Agreement, "Regulatory Law" means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, the Communications Act and all other federal, state or foreign, if any, statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening competition, whether in the communications industry or otherwise through merger or acquisition.

8.7 IRS Distribution Ruling; Other IRS Rulings; Tax Opinions.

(a) IRS Rulings.

(i) As soon as reasonably practicable after the date of this Agreement, AT Co. and the Company, as to matters germane to the Merger, shall submit to the IRS a request (the "Ruling Request") for (A) the IRS Contribution Ruling, (B) the IRS Distribution Ruling, (C) the IRS Debt Exchange Ruling, (D) the IRS Special Dividend Ruling, (E) the IRS 357(c) Ruling and (F) any other ruling in connection with the Contribution, the Distribution or the Merger that AT Co., in consultation with the Company, deems to be appropriate. The initial Ruling Request and any supplemental materials submitted to the IRS relating thereto (each, an "IRS Submission") shall be prepared by AT Co. AT Co. shall provide the Company with a reasonable opportunity to review and comment on each IRS Submission prior to the filing of such IRS Submission with the IRS; provided that AT Co. may redact from any IRS Submission any information ("Redactable Information") that (A) AT Co., in its good faith judgment, considers to be confidential and not germane to the Company's or Spinco's obligations under this Agreement or any of the other Transaction Agreements, and (B) is not a part of any other publicly available information, including any non-confidential filing.

(ii) No IRS Submission shall be filed with the IRS unless, prior to such filing, the Company shall have agreed as to the contents of such IRS Submission, to the extent that such contents (A) include statements or representations relating to facts that are or will be under the control of the Company or any of its Affiliates (including Spinco or the Spinco Subsidiaries for periods after the Effective Time) or (B) are relevant to, or create, any actual or potential obligations of, or limitations on, the Company or any of its Affiliates (including Spinco or the Spinco Subsidiaries for periods after the Effective Time), including any such obligations of, or limitations on, the Company or its Affiliates (including Spinco or the Spinco Subsidiaries for periods after the Effective Time) under this Agreement or any of the other Transaction Agreements. AT Co. shall provide the Company with copies of each IRS Submission as filed with the IRS promptly following the filing thereof; provided that AT Co. may redact any Redactable Information from the IRS Submission. Neither AT Co. nor AT Co.'s representatives shall conduct any substantive communications with the IRS regarding any material issue arising with respect to the Ruling Request, including meetings or conferences with IRS personnel, whether telephonically, in person or otherwise, without first notifying the Company or the Company's representatives and giving the Company (or the Company's representatives) a reasonable opportunity to participate, and a reasonable number of the Company's representatives shall have an opportunity to participate in all conferences or meetings with IRS personnel that take place in person, regardless of the nature of the issues expected to be discussed. Solely for the avoidance of doubt, nothing in this Section 8.7(a)(ii) shall

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provide grounds for Spinco or the Company to alter any obligation or limitation imposed upon it under this Agreement.

(iii) Each of AT Co., Spinco and the Company agrees to use its reasonable best efforts to obtain the IRS Contribution Ruling, the IRS Distribution Ruling, the IRS Debt Exchange Ruling, the IRS Special Dividend Ruling, the IRS 357(c) Ruling and the other rulings set forth in the Ruling Request, including providing such appropriate information and representations as the IRS shall require in connection with the Ruling Request and any IRS Submissions.

(b) Distribution Tax Opinion. Each of AT Co., Spinco and the Company agrees to use its reasonable best efforts to obtain the Distribution Tax Opinion. The Distribution Tax Opinion shall be based upon the IRS Contribution Ruling, the IRS Distribution Ruling, the IRS Debt Exchange Ruling, the IRS Special Dividend Ruling and customary representations and covenants, including those contained in certificates of AT Co., Spinco, the Company and others, reasonably satisfactory in form and substance to AT Co. Tax Counsel (such representations and covenants, the "Distribution Tax Representations"). Each of AT Co., Spinco and the Company shall deliver to AT Co. Tax Counsel for purposes of the Distribution Tax Opinion customary Distribution Tax Representations, reasonably satisfactory in form and substance to AT Co. Tax Counsel.

(c) Merger Tax Opinions. AT Co. and Spinco, on the one hand, and the Company, on the other hand, shall cooperate with each other in obtaining, and shall use their respective reasonable best efforts to obtain, a written opinion of their respective tax counsel, Kirkland & Ellis LLP, in the case of the Company ("Company Tax Counsel"), and AT Co. Tax Counsel, in the case of AT Co. and Spinco, in form and substance reasonably satisfactory to the Company and AT Co., respectively (each such opinion, a "Merger Tax Opinion"), dated as of the Effective Time, to the effect that, on the basis of facts, representations and assumptions set forth in such opinion, the Merger will be treated as a tax-free reorganization within the meaning of Section 368(a) of the Code. Each of the Company, AT Co. and Spinco shall deliver to Company Tax Counsel and AT Co. Tax Counsel for purposes of the Merger Tax Opinions customary representations and covenants, including those contained in certificates of the Company, AT Co., Spinco and others, reasonably satisfactory in form and substance to Company Tax Counsel and AT Co. Tax Counsel.

8.8 Letter of Spinco's Accountants. In connection with the information regarding Spinco or the Spinco Subsidiaries or the transactions contemplated by this Agreement provided by Spinco specifically for inclusion in, or incorporation by reference into, the Proxy Statement/ Prospectus and the Registration Statement, Spinco shall use all reasonable best efforts to cause to be delivered to the Company two letters of PricewaterhouseCoopers LLP, one dated the date on which the Registration Statement shall become effective and one dated the Closing Date, and addressed to the Company, in form and substance reasonably satisfactory to the Company and customary in scope and substance for letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement.

8.9 Letter of the Company's Accountants. In connection with the information regarding the Company or its Subsidiaries or the transactions contemplated by this Agreement provided by the Company specifically for inclusion in, or incorporation by reference into, the Proxy Statement/ Prospectus and the Registration Statement, the Company shall use all reasonable best efforts to cause to be delivered to Spinco two letters of Deloitte & Touche LLP, one dated the date on which the Registration Statement shall become effective and one dated the Closing Date, and addressed to AT Co. and Spinco, in form and substance reasonably satisfactory to AT Co. and Spinco and customary in scope and substance for letters delivered by independent public accountants in connection with registration statements similar to the Registration Statement.

8.10 Employee Matters.

(a) As of the Closing Date, the Surviving Corporation shall, or shall cause one of its Subsidiaries to, continue to employ as a successor employer all of the Spinco Employees (as of immediately prior to the Effective Time, including all such employees who have the rights of employment in accordance with the established practices or policies of Spinco on return from any vacation, leave or other authorized absence) (collectively, the "Transferred Employees"), provided that nothing in this Agreement shall require the Surviving Corporation to retain or employ such employees for any specific length of time.

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(b) Subject to the terms of the Employee Benefits Agreement and the other provisions of this Section 8.10, the Surviving Corporation shall cause the Transferred Employees to receive substantially the same level of benefits, in the aggregate, as provided under the Spinco Benefit Plans as of the Distribution Date for a period of one (1) year after the Effective Time.

(c) To the extent that service is relevant for all purposes, including eligibility to participate, vesting credit, eligibility to commence benefits, benefit accrual, early retirement subsidies, and severance benefits, under a Company Benefit Plan maintained for the benefit of the Transferred Employees, the Company or one of its Subsidiaries shall, effective as of the Closing, cause each Transferred Employee to be credited with service under the applicable Company Benefit Plans for all service earned by such Transferred Employee with Spinco or AT Co. (including their respective predecessors) prior to or on the Closing Date; provided, however, that such service shall not be required to be recognized to the extent that such recognition would result in a duplication of benefits.

(d) With respect to any Company Benefit Plans in which any Transferred Employees become eligible to participate on or after the Effective Time, the Company shall (i) waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Transferred Employees and their eligible dependents, and (ii) for purposes of satisfying any deductible or out-of-pocket requirements, provide each Transferred Employee and their eligible dependents with credit for any co-payments and deductibles paid prior to the Effective Time under the analogous Spinco Benefit Plan. With respect to any former employees of Spinco (the "Former Employees") who are receiving "continuation coverage" under a Spinco Benefit Plan, as of the Effective Time, in accordance with the requirements of COBRA, the Company shall (i) provide, or cause to be provided, as of the Effective Time, continued coverage under a group health plan sponsored by the Company or one of its Subsidiaries, and (ii) waive all pre-existing conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Former Employees and their eligible dependents.

(e) At the Effective Time, the Surviving Corporation shall assume, honor and discharge when due all Spinco Liabilities associated with the Transferred Employees. In furtherance and not in limitation of the foregoing, the Surviving Corporation shall issue to the Transferred Employees restricted shares of common stock of the Surviving Corporation in such amounts, and on such terms and conditions, as shall be set forth in the Employee Benefits Agreement and Section 8.10(e) of the Spinco Disclosure Letter with respect to such Transferred Employees and shall use its reasonable best efforts to cause such grants to be made at or as soon as practicable after the Effective Time.

8.11 Access to Information.

(a) Upon reasonable notice, each of AT Co., Spinco and the Company shall afford to each other and to its respective officers, employees, accountants, counsel and other authorized representatives, reasonable access during normal business hours, throughout the period prior to the earlier of the Effective Time or the Termination Date, to its and its Subsidiaries' officers, employees, accountants, consultants, representatives, plants, properties, Contracts, commitments, books, records (including Tax Returns) and any report, schedule or other document filed or received by it pursuant to the requirements of the federal or state securities laws, and shall use all reasonable best efforts to cause its respective representatives to furnish promptly to the others such additional financial and operating data and other information, including environmental information, as to its and its Subsidiaries' respective businesses and properties as the others or their respective duly authorized representatives, as the case may be, may reasonably request. The parties hereby agree that the provisions of the Confidentiality Agreement shall apply to all information and material furnished by any party or its representatives thereunder and hereunder.

(b) Between the date hereof and the Closing Date, (i) Spinco shall furnish to the Company and its authorized representatives monthly unaudited summary financial information prepared for AT Co. management with respect to Spinco's ILEC, CLEC and Internet Divisions for each monthly period ending after the date hereof and before the Closing and such financial information shall be prepared on a consistent basis with past periods, and (ii) the Company shall furnish to AT Co., Spinco and their respective authorized representatives unaudited interim combined statements of operations of the Company and its Subsidiaries

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prepared on a consistent basis with past periods, in each case, as soon as practicable following the end of each fiscal month, but in any event no later than thirty (30) days following the end of such fiscal month.

8.12 No Solicitation by the Company.

(a) The Company agrees that, following the date of this Agreement and prior to the earlier of the Effective Time or the Termination Date, neither it nor any Company Subsidiary shall, and that it shall use reasonable best efforts to cause its and the Company's and each Company Subsidiary's officers, directors, employees, advisors and agents not to, directly or indirectly, (i) knowingly solicit, initiate or encourage any inquiry or proposal that constitutes or could reasonably be expected to lead to a Company Acquisition Proposal, (ii) provide any non-public information or data to any Person relating to or in connection with a Company Acquisition Proposal, engage in any discussions or negotiations concerning a Company Acquisition Proposal, or otherwise knowingly facilitate any effort or attempt to make or implement a Company Acquisition Proposal, (iii) approve, recommend, agree to or accept, or propose publicly to approve, recommend, agree to or accept, any Company Acquisition Proposal, or (iv) approve, recommend, agree to or accept, or propose to approve, recommend, agree to or accept, or execute or enter into, any letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or other similar agreement related to any Company Acquisition Proposal. Without limiting the foregoing, any violation of the restrictions set forth in the preceding sentence by any of the Company's Subsidiaries or any of the Company's or the Company Subsidiaries' officers, directors, employees, agents or representatives (including any investment banker, attorney or accountant retained by the Company or the Company Subsidiaries) shall be a breach of this Section 8.12(a) by the Company. The Company agrees that it will immediately cease and cause to be terminated any existing activities, discussions or negotiations with any Persons conducted heretofore with respect to any Company Acquisition Proposal (except with respect to the transactions contemplated by this Agreement).

(b) Notwithstanding the foregoing, nothing contained in this Agreement shall prevent the Company or the Company's Board of Directors from, prior to the adoption of this Agreement by the holders of Company Common Stock, engaging in any discussions or negotiations with, or providing any non-public information to, any Person, if and only to the extent that (i) the Company receives from such Person an unsolicited bona fide Company Superior Proposal or a Company Acquisition Proposal that the Company's Board of Directors determines in good faith could lead to a Company Superior Proposal, (ii) the Company's Board of Directors determines in good faith (after consultation with its legal advisors) that its failure to do so would be inconsistent with the Company's Board of Directors' fiduciary duties under applicable Law, (iii) prior to providing any information or data to any Person in connection with a proposal by any such Person, the Company's Board of Directors receives from such Person an executed confidentiality agreement substantially similar to the Confidentiality Agreement and (iv) prior to providing any non-public information or data to any Person or entering into discussions or negotiations with any Person, the Company's Board of Directors notifies AT Co. promptly of any such inquiry, proposal or offer received by, any such information requested from, or any such discussions or negotiations sought to be initiated or continued with, the Company, any Company Subsidiary or any of their officers, directors, employees, advisors and agents indicating, in connection with such notice, the material terms and conditions of the Company Acquisition Proposal and the identity of the Person making such Company Acquisition Proposal. The Company agrees that it shall keep AT Co. reasonably informed, on a reasonably prompt basis, of the status and material terms of any such proposals or offers and the status of any such discussions or negotiations and will notify AT Co. promptly of any determination by the Company's Board of Directors that a Company Superior Proposal (as hereinafter defined) has been made. For purposes of this Agreement, a "Company Superior Proposal" means any proposal or offer made by a third party to acquire, directly or indirectly, by merger, consolidation or otherwise, for consideration consisting of cash and/or securities, at least a majority of the shares of the Company Common Stock then outstanding or all or substantially all of the assets of the Company and the Company Subsidiaries and otherwise on terms which the Board of Directors of the Company (after consultation with its legal and financial advisors) determines in its good faith judgment to be more favorable to the Company's stockholders than the Merger.

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(c) Prior to the adoption of this Agreement by the holders of Company Common Stock, the Board of Directors of the Company may, if it concludes in good faith (after consultation with its legal advisors) that failure to do so would be inconsistent with its obligations to comply with its fiduciary duties under applicable Law, withdraw its recommendation of the Merger, but only at a time that is after the third business day following AT Co.'s receipt of written notice from the Company advising AT Co. of its intention to do so.

(d) Nothing in this Agreement shall prohibit the Company from taking and disclosing to its stockholders a position contemplated by Rule 14e-2(a) promulgated under the Exchange Act or from making any disclosure to the Company stockholders if, in the good faith judgment of the Board of Directors of the Company (after consultation with its legal advisors), it is required to do so in order to comply with its fiduciary duties to the Company's stockholders under applicable Law; provided, however, that neither the Company nor its Board of Directors nor any committee thereof shall approve or recommend, or propose publicly to approve or recommend, a Company Acquisition Proposal unless the Company has first terminated this Agreement pursuant to Section 11.1(h) hereof and has otherwise complied with the provisions thereof.

8.13 Director and Officer Indemnification; Insurance.

(a) From and after the Effective Time, the Surviving Corporation shall, for a period of six years after the Effective Time, indemnify, defend and hold harmless to the fullest extent permitted by applicable Law each person who is, or has been at any time prior to the Effective Time, an officer or director of the Company or Spinco and each person who served at the request of the Company or Spinco as a director, officer, trustee or fiduciary of another corporation, partnership, joint venture, trust, pension or other employee benefit plan or enterprise, including any person serving in such capacity at the request of AT Co. with respect to Spinco or a Spinco Subsidiary (individually, an "Indemnified Party" and, collectively, the "Indemnified Parties") against all losses, claims, damages, liabilities, costs and expenses (including attorneys' fees), judgments, fines, penalties and amounts paid in settlement with approval of the indemnifying party (which approval shall not be unreasonably withheld, conditioned or delayed) in connection with any claim, action, suit, proceeding or investigation arising out of or pertaining to acts or omissions, or alleged acts or omissions, by them in their capacities as such, whether commenced, asserted or claimed before or after the Effective Time. In the event of any such claim, action, suit, arbitration, proceeding or investigation ("Action"): (i) the Surviving Corporation shall pay, as incurred, the reasonable fees and expenses of counsel selected by the Indemnified Party, which counsel shall be reasonably acceptable to the Surviving Corporation, in advance of the final disposition of any such Action to the fullest extent permitted under applicable Law upon receipt of an undertaking to repay such amounts in the event it is determined that such person is not entitled to be indemnified under applicable Law, and (ii) the Surviving Corporation will provide reasonable cooperation in the defense of any such Action; provided, however, the Surviving Corporation shall not be liable for any settlement effected without its written consent (which consent shall not be unreasonably withheld, conditioned or delayed), and provided further, that the Surviving Corporation shall not be obligated pursuant to this Section 8.12(a) to pay the fees and disbursements of more than one counsel for all Indemnified Parties in a single Action, unless, in the good faith judgment of any of the Indemnified Parties, there is or may be a conflict of interests between two or more of such Indemnified Parties, in which case there may be separate counsel for each similarly situated group (which counsel shall be reasonably acceptable to the Surviving Corporation). In the event of any Action, any Indemnified Party wishing to claim indemnification will promptly notify the Surviving Corporation thereof (provided, that failure to so notify the Surviving Corporation will not affect the obligations of the Surviving Corporation except to the extent that the Surviving Corporation shall have been prejudiced as a result of such failure). Notwithstanding the foregoing, nothing contained in this Section 8.12 shall be deemed to grant any right to any Indemnified Party which is not permitted to be granted to an officer or director of the Surviving Corporation under Delaware law, assuming for such purposes that the Surviving Corporation's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws provide for the maximum indemnification permitted by Law.

(b) Without limiting the rights that any Indemnified Party may have under applicable Law, the parties agree that all rights of indemnification existing as of the date hereof as provided in the respective certificate of incorporation and bylaws of the Company and Spinco shall survive the Merger and shall continue in full force and effect in accordance with their terms for a period of six years following the Effective Time.

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(c) For a period of six years following the Effective Time, the Surviving Corporation shall cause to be maintained directors' and officers' liability insurance policies covering the Indemnified Parties; provided that with respect to any Indemnified Party who is or at any time prior to the Effective Time was covered by AT Co.'s existing directors' and officers' liability insurance policies, such coverage shall be on terms substantially no less advantageous to the Indemnified Parties than such insurance with respect to claims arising from facts or events that occurred up to and including the Effective Time to the extent available; provided, however, that the Surviving Corporation may substitute therefor policies of at least the same coverage and amounts containing terms and conditions that are no less advantageous to the covered persons; provided further, that the Surviving Corporation shall not be required to pay an annual premium for such insurance in excess of \$2,000,000.

(d) This Section 8.12 is intended to be for the benefit of, and shall be enforceable by, the persons for whom indemnification is provided pursuant to this Section 8.12, their heirs and personal representatives, and shall be binding on Spinco and the Company and their respective successors and assigns.

8.14 Rule 145 Affiliates. Spinco shall, at least 10 days prior to the Effective Time, cause to be delivered to the Company a list, reviewed by its counsel, identifying all persons who will be, in its reasonable judgment, at the Effective Time, "affiliates" of Spinco for purposes of Rule 145 promulgated by the SEC under the Securities Act (each, a "Rule 145 Affiliate"). Spinco shall furnish such information and documents as the Company may reasonably request for the purpose of reviewing such list. Spinco shall use all reasonable best efforts to cause each person who is identified as a Rule 145 Affiliate in the list furnished pursuant to this Section 8.14 to execute a written agreement (each, a "Rule 145 Affiliate Agreement"), substantially in the form of Exhibit F to this Agreement, at or prior to the Effective Time.

8.15 Public Announcements. AT Co., Spinco and the Company shall consult with each other and shall mutually agree upon any press release or public announcement relating to the transactions contemplated by this Agreement and neither of them shall issue any such press release or make any such public announcement prior to such consultation and agreement, except as may be required by applicable Law or by obligations pursuant to any listing agreement with any national securities exchange or automated inter-dealer quotation system, in which case the party proposing to issue such press release or make such public announcement shall use all reasonable best efforts to consult in good faith with the other party before issuing any such press release or making any such public announcement.

8.16 Defense of Litigation. Each of AT Co., Spinco and the Company shall use all reasonable best efforts to defend against all actions, suits or proceedings in which such party is named as a defendant that challenge or otherwise seek to enjoin, restrain or prohibit the transactions contemplated by this Agreement or seek damages with respect to such transactions. None of AT Co., Spinco or the Company shall settle any such action, suit or proceeding or fail to perfect on a timely basis any right to appeal any judgment rendered or order entered against such party therein without having previously consulted with the other parties. Each of AT Co., Spinco and the Company shall use all reasonable best efforts to cause each of its Affiliates, directors and officers to use all reasonable best efforts to defend any such action, suit or proceeding in which such Affiliate, director or officer is named as a defendant and which seeks any such relief to comply with this Section 8.16 to the same extent as if such Person was a party.

8.17 Notification.

(a) From time to time prior to the Effective Time, each of AT Co., Spinco and the Company shall supplement or amend its respective Disclosure Letter with respect to any matter hereafter arising that, if existing or occurring at the date of this Agreement, would have been required to be set forth or described in such Disclosure Letter or that is necessary to complete or correct (i) any information in such Disclosure Letter that is or has been rendered untrue, inaccurate, incomplete or misleading, (ii) any representation or warranty of such party in this Agreement that contains a qualification as to materiality or Material Adverse Effect that has been rendered untrue or inaccurate, in any respect, thereby or (iii) any representation or warranty of such party in this Agreement that is not so qualified and that has been rendered untrue or inaccurate, in any material respect, thereby. Delivery of such supplements shall be for informational purposes only and shall not expand or limit the rights or affect the obligations of any party hereunder, including any

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party's obligation to consummate the Merger. Such supplements shall not constitute a part of the AT Co. Disclosure Letter, the Spinco Disclosure Letter or the Company Disclosure Letter, as the case may be, for purposes of this Agreement.

(b) Each of AT Co., Spinco and the Company shall give prompt notice to the other of the occurrence or nonoccurrence of any event the occurrence or nonoccurrence of which has caused or is reasonably likely to cause (i) any covenant or agreement of such party contained in this Agreement not to be performed or complied with, in any material respect or (ii) any condition contained in Article IX to become incapable of being fulfilled at or prior to the Effective Time; provided, however, that the delivery of any notice pursuant to this Section 8.17(b) shall not cure such breach or noncompliance or limit or otherwise affect the remedies available hereunder to the party receiving such notice.

(c) Each of the parties hereto shall keep the others informed on a timely basis as to the status of the transactions contemplated by the Transaction Agreements and the obtaining of all necessary and appropriate exemptions, rulings, consents, authorizations and waivers related thereto.

8.18 SEC Reports. Each of AT Co. and the Company shall file all reports required to be filed by each of them with the SEC between the date of this Agreement and the Effective Time and shall notify the other parties of all such reports promptly after the same are filed.

8.19 Section 16 Matters. Prior to the Effective Time, the Company and Spinco shall take all such steps as may be required to cause any dispositions of Spinco Common Stock (including derivative securities with respect to Spinco Common Stock) or acquisitions of Company Common Stock (including derivative securities with respect to Company Common Stock) resulting from the transactions contemplated by this Agreement by each individual who is subject to the reporting requirements of Section 16(a) of the Exchange Act with respect to the Company or Spinco to be exempt under Rule 16b-3 promulgated under the Exchange Act, such steps to be taken in accordance with applicable SEC rules and regulations and interpretations of the SEC staff.

8.20 Control of Other Party's Business. Nothing contained in this Agreement shall give AT Co. or Spinco, directly or indirectly, the right to control or direct the Company's operations prior to the Effective Time. Nothing contained in this Agreement shall give the Company, directly or indirectly, the right to control or direct the operations of the business of Spinco and the Spinco Subsidiaries prior to the Effective Time. Prior to the Effective Time, each of AT Co., Spinco and the Company shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its respective operations.

8.21 Dividend Policy of the Surviving Corporation. After the Effective Time, the initial dividend policy of the Surviving Corporation (which may be changed at any time by the Surviving Corporation's Board of Directors) shall provide for the payment, subject to applicable Law, of regular quarterly dividends on each issued and outstanding share of Common Stock of the Surviving Corporation of \$0.25 per share.

8.22 Amendment of Company Securityholders Agreement. The Company shall use its reasonable best efforts to cause the Securityholders Agreement, dated as of February 14, 2005, by and among the Company, the WCAS Persons, the Vestar Persons and certain of its other stockholders (the "Company Securityholders Agreement") to be amended effective as of the Effective Time, without any requirement that the Company pay any additional consideration to any party, such that from and after the Effective Time, the Company Securityholders Agreement shall have substantially the terms set forth on Exhibit G hereto.

8.23 Disclosure Controls. Each of AT Co., Spinco and the Company shall use its reasonable best efforts to implement such programs and take such steps as are reasonably necessary to (i) develop a system of internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) intended to ensure that after the Effective Time material information relating to the Surviving Corporation is timely made known to the management of the Surviving Corporation by others within those entities, (ii) cooperate reasonably with each other in preparing for the transition and integration of the financial reporting systems of Spinco and the Spinco Subsidiaries with the Company's financial reporting systems following the Effective Time and (iii) otherwise enable the Surviving Corporation to maintain compliance with the provisions of Section 404 of the Sarbanes-Oxley Act.

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8.24 Corporate Name: Branding. Prior to the Effective Time, Spinco, AT Co. and the Company shall cooperate to develop one or more mutually agreed upon trademarks, service marks, brand names, or trade or business names for use by the Surviving Corporation in connection with the sale, promotion and marketing of its products and services and to develop a mutually acceptable re-branding strategy for the Surviving Corporation. Spinco, AT Co. and the Company shall use their respective reasonable best efforts to cause the Surviving Corporation to implement such re-branding strategy as promptly as practicable after the Effective Time and shall take, and shall cause the Surviving Corporation to take, all such steps as are reasonably necessary to have removed and otherwise discontinue the use of all trademarks, service marks, brand names or trade, corporate or business names consisting of, derived from, including or incorporating the name "ALLTEL" that are contained in or on any of the Spinco Assets and shall have taken all necessary action, corporate or otherwise, to amend the corporate name of each of the Spinco Subsidiaries to remove the names "ALLTEL" therefrom.

ARTICLE IX

Conditions to the Merger

9.1 Conditions to the Obligations of Spinco, AT Co. and the Company to Effect the Merger. The respective obligations of each party to consummate the Merger shall be subject to the fulfillment (or, to the extent permitted by applicable Law, written waiver by AT Co. and the Company) at or prior to the Effective Time of the following conditions:

(a) Each of the Contribution, the Distribution and the Debt Exchange shall have been consummated, in each case, in accordance with the Distribution Agreement, the IRS Contribution Ruling, the IRS Distribution Ruling, the IRS Debt Exchange Ruling, the IRS Special Dividend Ruling and the Distribution Tax Opinion; provided that this Section 9.1(a) shall not be a condition to the consummation of the Merger by any party whose failure to comply with its obligations and/or covenants set forth in this Agreement or the Distribution Agreement gives rise to the failure of the Contribution, the Distribution or the Debt Exchange to have been consummated.

(b) Any applicable waiting period under the HSR Act shall have expired or been terminated; and the other Company Approvals, AT Co. Approvals and Spinco Approvals set forth on Schedule 9.1(b) hereto shall have been obtained.

(c) Unless waived in writing by the Company, AT Co., and Spinco, all Telecommunications Regulatory Consents other than any Telecommunications Regulatory Consents, the failure of which to be obtained would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company, AT Co. or Spinco (i) shall have been granted without the imposition of any condition that Spinco or the Company would not be required to agree to pursuant to Section 8.6, and (ii) all such Telecommunications Regulatory Consents shall be in full force and effect.

(d) The Registration Statement shall have become effective in accordance with the Securities Act and shall not be the subject of any stop order or proceedings seeking a stop order; all necessary permits and authorizations under state securities or "blue sky" laws, the Securities Act and the Exchange Act relating to the issuance and trading of shares of Company Common Stock to be issued pursuant to the Merger shall have been obtained and shall be in effect; and such shares of Company Common Stock and such other shares required to be reserved for issuance pursuant to the Merger shall have been Approved for Listing.

(e) The Requisite Approval shall have been obtained, in accordance with applicable Law and the rules and regulations of the NYSE.

(f) No court of competent jurisdiction or other Governmental Authority shall have issued an Order that is still in effect restraining, enjoining or prohibiting the Contribution, the Distribution or the Merger.

(g) No action shall have been taken, and no statute, rule, regulation or executive order shall have been enacted, entered, promulgated or enforced by any Governmental Authority with respect to the

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Contribution, the Distribution and the Merger or the other transactions contemplated hereby or by the Distribution Agreement that, individually or in the aggregate, would (i) restrain, enjoin or prohibit the consummation of the Contribution, the Distribution or the Merger or the other transactions contemplated hereby or by the Distribution Agreement or (ii) impose any restrictions or requirements thereon or on AT Co., Spinco or the Company with respect thereto that would reasonably be expected to have a Material Adverse Effect on AT Co. or the Surviving Corporation following the Merger (collectively, a “Restraint”), and no Governmental Authority shall have instituted any proceeding seeking any such Restraint.

(h) Spinco shall have consummated the Spinco Financing (with respect to the Spinco Credit Agreement and, if applicable, the bridge financing for the Spinco Notes, substantially on the terms set forth in the Senior Debt Commitment Letter or such other terms as are more favorable in the aggregate or not less favorable in the aggregate) and Spinco shall have received the proceeds therefrom in an amount sufficient to pay the Special Dividend and consummate the other transactions contemplated hereby and by the Distribution Agreement.

(i) AT Co. and Spinco (and, to the extent applicable, the Company) shall have received the IRS Contribution Ruling, the IRS Distribution Ruling, the IRS Debt Exchange Ruling, the IRS Special Dividend Ruling, the IRS 357(c) Ruling and the Distribution Tax Opinion, each in form and substance reasonably satisfactory to AT Co., Spinco and the Company, and such rulings shall continue to be valid and in full force and effect.

(j) The Company shall have received a Merger Tax Opinion from Company Tax Counsel, in form and substance reasonably satisfactory to the Company, and AT Co. and Spinco shall have received a Merger Tax Opinion from AT Co. Tax Counsel, in form and substance reasonably satisfactory to AT Co. and Spinco.

(k) The Boards of Directors of AT Co. and Spinco shall have received customary “solvency” and “surplus” opinions of a nationally recognized investment banking or appraisal firm in form and substance reasonably satisfactory to such Boards and, to the extent relating to Spinco, reasonably satisfactory to the Company (such opinions to be dated as of the date the Board of Directors of AT Co. declares the Distribution and the Distribution Date, the date on which the Board of Directors of Spinco declares the Special Dividend, the distribution of the Spinco Exchange Notes to AT Co. for purposes of effecting the Debt Exchange and, if applicable, a dividend payable to AT Co. in shares of Spinco Common Stock pursuant to Section 3.2 of the Distribution Agreement, and the date on which each such dividend or distribution is paid).

9.2 Additional Conditions to the Obligations of AT Co. and Spinco. The obligation of AT Co. and Spinco to consummate the Merger shall be subject to the fulfillment (or, to the extent permitted by applicable Law, waiver by AT Co.) at or prior to the Effective Time of the following additional conditions:

(a) The Company shall have performed in all material respects all obligations and complied in all material respects with all covenants required by this Agreement to be performed or complied with by it prior to the Effective Time.

(b) Each of the representations and warranties of the Company (i) set forth in Article VII (other than Sections 7.2(a), 7.3(a) and 7.5) of this Agreement shall be true and correct as of the date of this Agreement and as of the Closing Date as though such representations and warranties were made on and as of such date, except for representations and warranties that speak as of an earlier date or period which shall be true and correct as of such date or period; provided, however, that for purposes of this clause, such representations and warranties shall be deemed to be true and correct unless the failure or failures of all such representations and warranties to be so true and correct, without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company and (ii) set forth in Sections 7.2(a), 7.3(a) and 7.5 of this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on

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and as of the Closing Date, except for representations and warranties that speak as of an earlier date or period which shall be true and correct as of such date or period.

(c) The Company shall have delivered to AT Co. a certificate, dated as of the Effective Time, of a senior officer of the Company certifying the satisfaction by the Company of the conditions set forth in subsection (a) and (b) of this Section 9.2.

(d) Except as disclosed in the Company Disclosure Letter or as expressly contemplated by this Agreement, since the Interim Balance Sheet Date, there shall have been no event, occurrence, development or state of circumstances or facts that has had, individually or in the aggregate, a Material Adverse Effect on the Company.

(e) The Company, each of the WCAS Persons, the Vestar Persons and, if required, each of the other stockholders party thereto shall have delivered evidence, in form and substance reasonably satisfactory to AT Co. and Spinco, demonstrating that the Company Securityholders Agreement has been amended, effective as of the Effective Time, without any cost or liability to the Company, such that from and after the Effective Time, the Company Securityholders Agreement shall have substantially the terms set forth on Exhibit G hereto.

9.3 Additional Conditions to the Obligations of the Company. The obligation of the Company to consummate the Merger shall be subject to the fulfillment (or, to the extent permitted by applicable Law waiver by the Company) at or prior to the Effective Time of the following additional conditions:

(a) Spinco and AT Co. shall have performed in all material respects and complied in all material respects with all covenants required by this Agreement to be performed or complied with at or prior to the Effective Time.

(b) Each of the representations and warranties of AT Co. and Spinco (i) set forth in Article V and VI (other than Sections 5.2(a), 6.3(a), 6.3(a) and 6.5) of this Agreement shall be true and correct as of the date of this Agreement and as of the Closing Date as though such representations and warranties were made on and as of such date, except for representations and warranties that speak as of an earlier date or period which shall be true and correct as of such date or period; provided, however, that for purposes of this clause, such representations and warranties shall be deemed to be true and correct unless the failure or failures of all such representations and warranties to be so true and correct, without giving effect to any qualification as to materiality or Material Adverse Effect set forth in such representations or warranties, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on AT Co. or Spinco and (ii) set forth in Sections 5.2(a), 6.2(a), 6.3(a) and 6.5 of this Agreement shall be true and correct in all material respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date, except for representations and warranties that speak as of an earlier date or period which shall be true and correct as of such date or period.

(c) AT Co. and Spinco shall have delivered to the Company a certificate, dated as of the Effective Time, of a senior officer of each of AT Co. and Spinco certifying the satisfaction of the conditions set forth in subsection (a) and (b) of this Section 9.3.

(d) Spinco and AT Co. shall have entered into the Tax Sharing Agreement, the Employee Benefits Agreement, the Shared Assets Agreement, the Shared Contracts Agreement and the Transition Services Agreement and each such agreement shall be in full force and effect.

(e) Except as disclosed in the Spinco Disclosure Letter or as expressly contemplated by this Agreement, since the Interim Balance Sheet Date, there shall have been no event, occurrence, development or state of circumstances or facts that has or would have, individually or in the aggregate, a Material Adverse Effect on Spinco.

(f) Spinco shall have delivered to the Company an affidavit, dated as of the Closing Date, in form and substance required under the Treasury Regulations issued pursuant to Section 1445(b) of the Code.

ARTICLE X
Tax Matters

10.1 Representations.

(a) Spinco. Spinco hereby represents and warrants that (i) it has examined (or upon receipt will examine) (A) the IRS Contribution Ruling, the IRS Distribution Ruling, the IRS Debt Exchange Ruling, the IRS Special Dividend Ruling and any other rulings issued by the IRS in connection with the Distribution, (B) the Distribution Tax Opinion, (C) each IRS Submission, (D) the Distribution Tax Representations and (E) any other materials delivered or deliverable by Spinco and others in connection with the rendering by AT Co. Tax Counsel of the Distribution Tax Opinion and the issuance by the IRS of the IRS Distribution Ruling and such other rulings (all of the foregoing, collectively, the "Tax Materials") and (ii) the facts presented and the representations made therein, to the extent descriptive of or otherwise relating to Spinco, are or will be from the time presented or made through and including the Distribution Date true, correct and complete in all material respects.

(b) AT Co. AT Co. hereby represents and warrants that (i) it has examined (or upon receipt will examine) the Tax Materials and (ii) the facts presented and the representations made therein, to the extent descriptive of or otherwise relating to AT Co., are or will be from the time presented or made through and including the Distribution Date true, correct and complete in all material respects.

(c) The Company. The Company hereby represents and warrants that (i) upon receipt, it will examine the Tax Materials and (ii) following such examination, to the extent that the Company approves the facts presented and the representations made therein which are descriptive of or otherwise relating to the Company, such facts and representations will be true, correct and complete in all material respects. The Company further represents and warrants that, except as set out on Schedule 10.1(c) of the Company Disclosure Letter, neither the Company nor any Subsidiary of the Company owns any shares of AT Co. Common Stock or any rights, warrants or options to acquire, or securities convertible into or exchangeable for, AT Co. Common Stock. The representations and warranties set forth in this Section 10.1(c) shall be true and correct as of the date of this Agreement or, with respect to the Tax Materials, as of the date approved, and at all times through and including the Distribution Date. To the actual knowledge of each of the Chief Executive Officer, the Chief Financial Officer and the General Counsel of the Company, none of Welsh Carson Anderson & Stowe IX, L.P., WCAS Capital Partners III, L.P., Welsh Carson Anderson & Stowe VIII, L.P., WCAS Management Corporation, Vestar Capital Partners III, L.P., Vestar Capital Partners IV, L.P. or Vestar/ Valor, LLC ("Specified Fund Shareholders") owns any shares of AT Co. Common Stock (or any rights, warrants or options to acquire, or securities convertible into or exchangeable for, AT Co. Common Stock) that were acquired as part of a plan or series of related transactions that includes the Distribution within the meaning of Section 355(e)(2)(A) of the Code. No representation is made as to any person other than a Specified Fund Shareholder, including any direct or indirect partner of a Specified Fund Shareholder.

10.2 Restrictions Relating to the Distribution.

(a) Neither the Company, nor the Surviving Corporation shall, nor shall the Company or the Surviving Corporation permit any of its Subsidiaries to, take 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 cause a Distribution Disqualification to occur (any such action, a "Disqualifying Action"); provided, however, that the term "Disqualifying Action" shall not include (i) any action that is taken pursuant to the terms of the Transaction Agreements, (ii) any action that would not have caused a Distribution Disqualification to occur but for an AT Co. Action, (iii) for the avoidance of doubt, any action taken by Spinco or any of its Subsidiaries prior to the Distribution, (v) any action taken solely to mitigate the adverse effects on the Tax-Free Status of the Transactions of a breach by Spinco, occurring prior to the Distribution, of a representation, warranty or covenant contained in the Transaction Agreements, regardless of whether such breach or its effects continue after the Distribution.

(b) Except as otherwise provided in subsection (c) or (g) of this Section 10.2, until the first day after the second anniversary of the Distribution Date, the Surviving Corporation shall not, nor shall the Surviving

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Corporation permit any of its Subsidiaries to, take any action (including entering into any agreement, understanding or arrangement or any substantial negotiations with respect to any transaction or series of transactions) that might cause a Distribution Disqualification to occur (any such action or failure to act, a "Potential Disqualifying Action"), including any action or failure to act that might be inconsistent with any representation made in the Tax Materials, unless, prior to the taking of the Potential Disqualifying Action, AT Co. has delivered to the Surviving Corporation a written determination, in its reasonable discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Transactions, that the Potential Disqualifying Action would not jeopardize the Tax-Free Status of the Transactions.

(c) Until the first day after the second anniversary of the Distribution Date, the Surviving Corporation shall not enter into any agreement, understanding or arrangement or any substantial negotiations with respect to any transaction (including a merger to which the Surviving Corporation is a party) involving the acquisition (including by the Surviving Corporation or any of its Subsidiaries) of common stock of the Surviving Corporation and 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 the Surviving Corporation (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 more than 71,130,989 shares of the stock of the Surviving Corporation (as adjusted to take into account any stock split, stock dividend, recapitalization, reclassification or similar transaction with respect to the stock of the Surviving Corporation). Notwithstanding the foregoing,

(i) the Surviving Corporation may issue additional shares of common stock of the Surviving Corporation 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 AT Co., the Company, the Surviving Corporation, any of their respective Subsidiaries, or any other person that is related to AT Co., the Company or the Surviving Corporation under Section 355(d)(7)(A) of the Code or a corporation the assets of which the Surviving Corporation or Subsidiary acquires in a reorganization under Section 368 of the Code (including Spinco or any of its Subsidiaries), 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 the Surviving Corporation (within the meaning of Treasury Regulations Section 1.355-7(h)(3) and (8)) immediately after the issuance of such common stock; and

(ii) the Surviving Corporation may issue additional shares of common stock of the Surviving Corporation to a retirement plan of the Surviving Corporation or any other person that is treated as the same employer as the Surviving Corporation 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 the Surviving Corporation 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 the Surviving Corporation entitled to vote or more than ten percent of the total value of shares of all classes of stock of the Surviving Corporation.

(d) Until the first day after the second anniversary of the Distribution Date, the Surviving Corporation shall not, and shall not permit any of its Subsidiaries to, repurchase any shares of common stock of the Surviving Corporation except to the extent consistent with the requirements of Revenue Procedure 96-30.

(e) Until the first day after the second anniversary of the Distribution Date, the Surviving Corporation shall cause its wholly-owned Subsidiaries that were wholly-owned Subsidiaries of Spinco at the time of the Distribution (other than those set forth on Spinco Schedule 10.2(e)) to continue the active conduct of the Spinco Business to the extent so conducted by those Subsidiaries immediately prior to the Distribution. The Surviving Corporation shall cause those Subsidiaries to continue the active conduct of the Spinco Business

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primarily through officers and employees of the Surviving Corporation or any of its Subsidiaries (and not primarily through independent contractors).

(f) Until the first day after the second anniversary of the Distribution Date, the Surviving Corporation shall not voluntarily dissolve, liquidate, merge or consolidate with any other person, unless (i) in the case of a merger or consolidation, the Surviving Corporation is the survivor of the merger or consolidation or (ii) prior to undertaking such action, AT Co. has delivered to the Surviving Corporation a written determination, in its reasonable discretion, which discretion shall be exercised in good faith solely to preserve the Tax-Free Status of the Transactions, that such action would not jeopardize the Tax-Free Status of the Transactions.

(g) Permitted Actions and Transactions. Notwithstanding the foregoing, the provisions of this Section 10.2 shall not prohibit the Surviving Corporation from implementing any Potential Disqualifying Action upon which the IRS has granted a favorable ruling to AT Co. or the Surviving Corporation. Any such ruling will be treated as favorable for purposes of this Section 10.2(f) only if the Potentially Disqualifying Action is described in reasonable detail in such ruling and it is clear on the face of such ruling that such Potentially Disqualifying Action may be implemented without jeopardizing the Tax-Free Status of the Transactions.

10.3 Cooperation and Other Covenants.

(a) Notice of Subsequent Actions. From and after the Effective Time, each of Spinco and the Company, on the one hand, and AT Co., on the other hand, shall furnish the other with a copy of any ruling requests or other documents delivered to the IRS that relate to the Distribution or that otherwise reasonably could be expected to have an impact on the Tax-Free Status of the Transactions; provided, that each party may redact from any IRS Submission or other documents any Redactable Information.

(b) Certain Post-Closing Actions Requested by AT Co. After the Distribution Date, if reasonably requested by AT Co., the Surviving Corporation will take an action (or fail to take an action) to mitigate the effects of a breach by Spinco prior to the Distribution Date of a representation or covenant in this Article X; provided that (i) the Surviving Corporation's obligations under this Section 10.3(b) are subject to AT Co.'s agreement to pay and indemnify the Surviving Corporation against all reasonable costs and expenses of taking or refraining from taking such action and (ii) any such action (or failure to take such action), even if reasonably requested, does not and will not adversely impact in any material respect the business, operations or financial condition of the Surviving Corporation or any of its Subsidiaries or divisions. No action taken pursuant to this Section 10.3(b) shall be treated as a Disqualifying Action or a Potential Disqualifying Action. Except as provided in this Section 10.3(b), the Surviving Corporation and its Subsidiaries shall have no duty to take any action to mitigate the effects of a breach by Spinco or its Subsidiaries prior to the Distribution of a representation or covenant contained in this Article X.

10.4 Indemnification for Disqualifying Actions.

(a) General. Notwithstanding any other provision of this Agreement or any provision of any of the Tax Sharing Agreement to the contrary, if there is a Final Determination that a Distribution Disqualification has occurred, then the Surviving Corporation shall indemnify, defend and hold harmless AT Co. and the AT Co. Subsidiaries (or any successor to any of them) from and against any and all (A) Taxes imposed pursuant to a Final Determination and (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 10.5(e) below), (C) costs and expenses that result from adverse tax consequences to AT Co. or AT Co.'s stockholders (including all costs, expenses and damages associated with stockholders litigation or controversies) and (D) all Taxes resulting from indemnification payments hereunder (collectively, "Tax-Related Losses"), incurred by AT Co. to the extent that the Distribution Disqualification is caused by any Disqualifying Action taken by the Surviving Corporation or any of its Subsidiaries after the Distribution Date.

(b) Exceptions to Indemnification.

(i) If AT Co. delivers to the Surviving Corporation a written determination, pursuant to any clause of Section 10.2, that a Potential Disqualifying Action or other action described in Section 10.2 would not

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jeopardize the Tax-Free Status of the Transactions, then the Surviving Corporation shall have no obligation to indemnify AT Co. in respect of such Potentially Disqualifying Action or other action pursuant to Section 10.4(a), except to the extent that a Disqualifying Action results from the inaccuracy, incorrectness or incompleteness of any representation provided by the Surviving Corporation to AT Co. in respect of that determination.

(ii) The Surviving Corporation shall have no obligation to indemnify AT Co. pursuant to Section 10.4(a) in respect of any action or transaction that is permitted to be taken without the consent of AT Co. under Section 10.2, except to the extent that, in the case of an action permitted pursuant to a ruling described in Section 10.2(g), a Disqualifying Action results from the inaccuracy, incorrectness or incompleteness of any representation provided by the Surviving Corporation to the IRS in connection with such ruling.

(iii) The Surviving Corporation shall have no obligation to indemnify AT Co. pursuant to Section 10.4(a) in respect of any item of income, gain, deduction or loss arising in respect of or as a result of the Preliminary Restructuring, including an intercompany transaction pursuant to Section 1.1502-13 of the Treasury Regulations, an excess loss account pursuant to Section 1.1502-19 of the Treasury Regulations or any similar item, in each case, resulting from such Preliminary Restructuring, or any item that is includable in income without regard to the Tax-Free Status of the Transactions because such item is attributable to a predecessor of AT Co. or Spinco, within the meaning of Section 355(e)(4)(D) of the Code.

(iv) Nothing contained in this Article X shall be interpreted as requiring the Surviving Corporation to indemnify AT Co. against any Tax-Related Loss to the extent that such Tax-Related Loss arises from the recognition of taxable income or gain by AT Co. or any AT Co. Affiliate on the Distribution as a result of (A) any deemed sale of Spinco stock attributable to such stock being treated for federal income tax purposes as not having been distributed to AT Co. stockholders or (B) any failure by AT Co. to distribute an amount of Spinco stock constituting control of Spinco within the meaning of Section 368(c) of the Code as a result of any deemed sale described in clause (A).

(c) Timing and Method of Tax Indemnification Payments. The Surviving Corporation shall pay any amount that is due and payable to AT Co. pursuant to this Section 10.4 on or before the ninetieth (90th) day following the earlier of the date of an agreement of the parties or the date of a Final Determination that such amount is due and payable to AT Co. All payments pursuant to this Section 10.4 shall be made by wire transfer to the bank account designated by AT Co. for such purpose, and, on the date of such wire transfer, the Surviving Corporation shall give AT Co. notice of the transfer.

(d) Prior Period Agreements. Except for the Tax Sharing Agreement, any and all existing Tax Sharing agreements and practices regarding Taxes and their payment, allocation or sharing between (i) AT Co. or any Subsidiary of AT Co. other than Spinco or a Subsidiary of Spinco, on the one hand, and (ii) Spinco or any Subsidiary of Spinco, on the other hand, shall be terminated with respect to Spinco and all Subsidiaries of Spinco as of the Distribution Date, and no remaining liabilities thereunder shall exist thereafter.

10.5 Procedure for Indemnification for Tax Liabilities.

(a) If AT Co. receives notice of the assertion of any Third-Party Claim with respect to which the Surviving Corporation may be obligated under Section 10.4(a) to provide indemnification, AT Co. shall give the Surviving Corporation notice thereof (together with a copy of such Third-Party Claim, process or other legal pleading) promptly after becoming aware of such Third-Party Claim; provided, however, that the failure of AT Co. to give notice as provided in this Section shall not relieve the Surviving Corporation of its obligations under Section 10.4, except to the extent that the Surviving Corporation is actually prejudiced by such failure to give notice. Such notice shall describe such Third-Party Claim in reasonable detail.

(b) AT Co. and the Surviving Corporation shall jointly control the defense of, and cooperate with each other with respect to defending, any Third-Party Claim with respect to which the Surviving Corporation may be obligated under Section 10.4 to provide indemnification; provided that the Surviving Corporation shall forfeit such joint control right with respect to a particular Third-Party Claim if the Surviving Corporation or any Affiliate of the Surviving Corporation makes any public statement or filing, or takes any action (including the filing of any submission or pleading, or the giving of a deposition or production of documents, in any

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administrative or court proceeding) in connection with such Third-Party Claim that is inconsistent in a material respect with any representation or warranty made by Spinco in this Agreement or the Tax Materials and provided, further that AT Co. shall forfeit such joint control right with respect to a particular Third-Party Claim if the AT Co. or any Affiliate of AT Co. makes any public statement or filing, or takes any action (including the filing of any submission or pleading, or the giving of a deposition or production of documents, in any administrative or court proceeding) in connection with such Third-Party Claim that is inconsistent in a material respect with any representation or warranty made by AT Co. or Spinco in this Agreement or the Tax Materials.

(c) The Surviving Corporation and AT Co. shall exercise their rights to jointly control the defense of any such Third-Party Claim solely for the purpose of defeating such Third-Party Claim and, unless required by Applicable Law, neither the Surviving Corporation nor AT Co. shall make any statements or take any actions that would reasonably be expected to result in the shifting of liability for Losses or Tax-Related Losses arising out of such Third-Party Claim from the party making such statement or taking such action (or any of its Affiliates) to the other party (or any of its Affiliates).

(d) Statements made or actions taken by either the Surviving Corporation or AT Co. in connection with the defense of any such Third-Party Claim shall not prejudice the rights of such party in any subsequent action or proceeding between the parties.

(e) If either AT Co. or the Surviving Corporation fails to jointly defend any such Third-Party Claim, then the other party shall solely defend such Third-Party Claim and the party failing to jointly defend shall use reasonable best efforts to cooperate with the other party in its defense of such Third-Party Claim; provided, however, that AT Co. may not compromise or settle any such Third-Party Claim without the prior written consent of the Surviving Corporation, which consent shall not be unreasonably withheld, conditioned or delayed. All costs and expenses of either party in connection with, and during the course of, the joint control of the defense of any such Third-Party Claim shall be paid by the party that incurs such costs and expenses.

10.6 Exclusivity of Article X. This Article X constitutes the complete and exclusive agreement of the parties with respect to the indemnification of AT Co. for Tax-Related Losses contained in Section 10.4. Any conflict between the terms of this Section 10.6 and any other provision of this Agreement, or any provision of any other agreement, shall be resolved in favor of this Section 10.6, unless such other provision expressly provides that it shall be given priority over this specific Section.

ARTICLE XI

Termination, Amendment and Waivers

11.1 Termination. Notwithstanding anything contained in this Agreement to the contrary, this Agreement may be terminated and the transactions contemplated hereby may be abandoned prior to the Effective Time, whether before or after the Requisite Approval:

(a) by the mutual written consent of each party hereto, which consent shall be effected by action of the Board of Directors of each such party;

(b) by any party hereto if the Effective Time shall not have occurred on or before the one year anniversary of the date of this Agreement, provided that the right to terminate this Agreement pursuant to this clause 11.1(b) shall not be available to any party whose failure to perform any of its obligations under this Agreement required to be performed by it at or prior to such date has been a substantial cause of, or substantially contributed to, the failure of the Merger to have become effective on or before such date;

(c) by any party hereto if, (i) a statute, rule, regulation or executive order shall have been enacted, entered or promulgated prohibiting the consummation of the Merger or (ii) an Order, decree, ruling or injunction shall have been entered permanently restraining, enjoining or otherwise prohibiting the consummation of the Merger and such Order, decree, ruling or injunction shall have become final and

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non-appealable and the party seeking to terminate this Agreement pursuant to this clause 11.1(c)(ii) shall have used all reasonable best efforts to remove such injunction, order, decree or ruling;

(d) by the Company, if either AT Co. or Spinco shall have breached or failed to perform in any material respect any of its respective representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would result in a failure of a condition set forth in Section 9.1 or 9.3 and (ii) cannot be cured by the Termination Date, provided that the Company shall have given AT Co. and Spinco written notice, delivered at least thirty (30) days prior to such termination, stating the Company's intention to terminate this Agreement pursuant to this Section 11.1(d) and the basis for such termination;

(e) by AT Co. and Spinco, if the Company shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would result in a failure of a condition set forth in Section 9.1 or 9.2 and (ii) cannot be cured by the Termination Date, provided that AT Co. and Spinco shall have given the Company written notice, delivered at least thirty (30) days prior to such termination, stating AT Co. and Spinco's intention to terminate the Agreement pursuant to this Section 11.1(e) and the basis for such termination;

(f) by AT Co. and Spinco or the Company if, at the Company Stockholders' Meeting (including any adjournment, continuation or postponement thereof), the Requisite Approval shall not be obtained; except that the right to terminate this Agreement under this Section 11.1(f) shall not be available to the Company where the failure to obtain the Requisite Approval shall have been caused by the action or failure to act of the Company and such action or failure to act constitutes a material breach by the Company of this Agreement or a material breach of the Voting Agreement by any party thereto other than Spinco.

(g) by AT Co. and Spinco, if (i) the Board of Directors of the Company (or any committee thereof), shall have withdrawn or modified its approval or recommendation of the Merger or this Agreement, approved or recommended to the Company stockholders a Company Acquisition Proposal or resolved to do any of the foregoing, or (ii) the Company fails to call and hold the Company Stockholders Meeting within sixty (60) days after the effectiveness of the Registration Statement.

(h) by the Company if the Board of Directors of the Company determines in good faith that a Company Acquisition Proposal constitutes a Company Superior Proposal, except that the Company may not terminate this Agreement pursuant to this Section 11.1(h) unless and until (i) three business days have elapsed following delivery to AT Co. of a written notice of such determination by the Board of Directors of the Company and during such three business day period the Company (x) informs AT Co. of the terms and conditions of the Company Acquisition Proposal and identity of the person making the Company Acquisition Proposal and (y) otherwise cooperates with AT Co. with respect thereto with the intent of enabling AT Co. and Spinco to agree to a modification of the terms and conditions of this Agreement so that the transactions contemplated hereby may be effected, (ii) at the end of such three business day period the Board of Directors of the Company continues to determine in good faith that the Company Acquisition Proposal constitutes a Company Superior Proposal, (iii) simultaneously with such termination the Company enters into a definitive acquisition, merger or similar agreement to effect the Company Superior Proposal and (iv) the Company pays to AT Co. the amount specified and within the time period specified in Section 11.3.

11.2 Effect of Termination. In the event of termination of this Agreement pursuant to Section 11.1, this Agreement shall terminate (except for the Confidentiality Agreement referred to in Section 12.1 and the provisions of Section 11.3, and Sections 12.2 through 12.13), without any liability on the part of any party or its directors, officers or stockholders except as set forth in Section 11.3; provided, that nothing in this Agreement shall relieve any party of liability for breach of this Agreement or prejudice the ability of the non-breaching party to seek damages, including any damages based on the value that would otherwise have been available to the stockholders of the non-breaching party by virtue of this Agreement, from any other party for any breach of this Agreement, including attorneys' fees and the right to pursue any remedy at law or in equity.

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11.3 Termination Fee Payable in Certain Circumstances.

(a) In the event that (i) the Company terminates this Agreement pursuant to Section 11.1(h), (ii) AT Co. and Spinco terminate this Agreement pursuant to clause (i) of Section 11.1(g) or (iii) (A) any Person shall have made a Company Acquisition Proposal after the date hereof and thereafter this Agreement is terminated by any party pursuant to Section 11.1(b) or by AT Co. or Spinco pursuant to clause (ii) of Section 11.1(g) (and a Company Acquisition Proposal is outstanding at such time) or by any party pursuant to Section 11.1(f) and (B) within twelve (12) months after the termination of this Agreement, any Company Acquisition shall have been consummated or any definitive agreement with respect to such Company Acquisition shall have been entered into, then the Company shall pay AT Co. a fee, in immediately available funds, in the amount of \$35,000,000 at the time of such termination, in the case of a termination described in clause (i) or (ii) above, or upon the occurrence of the earliest event described in clause (iii)(B), in the event of a termination described in clause (iii), and in each case the Company shall be fully released and discharged from any other liability or obligation resulting from or under this Agreement, except with respect to any fraud or intentional breach of this Agreement.

(b) In the event (i) that AT Co. and Spinco or the Company terminate this Agreement pursuant to Section 11.1(b) and at the time of such termination, all of the conditions to the transactions contemplated hereby set forth in Sections 9.1 and 9.2 (other than those which by their terms are intended to be satisfied contemporaneously with the Closing) have been satisfied other than the conditions set forth in Sections 9.1(h), 9.1(i) and/or 9.1(j), or (ii) the Company terminates this Agreement pursuant to Section 11.1(d) and the breach or breaches by AT Co. or Spinco that gave rise to such termination shall have caused, the conditions set forth in Sections 9.1(h), 9.1(i) and/or 9.1(j) to have become incapable of being satisfied, AT Co. shall pay the Company a fee, in immediately available funds, equal to \$35,000,000, in the case of a termination described in clause (i) or (ii) above under circumstances where the condition set forth in Section 9.1(h) has not been satisfied, or in the amount of \$20,000,000, in the case of a termination described in clause (i) or (ii) above under circumstances where the conditions set forth in either Section 9.1(i) or 9.1(j) have not been satisfied, and AT Co. and Spinco shall be fully released and discharged from any other liability or obligation resulting from or under this Agreement, except with respect to any fraud or in each case intentional breach of this Agreement.

11.4 Amendment. This Agreement may be amended by AT Co., Spinco and the Company at any time before or after adoption of this Agreement by the stockholders of the Company; provided, however, that after such adoption, no amendment shall be made that by Law or in accordance with the rules of any relevant stock exchange or automated inter-dealer quotation system requires further approval by such stockholders without such further approval. This Agreement may not be amended except by an instrument in writing signed by AT Co., Spinco and the Company.

11.5 Waivers. At any time prior to the Effective Time, AT Co., Spinco and the Company may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or acts of the other party; (ii) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant to this Agreement; and (iii) waive compliance with any of the agreements or conditions of the other party contained herein; provided, however, that no failure or delay by AT Co., Spinco or the Company in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. Any agreement on the part of AT Co., Spinco or the Company to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

ARTICLE XII

Miscellaneous

12.1 Survival of Representations, Warranties and Agreements; Indemnification.

(a) The covenants and agreements in this Agreement or in any certificate or instrument delivered pursuant to this Agreement shall survive the Effective Time in accordance with their respective terms. None

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of the representations or warranties in this Agreement or in any certificate or instrument delivered pursuant to this Agreement shall survive the Effective Time, except with respect to the representations and warranties contained in Article X and the Tax Materials, which shall survive in perpetuity. The Confidentiality Agreement shall survive the execution and delivery of this Agreement and any termination of this Agreement, and the provisions of the Confidentiality Agreement shall apply to all information and material furnished by any party or its representatives thereunder or hereunder.

(b) Following the Effective Time, the Surviving Corporation will indemnify, defend and hold harmless AT Co. and each Person, if any, who controls, within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (any such person being hereinafter-referred to as a "Controlling Person"), AT Co. from and against, and pay or reimburse each of the foregoing for, all losses, claims, damages, liabilities, actions, costs and expenses, joint or several, including reasonable attorneys' fees (collectively, "Losses"), arising out of or resulting from, directly or indirectly, or in connection with any untrue statement or alleged untrue statement of a material fact contained in or incorporated by reference into the Registration Statement or in the Proxy Statement/ Prospectus (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the Surviving Corporation shall not be responsible for information provided by AT Co. as to itself and its Subsidiaries, including Spinco, specifically for inclusion in, or incorporation by reference into, any such Proxy Statement/ Prospectus or Registration Statement.

(c) Following the Effective Time, AT Co. will indemnify, defend and hold harmless the Surviving Corporation and each Controlling Person of the Surviving Corporation from and against, and pay or reimburse each of the foregoing for, all Losses arising out of or resulting from, directly or indirectly, or in connection with any untrue statement or alleged untrue statement of a material fact contained in or incorporated by reference into the Registration Statement or in the Proxy Statement/ Prospectus (or any amendment or supplement thereto) or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, but only with respect to information provided by AT Co. as to itself and its Subsidiaries, including Spinco, specifically for inclusion in, or incorporation by reference into, any such Proxy Statement/ Prospectus or Registration Statement.

12.2 Expenses. Each party shall bear its own fees and expenses in connection with the transactions contemplated hereby; provided, however, that if the Merger is consummated, all costs and expenses incurred in connection with this Agreement, the Merger and the transactions contemplated by this Agreement relating to the Merger (including (i) all underwriter's or placement agent's discounts, fees and expenses associated with the Spinco Financing and the Debt Exchange; and (ii) all broker, finder and similar advisory fees incurred by AT Co. or Spinco in connection with the transactions contemplated by this Agreement and the Distribution Agreement), shall be paid by the Surviving Corporation. Notwithstanding the foregoing, AT Co. shall pay any AT Excess Expenses (as defined in the Distribution Agreement).

12.3 Notices. Any notice required to be given hereunder shall be sufficient if in writing, and sent by facsimile transmission (provided that any notice received by facsimile transmission or otherwise at the addressee's location on any business day after 5:00 p.m. (addressee's local time) shall be deemed to have been received at 9:00 a.m. (addressee's local time) on the next business day), by reliable overnight delivery service (with proof of service), hand delivery or certified or registered mail (return receipt requested and first-class postage prepaid), addressed as follows:

If to: Spinco (prior to the Effective Time) or AT Co., to:

ALLTEL Holding Corp.
One Allied Drive
Little Rock, Arkansas 72202
Attn: Chief Executive Officer
(With a copy to the Chairman)
Telecopy: (501) 905-0962

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If to the Company, to:

Valor Communications Group, Inc.
201 E. John Carpenter Freeway, Suite 200
Irving, Texas 75062
Attn: Chief Executive Officer
(With a copy to the Corporate Secretary)
Telecopy: (972) 373-1812

or to such other address as any party shall specify by written notice so given, and such notice shall be deemed to have been delivered as of the date so telecommunicated, personally delivered or mailed. Any party to this Agreement may notify any other party of any changes to the address or any of the other details specified in this paragraph; provided that such notification shall only be effective on the date specified in such notice or five (5) business days after the notice is given, whichever is later. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to be receipt of the notice as of the date of such rejection, refusal or inability to deliver.

12.4 Interpretation. When a reference is made in this Agreement to an Article or Section, such reference shall be to an Article or Section of this Agreement unless otherwise indicated. The table of contents to this Agreement is for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any agreement, instrument or statute defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a person are also to its permitted successors and assigns. Each of the parties has participated in the drafting and negotiation of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement must be construed as if it is drafted by all the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement. For avoidance of doubt, "consistent with past practice" when used with respect to Spinco or any of its Subsidiaries shall mean the past practice of AT Co. with respect to the Spinco Business.

Any matter disclosed in any particular Section or Subsection of the Spinco Disclosure Letter, the AT Co. Disclosure Letter or the Company Disclosure Letter shall be deemed to have been disclosed in any other Section or Subsection of this Agreement, with respect to which such matter is relevant so long as the applicability of such matter to such Section or Subsection is reasonably apparent on its face.

12.5 Severability. If any provision of this Agreement or the application of any such provision to any Person or circumstance, shall be declared judicially to be invalid, unenforceable or void, such decision shall not have the effect of invalidating or voiding the remainder of this Agreement, it being the intent and agreement of the parties hereto that this Agreement shall be deemed amended by modifying such provision to the extent necessary to render it valid, legal and enforceable while preserving its intent or, if such modification is not possible, by substituting therefor another provision that is legal and enforceable and that achieves the same objective.

12.6 Assignment; Binding Effect. Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of all of the other parties. Subject to the preceding sentence, this Agreement will be

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binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns.

12.7 No Third Party Beneficiaries. Except as provided in Section 8.12, nothing in this Agreement, express or implied, is intended to or shall confer upon any Person (other than AT Co., Spinco and the Company and their respective successors and permitted assigns) any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, and no Person (other than as so specified) shall be deemed a third party beneficiary under or by reason of this Agreement.

12.8 Limited Liability. Notwithstanding any other provision of this Agreement, no stockholder, director, officer, Affiliate, agent or representative of any of the parties hereto, in its capacity as such, shall have any liability in respect of or relating to the covenants, obligations, representations or warranties of such party under this Agreement or in respect of any certificate delivered with respect hereto or thereto and, to the fullest extent legally permissible, each of the parties hereto, for itself and its stockholders, directors, officers and Affiliates, waives and agrees not to seek to assert or enforce any such liability that any such Person otherwise might have pursuant to applicable Law.

12.9 Entire Agreement. This Agreement (together with the other Transaction Agreements, the Voting Agreement, the Confidentiality Agreement, the exhibits and the Disclosure Letters and the other documents delivered pursuant hereto) constitutes the entire agreement of all the parties hereto and supersedes all prior and contemporaneous agreements and understandings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof. All exhibits attached to this Agreement and the Disclosure Letters are expressly made a part of, and incorporated by reference into, this Agreement.

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

12.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement binding on the parties hereto, notwithstanding that not all parties are signatories to the original or the same counterpart.

12.12 Waiver of Jury Trial. Each of the parties hereto irrevocably waives all right to trial by jury in any action, suit, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of the parties hereto in the negotiation, administration, performance and enforcement hereof.

12.13 Jurisdiction: Enforcement. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of Delaware or the Delaware Court of Chancery, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any federal court located in the State of Delaware or the Delaware Court of Chancery in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a federal court sitting in the State of Delaware.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ALLTEL CORPORATION

By: /s/ Scott T. Ford
Name: Scott T. Ford
Title: CEO & President

ALLTEL HOLDING CORP.

By: /s/ Jeffery R. Gardner
Name: Jeffery R. Gardner
Title: President

VALOR COMMUNICATIONS GROUP, INC.

By: /s/ William M. Ojile, Jr.
Name: William M. Ojile, Jr.
Title: Senior Vice President, Chief Legal
Officer and Secretary

**DISTRIBUTION AGREEMENT
BY AND BETWEEN
ALLTEL CORPORATION
AND
ALLTEL HOLDING CORP.
DATED AS OF DECEMBER 8, 2005**

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DISTRIBUTION AGREEMENT

This DISTRIBUTION AGREEMENT (this "Agreement"), dated as of December 8, 2005, by and between ALLTEL Corporation, a Delaware corporation ("AT Co."), and ALLTEL Holding Corp., a newly formed Delaware corporation and a wholly owned subsidiary of AT Co. ("Spinco").

RECITALS

WHEREAS, AT Co., Spinco and Valor Communications Group, Inc., a Delaware corporation (the "Company"), have entered into an Agreement and Plan of Merger, of even date herewith (the "Merger Agreement"), pursuant to which, at the Effective Time (as defined in the Merger Agreement), Spinco will merge with and into the Company, with the Company continuing as the surviving corporation (the "Merger");

WHEREAS, this Agreement and the other Transaction Agreements (as defined herein) set forth certain transactions that are conditions to consummation of the Merger;

WHEREAS, prior to the Distribution Date (as defined herein), (i) pursuant to certain preliminary restructuring transactions, including one or more distributions and/or contributions of assets and equity securities, (A) AT Co. will transfer or cause to be transferred to one or more of the Spinco Subsidiaries (as defined herein) all of the Spinco Assets (as defined herein) not held by Spinco or the Spinco Subsidiaries as of the date hereof, (B) AT Co. will transfer or cause to be transferred to one or more of the AT Co. Subsidiaries (as defined herein) all of the AT Co. Assets (as defined herein) not held by AT Co. or the AT Co. Subsidiaries as of the date hereof, (C) AT Co. will transfer or cause to be transferred to one or more of the Spinco Subsidiaries all of the Spinco Liabilities (as defined herein) not held by Spinco or the Spinco Subsidiaries as of the date hereof (and one or more of the Spinco Subsidiaries will assume or cause to be assumed such Spinco Liabilities), and (D) AT Co. will transfer or cause to be transferred to one or more of the AT Co. Subsidiaries all of the AT Co. Liabilities (as defined herein) not held by AT Co. or the AT Co. Subsidiaries as of the date hereof (and one or more of the AT Co. Subsidiaries will assume or cause to be assumed such AT Co. Liabilities) (collectively, the "Preliminary Restructuring"), and (ii) in exchange for the contribution to Spinco, directly or indirectly, of all of the issued and outstanding capital stock or other equity securities of the Spinco Subsidiaries, Spinco will issue to AT Co. the Spinco Common Stock (as defined herein), distribute to AT Co. the Spinco Exchange Notes (as defined herein) and pay to AT Co. the Special Dividend (as defined herein), all upon the terms and subject to the conditions set forth herein (the transactions described in this clause (ii), collectively, the "Contribution");

WHEREAS, upon the terms and subject to the conditions set forth in this Agreement, AT Co. will distribute (the "Distribution") all of the issued and outstanding shares of common stock, par value \$.01 per share, of Spinco ("Spinco Common Stock") to the holders as of the Record Date (as defined herein) of the outstanding shares of common stock, par value \$1.00 per share, of AT Co. ("AT Co. Common Stock"); and

WHEREAS, the parties to this Agreement intend that the Contribution, together with the Debt Exchange (as defined herein), qualify as a tax-free reorganization under Section 368 of the Internal Revenue Code of 1986, as amended (the "Code"), that the Distribution qualify as a distribution of Spinco stock to AT Co. stockholders pursuant to Section 355 of the Code, and that the Merger qualify as a tax-free reorganization under Section 368 of the Code, and that no gain or loss be recognized as a result of such transactions for federal income tax purposes by any of AT Co., Spinco, the Company and their respective stockholders (except to the extent of cash received in lieu of fractional shares.).

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NOW, THEREFORE, in consideration of the promises, and of the representations, warranties, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

Definitions

Section 1.1 General. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

Additional Spinco Indebtedness: as defined in Section 4.1(d) of this Agreement.

Affiliate: means a Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, a specified Person. The term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, direct or indirect, 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 ownership interest, by contract or otherwise; provided, however, that for purposes of this Agreement, from and after the Distribution Date, no member of either Group shall be deemed an Affiliate of any member of the other Group.

Agent: the distribution agent to be appointed by AT Co. to distribute the shares of Spinco Common Stock pursuant to the Distribution.

Agreement: as defined in the preamble to this Agreement.

Asset: any and all assets, properties and rights, wherever located, whether real, personal or mixed, tangible or intangible, including the following (in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person): (i) notes and accounts and notes receivable (whether current or non-current); (ii) certificates of deposit, banker's acceptances, stock (including the capital stock or other equity securities in any Subsidiary), debentures, bonds, notes, evidences of indebtedness, certificates of interest or participation in profit-sharing agreements, collateral-trust certificates, preorganization certificates or subscriptions, transferable shares, investment contracts, letters of credit and performance and surety bonds, voting-trust certificates, puts, calls, straddles, options and other securities of any kind, and all loans, advances or other extensions of credit or capital contributions to any other Person; (iii) intangible property rights, inventions, discoveries, know-how, United States and foreign patents and patent applications, trade secrets, confidential information, registered and unregistered trademarks, service marks, service names, trade styles and trade names and associated goodwill; statutory, common law and registered copyrights; applications for any of the foregoing, rights to use the foregoing and other rights in, to and under the foregoing; (iv) rights under leases (including Real Property Leases), contracts, licenses, permits, distribution arrangements, sales and purchase agreements, joint operating agreements, other agreements and business arrangements; (v) Owned Real Property; (vi) Leased Real Property, fixtures, trade fixtures, machinery, equipment (including oil and gas, transportation and office equipment), tools, dies and furniture; (vii) office supplies, production supplies, spare parts, other miscellaneous supplies and other tangible property of any kind, including all antennas, apparatus, cables, electrical devices, fixtures, equipment, furniture, office equipment, broadcast towers, motor vehicles and other transportation equipment, special and general tools, test devices, transmitters and other tangible personal property; (viii) computers and other data processing equipment and software; (ix) raw materials, work-in-process, finished goods, consigned goods and other inventories; (x) prepayments or prepaid expenses; (xi) claims, causes of action, rights under express or implied warranties, rights of recovery and rights of setoff of any kind; (xii) the right to receive mail, payments on accounts receivable and other communications; (xiii) lists of customers, records pertaining to customers and accounts, personnel records, lists and records pertaining to customers, suppliers and agents, and all accounting and other books, records, ledgers, files and business records of every kind (whether in paper, microfilm, computer tape or disc, magnetic tape or any other form); (xiv) advertising materials and other printed or written materials; (xv) goodwill as a going concern and other intangible properties; (xvi) employee contracts, including any rights thereunder to restrict an employee

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from competing in certain respects; and (xvii) licenses and authorizations issued by any governmental authority. "Assets" shall not include any asset relating to Taxes, which shall be governed exclusively by Article VI of this Agreement, the Tax Sharing Agreement, and, to the extent applicable, the Merger Agreement or any asset relating to benefit plans, programs, agreements, and arrangements, which shall be governed exclusively by Article V of this Agreement, the Employee Benefits Agreement and, to the extent applicable, the Merger Agreement.

Asset Separation Process: as defined in Section 2.8 of this Agreement.

AT Co.: as defined in the preamble to this Agreement.

AT Co. Assets: collectively: (i) all of the right, title and interest of AT Co. and its Subsidiaries in all Assets held by them other than the Spinco Assets, (ii) the rights to use shared Assets as provided in Article II hereof, (iii) all other Assets of AT Co. and AT Co. Subsidiaries to the extent specifically assigned to or retained by any member of the AT Co. Group pursuant to this Agreement or any other Transaction Agreement, (iv) the capital stock of each AT Co. Subsidiary, (v) all rights of AT Co. under the Transaction Agreements and (vi) any additional Assets set forth on Section 1.1(a) of the Disclosure Letter.

AT Co. Business: all of the businesses and operations conducted by AT Co. and the AT Co. Subsidiaries (other than the Spinco Business) at any time, whether prior to, on or after the Distribution Date.

AT Co. Common Stock: as defined in the Recitals to this Agreement.

AT Co. Designees: as defined in Section 2.8 of this Agreement.

AT Co. Financial Instruments: all credit facilities, guaranties, commercial paper, interest rate swap agreements, foreign currency forward exchange contracts, comfort letters, letters of credit and similar instruments related to the AT Co. Business under which any member of the Spinco Group has any primary, secondary, contingent, joint, several or other Liability after the Distribution Date.

AT Co. Group: AT Co. and the AT Co. Subsidiaries.

AT Co. Indemnitees: AT Co., each Affiliate of AT Co. immediately after the Contribution and each of their respective present and former Representatives and each of the heirs, executors, successors and assigns of any of the foregoing.

AT Co. Liabilities: collectively, (i) all Liabilities of AT Co. or any of the AT Co. Subsidiaries, including the Liabilities of AT Co. under the Transaction Agreements, in each case, other than the Spinco Liabilities, (ii) all Liabilities set forth on Section 1.1(b) of the Disclosure Letter and (iii) all expenses allocated to AT Co. on Section 12.2 of the Disclosure Letter.

AT Co. Subsidiaries: all direct and indirect Subsidiaries of AT Co. immediately after the Distribution Date.

AT Co. Trademarks: as defined in Section 8.7(c) of this Agreement.

AT Co./ Spinco Designees: as defined in Section 2.8 of this Agreement.

AT Excess Expenses: as defined in Section 12.2 of this Agreement.

Business: the Spinco Business or the AT Co. Business, as the case may be.

Business Day: any day other than a Saturday, Sunday or a day on which banking institutions in the City of Little Rock, Arkansas or the City of New York, New York are authorized or obligated by law or executive order to close.

Cash and Cash Equivalents: as defined in Section 4.1(f) of this Agreement.

Claims Administration: the processing of claims made under the Policies, including the reporting of claims to the insurance carrier, management and defense of claims, and providing for appropriate releases upon settlement of claims.

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Claims Made Policies: as defined in Section 8.6(a) of this Agreement.

Closing Date: as defined in the Merger Agreement.

Closing Net Spinco Indebtedness: as defined in Section 4.1(a) of this Agreement.

Closing Spinco Balance Sheet: as defined in Section 4.1(a) of this Agreement.

Closing Statement: as defined in Section 4.1(a) of this Agreement.

Code: as defined in the Recitals to this Agreement.

Company: as defined in the Recitals to this Agreement.

Company Consent: the written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed.

Company Designees: as defined in Section 2.8 of this Agreement.

Contribution: as defined in the Recitals to this Agreement.

Debt Exchange: as defined in Section 2.6(b) of this Agreement.

Delayed Transfer Assets: as defined in Section 2.5 of this Agreement.

Delayed Transfer Liabilities: as defined in Section 2.5 of this Agreement.

Disclosure Letter: the schedule prepared and delivered by AT Co. to Spinco as of the date of this Agreement.

Distribution: as defined in the Recitals to this Agreement.

Distribution Date: the date and time that the Distribution shall become effective.

Effective Time: as defined in the Merger Agreement.

Employee Benefits Agreement: the Employee Benefits Agreement to be entered into between AT Co. and Spinco, substantially in the form of Exhibit A hereto.

Final Adjustment Amount: as defined in Section 4.1(d) of this Agreement.

Final Closing Statement: as defined in Section 4.1(b) or 4.1(c) of this Agreement.

Final Net Spinco Indebtedness: as defined in Section 4.1(d) of this Agreement.

GAAP: as defined in Section 4.1(f) of this Agreement.

Governmental Authority: as defined in the Merger Agreement.

Group: the AT Co. Group or the Spinco Group, as the case may be.

Indebtedness: as defined in Section 4.1(f) of this Agreement.

Indemnifiable Losses: all Losses, Liabilities, damages, claims, demands, judgments or settlements of any nature or kind, including all costs and expenses (legal, accounting or otherwise) that are reasonably incurred relating thereto, suffered by an Indemnitee, including any costs or expenses of enforcing any indemnity hereunder that are reasonably incurred and all Taxes resulting from indemnification payments hereunder.

Indemnifying Party: a Person that is obligated under this Agreement to provide indemnification.

Indemnitee: a Person that may seek indemnification under this Agreement.

Independent Accounting Firm: as defined in Section 4.1(f) of this Agreement.

Information: all records, books, contracts, instruments, computer data and other data and information.

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Leased Real Property: all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property.

Liability or Liabilities: all debts, liabilities and obligations whether absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and whether or not the same would properly be reflected on a balance sheet. “**Liabilities**” shall not include any liabilities for or in respect of Taxes, which shall be governed solely by Article VI of this Agreement, the Tax Sharing Agreement, and, to the extent applicable, the Merger Agreement, or any liabilities for or in respect of any benefit plans, programs, agreements, and arrangements, which shall be governed exclusively by Article V of this Agreement, the Employee Benefits Agreement and, to the extent applicable, the Merger Agreement.

Litigation Matters: all pending or threatened litigation, investigations, claims or other legal matters that have been or may be asserted against, or otherwise adversely affect, AT Co. and/or Spinco (or members of either Group).

Losses: as defined in the Merger Agreement.

Merger: as defined in the Recitals to this Agreement.

Merger Agreement: as defined in the Recitals to this Agreement.

Net Spinco Indebtedness: as defined in Section 4.1(f) of this Agreement.

Occurrence Basis Policies: as defined in Section 8.6(a) of this Agreement.

Owned Real Property: all land, together with all buildings, structures, improvements and fixtures located thereon, and all easements and other rights and interests appurtenant thereto that is owned.

Person or person: a natural person, corporation, company, partnership, limited partnership, limited liability company, or any other entity, including a Governmental Authority.

Policies: all insurance policies, insurance contracts and claim administration contracts of any kind of AT Co. and its Subsidiaries (including members of the Spinco Group) and their predecessors which were or are in effect at any time at or prior to the Distribution Date, including primary, excess and umbrella, commercial general liability, fiduciary liability, product liability, automobile, aircraft, property and casualty, business interruption, directors and officers liability, employment practices liability, workers’ compensation, crime, errors and omissions, special accident, cargo and employee dishonesty insurance policies and captive insurance company arrangements, together with all rights, benefits and privileges thereunder, but not including any insurance policies, insurance contracts or claim administration contracts subject to the provisions of the Employee Benefits Agreement.

Preliminary Restructuring: as defined in the Recitals to this Agreement.

Prime Rate: as defined in Section 4.1(e) of this Agreement.

Privileged Information: with respect to either Group, Information regarding a member of such Group, or any of its operations, Assets or Liabilities (whether in documents or stored in any other form or known to its employees or agents) that is or may be protected from disclosure pursuant to the attorney–client privilege, the work product doctrine or another applicable privilege, that a member of the other Group may come into possession of or obtain access to pursuant to this Agreement or otherwise.

Real Property Leases: all leases, subleases, concessions and other agreements (written or oral) pursuant to which any Leased Real Property is held, including the right to all security deposits and other amounts and instruments deposited thereunder.

Reclassification: as defined in Section 3.4 of this Agreement.

Record Date: the close of business on the date to be determined by the Board of Directors of AT Co. as the record date for determining stockholders of AT Co. entitled to receive the Distribution, which date shall be a business day preceding the day of the Effective Time.

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Registration Statement: the Registration Statement on Form S-4 to be filed by the Company with the SEC to effect the registration under the Securities Act of the issuance of the shares of Company Common Stock (as defined in the Merger Agreement) into which shares of Spinco Common Stock will be converted pursuant to the Merger.

Representative: with respect to any Person, any of such Person's directors, managers or persons acting in a similar capacity, officers, employees, agents, consultants, financial and other advisors, accountants, attorneys and other representatives.

SEC: the U.S. Securities and Exchange Commission.

Securities Act: the Securities Act of 1933, as amended, together with the rules and regulations of the SEC promulgated thereunder.

Sell-off Period: as defined in Section 8.7(c) of this Agreement.

Senior Debt Commitment Letter: means the commitment letter attached hereto as Exhibit B.

Shared Assets Agreement: has the meaning set forth in Section 2.1(b) of this Agreement.

Shared Contracts Agreement: has the meaning set forth in Section 2.1(c) of this Agreement.

Special Dividend: a dividend in an amount to be set forth in a certificate delivered by AT Co. to Spinco, with a copy to the Company, no later than thirty (30) days prior to the Distribution Date, which amount shall not exceed AT Co.'s tax basis in Spinco, and which will be declared and paid by Spinco to AT Co. in cash prior to the Distribution.

Special Dividend Record Date: as defined in Section 2.6(a) of this Agreement.

Spinco: as defined in the preamble to this Agreement; provided that with respect to any period following the Effective Time, all references to Spinco herein shall be deemed to be references to the Surviving Corporation.

Spinco Assets: collectively, (i) all of the right, title and interest of AT Co. and its Subsidiaries in all Assets that are primarily used or held for use in, or primarily relating to or arising from, the Spinco Business, including those set forth on the Spinco Audited Balance Sheet and those acquired by Spinco, any Spinco Subsidiary, AT Co. or any AT Co. Subsidiary after the date of the Spinco Audited Balance Sheet, (ii) the rights to use shared Assets as provided in Article II hereof, (iii) all other Assets of Spinco and the Spinco Subsidiaries to the extent specifically assigned to or retained by any member of the Spinco Group pursuant to this Agreement or any other Transaction Agreement, (iv) the capital stock of each Spinco Subsidiary, (v) all rights of Spinco under the Transaction Agreements, and (vi) any additional Assets set forth on Section 1.1(c) of the Disclosure Letter.

Spinco Audited Balance Sheet: as defined in Section 4.1(f) of this Agreement.

Spinco Business: the business conducted by AT Co. and its Subsidiaries engaged in the operation of AT Co.'s wireline telecommunications business, including AT Co.'s ILEC, CLEC and internet access operations, related marketing and sales operations, and other operations comprising what is referred to in AT Co.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2004 as the Wireline Segment of AT Co., as well as all of AT Co.'s directory publishing operations, telecommunication information services operations, product distribution operations (other than any such operations supporting AT Co.'s wireless telecommunications business, as set forth on Schedule 1.1 hereof), network management services operations, and wireline long-distance services operations (other than the fiber backbone supporting those operations and the revenues attributable to AT Co.'s wireless telecommunications business as a result of its use of the fiber backbone), but excluding, for the avoidance of doubt, all other businesses conducted by AT Co. and its Subsidiaries.

Spinco Credit Agreement: means the definitive loan agreement with respect to the senior credit facility of Spinco containing substantially the terms contemplated by the Senior Debt Commitment Letter.

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Spinco Common Stock: as defined in the Recitals to this Agreement.

Spinco Designees: as defined in Section 2.8 of this Agreement.

Spinco Exchange Notes and Spinco Notes: means the notes to be issued by Spinco, as detailed in Section 2.6 hereof.

Spinco Financial Instruments: all credit facilities, guaranties, commercial paper, interest rate swap agreements, foreign currency forward exchange contracts, comfort letters, letters of credit and similar instruments related to the Spinco Business under which any member of the AT Co. Group has any primary, secondary, contingent, joint, several or other Liability after the Distribution Date.

Spinco Financing: as defined in Section 2.6(c) of this Agreement.

Spinco Group: Spinco and the Spinco Subsidiaries.

Spinco Indemnitees: Spinco, the Company, each Affiliate of Spinco and the Company immediately after the Contribution and each of their respective present and former Representatives and each of the heirs, executors, successors and assigns of any of the foregoing.

Spinco Liabilities: collectively: (i) all Liabilities of AT Co. or any of its Subsidiaries (including Spinco and the Spinco Subsidiaries) primarily relating to or arising from the Spinco Business, including the Liabilities set forth on the Spinco Audited Balance Sheet or arising after the date thereof and the Liabilities of Spinco under the Transaction Agreements and (ii) all Liabilities set forth on Section 1.1(d) of the Disclosure Letter.

Spinco Notes Offering: means the sale of Spinco Notes as part of the Spinco Financing, if applicable, and the distribution of Spinco Exchange Notes to AT Co. for purposes of effecting the Debt Exchange.

Spinco Subsidiaries: all direct and indirect Subsidiaries of Spinco immediately after the Contribution.

Steering Committee: as defined in Section 2.8 of this Agreement.

Subsidiary: as defined in the Merger Agreement.

Surviving Corporation: as defined in the Merger Agreement.

Target Net Spinco Indebtedness: as defined in Section 4.1(d) of this Agreement.

Taxes: as defined in the Merger Agreement.

Tax Sharing Agreement: the Tax Sharing Agreement to be entered into between AT Co. and its Affiliates and Spinco and its Affiliates, substantially in the form of Exhibit C hereto.

Third-Party Claim: any claim, suit, derivative suit, arbitration, inquiry, proceeding or investigation by or before any court, any governmental or other regulatory or administrative agency or commission or any arbitration tribunal asserted by a Person who or which is neither a party hereto nor an Affiliate of a party hereto.

Transaction Agreements: this Agreement, the Employee Benefits Agreement, the Merger Agreement, the Tax Sharing Agreement, the Shared Assets Agreement, the Shared Contracts Agreement, and the Transition Services Agreement.

Transition Services Agreement: the Transition Services Agreement to be entered into by and between AT Co. and Spinco, substantially on the terms set forth in Exhibit D hereto.

Wireline Subsidiaries: as defined in Section 2.1(a) of this Agreement.

Section 1.2 References to Time. All references in this Agreement to times of the day shall be to New York City time.

ARTICLE II

Preliminary Transactions

Section 2.1 Business Separation.

(a) On or prior to the Distribution Date, AT Co. shall take or cause to be taken all actions necessary to cause the transfer, assignment, delivery and conveyance to Spinco or one or more Spinco Subsidiaries designated by Spinco of (i) all of the stock of Subsidiaries of AT Co. that hold primarily Spinco Assets (the "Wireline Subsidiaries") (which such Subsidiaries are set forth on Schedule 2.1(a) hereof); provided that any AT Co. Assets or AT Co. Liabilities held by any such Wireline Subsidiary shall be transferred from such Wireline Subsidiary to AT Co. or an AT Co. Subsidiary prior to the Distribution Date, (ii) all of the Spinco Assets held by AT Co. or a subsidiary of AT Co. that are not transferred as a result of the transfer of a Wireline Subsidiary to Spinco and (iii) all Spinco Liabilities held by AT Co. or a subsidiary of AT Co. that are not transferred as a result of the transfer of a Wireline Subsidiary to Spinco. Spinco shall assume or cause to be assumed, and thereafter timely pay, perform and discharge, or cause to be paid, performed and discharged, all of the Spinco Liabilities.

(b) The separation of the AT Co. Assets and the Spinco Assets, as contemplated by this Agreement shall be effected in a manner that does not unreasonably disrupt either the AT Co. Business or the Spinco Business. Notwithstanding the foregoing, AT Co. and Spinco agree, and agree to cause their respective Subsidiaries, to use their reasonable best efforts to obtain, before the Distribution Date, any consent, approval or waiver from, and to satisfy any notification requirements to, any Governmental Authority or other third party. Prior to the Distribution Date, AT Co. and Spinco shall use their reasonable best efforts to identify all Assets that cannot be separated in a commercially reasonable manner, and Spinco and AT Co. will enter into appropriate arrangements regarding such shared Assets (the "Shared Assets Agreement"), including the costs related to the use of such shared Assets.

(c) Prior to the Contribution, AT Co. and Spinco will use their respective reasonable best efforts to amend, in form and substance reasonably satisfactory to the Company, all contractual arrangements between or among AT Co., Spinco, their respective Affiliates and any other Person (other than the contractual arrangements relating to the Contribution, the Distribution and the Merger) that either (i) relate to the AT Co. Business but relate primarily to the Spinco Business or (ii) relate solely to the Spinco Business, but, by their terms, contain provisions relating to a member of the AT Co. Group, so that, after the Contribution, such contractual arrangements (x) will relate solely to the Spinco Business and (y) will eliminate any provisions relating to a member of the AT Co. Group and, in either event, will inure to the benefit of the Spinco Group on substantially the same economic terms as such arrangements exist as of the date hereof. Prior to the Contribution, AT Co. and Spinco will use their respective reasonable best efforts to amend, in form and substance reasonably satisfactory to the Company, all contractual arrangements between or among AT Co., Spinco, their respective Affiliates and any other Person (other than the contractual arrangements relating to the Contribution, the Distribution and the Merger) that either (i) relate to the Spinco Business but relate primarily to the AT Co. Business or (ii) relate solely to the AT Co. Business, but, by their terms, contain provisions relating to a member of the Spinco Group, so that, after the Contribution, such contractual arrangements (x) will relate solely to the AT Co. Business and (y) will eliminate any provisions relating to a member of the Spinco Group and, in either event, will inure to the benefit of the AT Co. Group on substantially the same economic terms as such arrangements exist as of the date hereof. If, in any case, such amendment cannot be obtained, or if an attempted amendment thereof would be ineffective or would adversely affect the rights of AT Co. or Spinco thereunder, AT Co. and Spinco will cooperate in negotiating a mutually agreeable arrangement with respect to such contractual arrangements (the "Shared Contracts Agreement"), in form and substance reasonably satisfactory to the Company, under which AT Co. or Spinco, as applicable, will obtain the benefits and assume the obligations thereunder. Notwithstanding the foregoing, no action will be required of AT Co. or Spinco that would cause the representation contained in Section 2.1(d) below to be breached.

(d) AT Co. hereby represents and warrants to Spinco that immediately following the Contribution, the Assets of Spinco and the Spinco Subsidiaries, taken together with the services available from AT Co. pursuant

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to the Transition Services Agreement, the Shared Assets Agreement and the Shared Contracts Agreement, will constitute all of the Assets primarily used in or necessary for, and will be sufficient for the operation of, the Spinco Business in all material respects as currently conducted and as proposed to be conducted on the date the Contribution is consummated. The representations and warranties of AT Co. set forth in this Section 2.1(d) will survive the execution and delivery of this Agreement and the Distribution Date and will continue in full force and effect for two years following the Distribution Date.

(e) From the date hereof until the Effective Time, AT Co. shall be entitled to use, retain or otherwise dispose of all cash generated by the Spinco Business and the Spinco Assets in accordance with the ordinary course operation of AT Co.'s cash management system.

(f) Except as otherwise specifically set forth herein, the rights and obligations of the parties with respect to Taxes shall be governed exclusively by Article VI of this Agreement, the Tax Sharing Agreement and to the extent applicable, the Merger Agreement. Accordingly, Taxes shall not be treated as Assets or Liabilities for purposes of, or otherwise be governed by, this Section 2.1. In addition, except as otherwise specifically set forth herein, the rights and obligations of the parties with respect to benefit plans, programs, agreements and arrangements shall be governed exclusively by Article V of this Agreement, the Employee Benefits Agreement and to the extent applicable, the Merger Agreement. Accordingly, assets and liabilities relating to any benefit plans, programs, agreements and arrangements shall not be treated as Assets or Liabilities for purposes of, or otherwise be governed by, this Section 2.1.

Section 2.2 Conveyancing and Assumption Agreements. In connection with the transfer of the Spinco Assets and the assumption of the Spinco Liabilities contemplated by this Article II, AT Co. and Spinco shall execute, or cause to be executed by the appropriate entities, conveyancing and assumption instruments in such forms as shall be reasonably acceptable to AT Co., Spinco and the Company.

Section 2.3 Certain Resignations. At or prior to the Distribution Date, AT Co. shall cause each employee and director of AT Co. and its Subsidiaries who will not be employed by Spinco or a Spinco Subsidiary after the Distribution Date to resign, effective not later than the Distribution Date, from all boards of directors or similar governing bodies of Spinco or any Spinco Subsidiary on which they serve, and from all positions as officers of Spinco or any Spinco Subsidiary in which they serve. Spinco will cause each employee and director of Spinco and its Subsidiaries who will not be employed by AT Co. or an AT Co. Subsidiary after the Distribution Date to resign, effective not later than the Distribution Date, from all boards of directors or similar governing bodies of AT Co. or any AT Co. Subsidiary on which they serve, and from all positions as officers of AT Co. or any AT Co. Subsidiary in which they serve.

Section 2.4 Other Agreements. Each of AT Co. and Spinco shall, prior to the Distribution Date, enter into, or cause the appropriate members of the Group of which it is a member to enter into, the other Transaction Agreements.

Section 2.5 Transfers Not Effected Prior to the Distribution: Transfers Deemed Effective as of the Distribution Date. Subject to Section 2.1(d), to the extent that any transfers of Assets or Liabilities contemplated by this Article II shall not have been consummated on or prior to the Distribution Date, the parties shall cooperate and use reasonable best efforts to effect the transfer of such Assets ("Delayed Transfer Assets") and such Liabilities ("Delayed Transfer Liabilities") as promptly following the Distribution Date as shall be practicable. On the Closing Date, AT Co. shall use its reasonable best efforts to deliver to Spinco a schedule setting forth all material Delayed Transfer Assets and Delayed Transfer Liabilities existing as of the Closing Date. Nothing herein shall be deemed to require the transfer of any Assets or the assumption of any Liabilities which by their terms or operation of law cannot be transferred or assumed until such time as all legal impediments to such transfer or assumption have been removed; provided, however, that AT Co. and Spinco shall, and shall cause their respective Subsidiaries to, use its reasonable best efforts to obtain any necessary consents or approvals for the transfer of all Assets and the assumption of all Liabilities contemplated to be transferred or assumed pursuant to this Article II. In the event that any such transfer of Assets or assumption of Liabilities has not been consummated, effective on or before the Distribution Date, the party retaining such Asset or Liability shall thereafter hold such Asset in trust for the use and benefit of the party entitled thereto (at the expense of the party entitled thereto) and retain such Liability for the account of the

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party by whom such Liability is to be assumed pursuant hereto, and take such other action as may be reasonably requested by the party to which such Asset is to be transferred, or by whom such Liability is to be assumed, as the case may be, in order to place such party, insofar as reasonably practicable, in substantially the same position as would have existed had such Asset or Liability been transferred or assumed as contemplated hereby. As and when any such Asset becomes transferable or such Liability can be assumed, such transfer or assumption automatically and without any further action shall be effected forthwith. Subject to the foregoing, the parties agree that, as of the Distribution Date (or such earlier time as any such Asset may have been assigned or Liability assumed), each party hereto shall be deemed to have acquired complete and sole beneficial ownership over all of the 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 Liabilities, and all duties, obligations and responsibilities incident thereto, which such party is entitled to acquire or required to assume pursuant to the terms of this Agreement.

Section 2.6 Special Dividend; Spinco Financing; Debt Exchange.

(a) The Spinco Board will establish a special dividend record date (the "Special Dividend Record Date") and will authorize Spinco to pay out of funds legally available therefor the Special Dividend immediately prior to the Distribution Date to AT Co., as the holder of record of Spinco Common Stock as of the Special Dividend Record Date.

(b) Prior to the Distribution Date, AT Co. shall enter into all necessary or appropriate arrangements regarding (i) the exchange of outstanding AT Co. short-term debt obligations (the "AT Co. Notes") having an aggregate fair market value as of the date of the Debt Exchange equal to the net proceeds of the Spinco Exchange Notes or (ii) other transfer of the Spinco Exchange Notes to the creditors of AT Co. (the "Debt Exchange"). The principal amount of the Spinco Exchange Notes will be an amount equal to (x) \$3.965 billion less (y) the amount of the Special Dividend, with the precise aggregate principal amount of the Spinco Exchange Notes to be exchanged or transferred in the Debt Exchange to be set forth on a certificate to be delivered by AT Co. to Spinco, with a copy to the Company, no later than thirty (30) days prior to the Distribution Date.

(c) At or prior to the Distribution Date, Spinco will (i) enter into the Spinco Credit Agreement and consummate the Spinco Notes Offering, pursuant to which Spinco will borrow up to \$3.965 billion in the aggregate (the "Spinco Financing"), and use such proceeds to pay the Special Dividend and (ii) distribute Spinco Exchange Notes to AT Co., which AT Co. intends to exchange for outstanding AT Co. Notes or otherwise transfer in the Debt Exchange.

(d) Notwithstanding the provisions of Sections 2.6(b) and 2.6(c), the amounts of indebtedness set forth in this Section 2.6 are approximations based on facts and circumstances existing on the date hereof and are subject to change prior to the Distribution Date, it being understood that such amounts will at all times remain subject to the provisions of Section 4.1 hereof.

(e) AT Co. and Spinco shall use their respective reasonable best efforts to cause the Spinco Financing and the Debt Exchange to be consummated. Without limiting the generality of the foregoing, each of AT Co. and Spinco shall use its reasonable best efforts to cause their respective employees, accountants, counsel and other representatives to reasonably cooperate with each other in carrying out the transactions contemplated by the Spinco Financing and the Debt Exchange and in delivering all documents and instruments deemed reasonably necessary by AT Co. or Spinco (including providing standard accountants' "comfort" letters and legal opinions and otherwise cooperating and assisting in satisfying the conditions to the Spinco Financing and the Debt Exchange and assisting with the syndication or marketing of the Spinco Credit Agreement and the consummation of the Spinco Notes Offering including, by (i) providing direct contact between prospective lenders and the officers and directors of each of AT Co. and Spinco, (ii) providing assistance in preparation of confidential information memoranda and other materials to be used in connection with consummating the Spinco Financing and the Debt Exchange, (iii) disclosing the Debt Exchange and Spinco Financing, as required under the Securities Act, in the Registration Statement and any other filings to be made with the SEC, and (iv) entering into such agreements and other arrangements as are reasonably required to effectuate any arrangements made by AT Co. with respect to the exchange of Spinco Notes for AT Co. Notes in

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connection with the Debt Exchange, and (v) taking all other actions reasonably necessary in connection with the Spinco Financing and the Debt Exchange). Each of AT Co. and Spinco shall cooperate in connection with the preparation of all documents and the making of all filings required in connection with the Spinco Financing and the Debt Exchange and shall use their respective reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all other things necessary, proper or advisable to consummate the Spinco Financing and the Debt Exchange and the transactions contemplated hereby.

Section 2.7 Financial Instruments.

(a) Spinco will, at its expense, take or cause to be taken all actions, and enter into (or cause the Spinco Subsidiaries to enter into) such agreements and arrangements, as shall be reasonably necessary to effect the

(b) release of and substitution for each member of the AT Co. Group, as of the Distribution Date, from all primary, secondary, contingent, joint, several and other Liabilities in respect of Spinco Financial Instruments to the extent related to the Spinco Group or the Spinco Business (it being understood that all such Liabilities in respect of Spinco Financial Instruments are Spinco Liabilities).

(c) AT Co. will, at its expense, take or cause to be taken all actions, and enter into (or cause its Subsidiaries to enter into) such agreements and arrangements, as shall be necessary to effect the release of and substitution for each member of the Spinco Group, as of the Distribution Date, from all primary, secondary, contingent, joint, several and other Liabilities, if any, in respect of AT Co. Financial Instruments to the extent related to the AT Co. Group or the AT Co. Business (it being understood that all such Liabilities in respect of AT Co. Financial Instruments are AT Co. Liabilities).

(d) The parties' obligations under this Section 2.7 will continue to be applicable to all Spinco Financial Instruments and AT Co. Financial Instruments identified at any time by AT Co. or Spinco, whether before, at or after the Distribution Date.

Section 2.8 Coordination of Asset Separation Transactions. (a) As promptly as practicable after the date hereof, AT Co. and Spinco shall establish a steering committee (the "Steering Committee") for the purpose of (i) overseeing the process of separating Spinco Assets from AT Co. Assets, (ii) reviewing the form, terms and provisions of each agreement necessary for the Preliminary Restructuring and the Contribution to the extent not finalized at or prior to the date hereof, (iii) reviewing any proposed amendments to any such document that has previously been finalized, (iv) implementing the specific terms of each of the Transaction Agreements, including the Employee Benefits Agreement and (v) overseeing the implementation of the Spinco Financing (collectively, the "Asset Separation Process"). The Steering Committee shall be comprised of up to two (2) designees selected by AT Co. (the "AT Co. Designees"), up to two (2) designees selected by Spinco (the "Spinco Designees" and, collectively with the AT Co. Designees, the "AT Co./ Spinco Designees") and up to two (2) designees selected by the Company, who shall be reasonably acceptable to AT Co. and Spinco (the "Company Designees"). All material decisions with respect to the Asset Separation Process, including the terms of any breakage or termination fees payable by AT Co. or Spinco, any consent payments or similar arrangements required in connection with the Asset Separation Process and the terms of any material contract, agreement, arrangement or understanding to be entered into with any third party in connection therewith, shall be subject to the review of the Steering Committee. In the event either Company Designee in good faith asserts that any contract, agreement, arrangement or understanding to be entered into between AT Co. and Spinco, which by its terms will continue after the Distribution Date, would, individually or in the aggregate, materially and adversely affect the economic benefits as a whole to be derived by the Company from the Merger, the execution of such contract, agreement, arrangement or understanding shall require a Company Consent.

ARTICLE III

The Distribution

Section 3.1 Record Date and Distribution Date. Subject to the satisfaction, or to the extent permitted by applicable Law, waiver, of the conditions set forth in Section 11.1, the Board of Directors of

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AT Co., consistent with the Merger Agreement and Delaware law, shall establish the Record Date and the Distribution Date and any necessary or appropriate procedures in connection with the Distribution.

Section 3.2 Spinco Reclassification. Immediately prior to the Distribution Date, AT Co. and Spinco shall take all actions necessary to issue to AT Co. such number of shares of Spinco Common Stock, including, if applicable, by reclassifying the outstanding shares of Spinco Common Stock or by declaring a dividend payable to AT Co. in shares of Spinco Common Stock (the "Reclassification"), for the purpose of increasing the outstanding shares of Spinco Common Stock such that, immediately prior to the Distribution Date, Spinco will have an aggregate number of shares of Spinco Common Stock to be determined by AT Co. and Spinco prior to the Distribution Date, all of which will be held by AT Co.

Section 3.3 Net Spinco Indebtedness. Immediately prior to the Effective Time, after giving effect to the Contribution and the other transactions contemplated hereby other than the Merger and the refinancing of the Company indebtedness, Spinco shall have Net Spinco Indebtedness (as defined below) of not more than the Target Net Spinco Indebtedness (as defined below).

Section 3.4 The Agent. Prior to the Distribution Date, AT Co. shall enter into an agreement with the Agent on terms reasonably satisfactory to Spinco providing for, among other things, the distribution to the holders of AT Co. Common Stock in accordance with this Article III of the shares of Company Common Stock into which the shares of Spinco Common Stock that would otherwise be distributed in the Distribution will be converted pursuant to the Merger.

Section 3.5 Delivery of Shares to the Agent. At or prior to the Distribution Date, AT Co. shall authorize the book-entry transfer by the Agent of all of the outstanding shares of Spinco Common Stock to be distributed in connection with the Distribution. After the Distribution Date, upon the request of the Agent, Spinco shall provide all book-entry transfer authorizations that the Agent shall require in order to effect the distribution of the shares of Company Common Stock into which the shares of Spinco Common Stock that would otherwise be distributed in the Distribution will be converted pursuant to the Merger.

Section 3.6 The Distribution. Upon the terms and subject to the conditions of this Agreement, following consummation of the Reclassification, AT Co. shall declare and pay the Distribution of all of the shares of Spinco Common Stock held by AT Co. At the Effective Time (as defined in the Merger Agreement), all such shares of Spinco Common Stock shall be converted into the right to receive shares of Company Common Stock pursuant to, and in accordance with the terms of, the Merger Agreement, immediately following which the Agent shall distribute by book-entry transfer in respect of the outstanding shares of AT Co. Common Stock held by holders of record of AT Co. Common Stock on the Record Date, all of the shares of Company Common Stock into which the shares of Spinco Common Stock that would otherwise be distributed in the Distribution have been converted pursuant to the Merger. The Agent shall make cash payments in lieu of any fractional shares resulting from the conversion of Spinco Common Stock into Company Common Stock in the Merger pursuant to the terms of the Merger Agreement.

ARTICLE IV

Net Debt Adjustment

Section 4.1 Post-Closing Adjustment to Net Spinco Indebtedness

(a) Within ninety (90) days after the Closing Date (as defined in the Merger Agreement), the Surviving Corporation (as defined in the Merger Agreement) shall cause to be prepared and delivered to AT Co. (i) a combined balance sheet of Spinco and the Spinco Subsidiaries as of 12:01 a.m. on the Distribution Date (the "Closing Spinco Balance Sheet") and (ii) a statement derived from the Closing Spinco Balance Sheet and prepared in accordance with this Section 4.1 (the "Closing Statement"), setting forth the Net Spinco Indebtedness (as defined below) as of 12:01 a.m. on the Distribution Date (the "Closing Net Spinco Indebtedness"), including reasonable detail regarding the calculation thereof. The Closing Spinco Balance Sheet shall be prepared in accordance with GAAP, consistently applied, utilizing the same

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methodology and adjustments as were utilized in preparing the Spinco Audited Balance Sheet, and the Closing Statement shall be derived from the Closing Spinco Balance Sheet.

(b) Following the Distribution Date, each of AT Co. and Spinco shall give the other party and any representatives of such other party access at all reasonable times to the properties, books, records, working papers and personnel of the Spinco Business to the extent required to prepare and review the Closing Spinco Balance Sheet and the Closing Statement. AT Co. shall have thirty (30) days following delivery of the Closing Spinco Balance Sheet and the Closing Statement during which to notify the Surviving Corporation of any dispute of any item contained in the Closing Statement, which notice shall (i) set forth in reasonable detail the nature and amount of any such dispute and (ii) include only disputes based on mathematical errors or the calculation of amounts not in accordance with the procedures set forth in this Section 4.1. If AT Co. fails to notify the Surviving Corporation of any such dispute within such thirty (30) day period, or if the dispute involves amounts less than \$5 million in the aggregate, the Closing Statement delivered to AT Co. shall be deemed to be the "Final Closing Statement," final, conclusive and binding on the parties hereto. In the event that AT Co. shall so notify the Surviving Corporation of a dispute, AT Co. and the Surviving Corporation shall cooperate in good faith to resolve such dispute as promptly as possible.

(c) If AT Co. and the Surviving Corporation do not resolve any such disputed item within thirty (30) days of the delivery of such notice, such disputed item shall be resolved by the Independent Accounting Firm (as defined below). In connection therewith, the Independent 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 smallest amount for such item that is claimed by a party. The Independent Accounting Firm shall make its determination 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 Independent Accounting Firm shall be shared equally between AT Co. and the Surviving Corporation. The Closing Statement, as modified by resolution of any disputed items between AT Co. and Spinco or by the Independent Accounting Firm, shall be the "Final Closing Statement," final, conclusive and binding on the parties hereto.

(d) Provided that the Spinco Financing has been consummated, if the amount of the Net Spinco Indebtedness, as set forth in the Final Closing Statement (the "Final Net Spinco Indebtedness"), exceeds the sum of (x) \$4.2 billion plus (y) the principal amount of any additional Indebtedness (the "Additional Spinco Indebtedness") incurred in respect of the fees and expenses related to the Spinco Notes (the sum of clause (x) plus clause (y) being referred to herein as "Target Net Spinco Indebtedness"), AT Co. shall pay to Spinco an amount equal to such excess and if the amount of the Final Net Spinco Indebtedness is less than the amount of the Target Net Spinco Indebtedness, Spinco shall pay to AT Co. an amount equal to such deficit (such payment amount being referred to herein as the "Final Adjustment Amount").

(e) Any payment to be made by AT Co. or the Surviving Corporation, as the case may be, in respect of the Final Adjustment Amount pursuant to Section 4.1(d) hereof shall be made by wire transfer of immediately available funds within five (5) Business Days after the date upon which the Closing Statement becomes the Final Closing Statement (either upon mutual agreement pursuant to Section 4.1(a) or by resolution of any dispute with respect to the Statement in accordance with Sections 4.1(b) and/or 4.1(c)) in an amount determined pursuant to Section 4.1(d) hereof, together with interest thereon from the Distribution Date through the date such payment is made, at the prime lending rate as reported as of the date of such payment by *The Wall Street Journal* (the "Prime Rate"). Notwithstanding the foregoing, in the event that the aggregate amount required to be paid by the Surviving Corporation to AT Co. pursuant to Section 4.1(d) exceeds \$50 million, then the Surviving Corporation (i) shall pay \$50 million of such amount to AT Co. in cash as provided in the immediately preceding sentence and (ii) shall pay the remaining amount due through the issuance of a promissory note having a maturity of not more than ninety (90) days and bearing interest at the Prime Rate, or through any combination of the foregoing.

(f) As used herein, the following terms shall have the following meanings: (i) "Net Spinco Indebtedness" shall mean (A) the aggregate amount of Indebtedness (as defined below) of Spinco and its Subsidiaries

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immediately prior to the Distribution Date which shall remain an obligation of Spinco or any of the Spinco Subsidiaries following the Distribution Date minus (B) the aggregate amount of Cash and Cash Equivalents (as defined below) of Spinco and the Spinco Subsidiaries as of the Distribution Date. The Net Spinco Indebtedness shall be calculated in good faith in accordance with GAAP, consistently applied, utilizing the same methodology and adjustments as were used in preparing the Spinco Audited Balance Sheet; (ii) "Indebtedness" of any Person (as defined in the Merger Agreement) at any date shall mean (x) any obligation of such Person (A) with respect to indebtedness of such Person for borrowed money or for the deferred purchase price of property or services, including all accrued and unpaid interest, premiums, penalties and fees thereon (other than accounts payable, accrued expenses (including book overdrafts) and other current liabilities arising in the ordinary course of business), (B) evidenced by a note, bond, debenture or similar instrument (including a purchase money obligation) or (iii) under any lease or similar arrangement that would be required to be accounted for by the lessee as a capital lease in accordance with GAAP; (y) any guarantee (or keepwell agreement) by such Person of any indebtedness of others described in the preceding clause (x); and (z) all obligations to reimburse any bank or other Person for amounts paid under a letter of credit or similar instrument; (iii) "Cash and Cash Equivalents" shall mean all cash, cash equivalents, including certificates of deposit or bankers' acceptances maturing within one year from the date of acquisition thereof, marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or an agency thereof, and investments in money market funds with assets of \$5,000,000 or greater, and other liquid investments, including all deposited but uncleared bank deposits; (iv) "Spinco Audited Balance Sheet" shall mean the audited combined balance sheet of Spinco and the Spinco Subsidiaries as of December 31, 2004; (v) "GAAP" shall mean United States generally accepted accounting principles; and (vi) "Independent Accounting Firm" shall mean an internationally recognized accounting firm mutually selected and agreed upon by AT Co. and Spinco.

ARTICLE V

Employee Benefit Matters

Section 5.1 Employee Benefit Matters. Subject to the terms and conditions set forth herein at or prior to the Distribution Date, AT Co. and Spinco shall each execute and deliver the Employee Benefits Agreement, substantially in the form of Exhibit A hereto.

ARTICLE VI

Tax Sharing

Section 6.1 Tax Sharing. Subject to the terms and conditions set forth herein at or prior to the Distribution Date, AT Co. and Spinco shall each execute and deliver the Tax Sharing Agreement, substantially in the form of Exhibit C hereto.

ARTICLE VII

Survival and Indemnification

Section 7.1 Survival of Agreements. Except as otherwise provided herein with respect to any specific representation, warranty or covenant, all representations, warranties, covenants and agreements of the parties hereto contained in this Agreement shall survive the Distribution Date for a period of two (2) years. For the avoidance of doubt, this Section 7.1 shall in no event alter or otherwise affect the operation of Section 12.1 of the Merger Agreement.

Section 7.2 Mutual Release. Effective as of the Distribution Date and except as otherwise specifically set forth in the Transaction Agreements, each of AT Co., on behalf of itself and each of the AT Co. Subsidiaries, on the one hand, and Spinco, on behalf of itself and each of the Spinco Subsidiaries, on the other hand, hereby releases and forever discharges the other party and its Subsidiaries, and its and their respective officers, directors, managers or other persons acting in a similar capacity, agents, record and beneficial security

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holders (including trustees and beneficiaries of trusts holding such securities), advisors and Representatives (in each case, in their respective capacities as such) and their respective heirs, executors, administrators, successors and assigns, of and from all debts, demands, actions, causes of action, suits, accounts, covenants, contracts, agreements, damages, claims and other Liabilities whatsoever of every name and nature, both in law and in equity, which the releasing party has or ever had or ever will have, which exist or arise out of or relate to events, circumstances or actions taken by such other party occurring or failing to occur or any conditions existing at or prior to the Distribution Date whether or not known on the Distribution Date, including in connection with the transactions and all other activities to implement the Contribution and the Distribution; provided, however, that the foregoing general release shall not apply to (i) any Liabilities or other obligations (including Liabilities with respect to payment, reimbursement, indemnification or contribution) under the Merger Agreement or the other Transaction Agreements or any Contracts (as defined therein) contemplated thereby, or assumed, transferred, assigned, allocated or arising under any of the Merger Agreement or the other Transaction Agreements or any Contract contemplated thereby (including any Liability that the parties may have with respect to payment, performance, reimbursement, indemnification or contribution pursuant to the Merger Agreement or any other Transaction Agreement or any Contract contemplated thereby for claims brought against the parties by third Persons or any Indemnitee), and the foregoing release will not affect any party's right to enforce the Merger Agreement or the other Transaction Agreements or the Contracts contemplated thereby in accordance with their terms or (ii) any Liability the release of which would result in the release of any Person other than a Person released pursuant to this Section 7.2 (provided, that the parties agree not to bring suit or permit any of their Subsidiaries to bring suit against any such Person with respect to any Liability to the extent such Person would be released with respect to such Liability by this Section 7.2 but for this clause (ii)). Each party to this Agreement agrees, for itself and each member of its Group, not to make any claim or demand or commence any action or assert any claim against any member of the other Party's Group with respect to the Liabilities released pursuant to this Section 7.2.

Section 7.3 Indemnification.

(a) Except as specifically otherwise provided in the other Transaction Agreements, Spinco shall indemnify, defend and hold harmless the AT Co. Indemnitees from and against all Indemnifiable Losses arising out of or due to the failure of any member of the Spinco Group (i) to pay or satisfy any Spinco Liabilities (including the Spinco Group's Delayed Liabilities), or (ii) to perform any of its obligations under this Agreement.

(b) Except as specifically otherwise provided in the other Transaction Agreements, AT Co. shall indemnify, defend and hold harmless the Spinco Indemnitees from and against all Indemnifiable Losses arising out of or due to the failure of any member of the AT Co. Group (i) to pay or satisfy any AT Co. Liabilities (including the AT Co. Group's Delayed Liabilities), (ii) to transfer to Spinco or any member of the Spinco Group all of the Spinco Assets transferred or to be transferred to Spinco or the Spinco Group pursuant to Article II hereof, or (iii) to perform any of its obligations under this Agreement.

(c) Notwithstanding anything to the contrary set forth herein, indemnification relating to any arrangements between any member of the AT Co. Group and any member of the Spinco Group for the provision after the Distribution Date of goods and services in the ordinary course shall be governed by the terms of such arrangements and not by this Section or as otherwise set forth in this Agreement and the other Transaction Agreements.

(d) Indemnification for matters subject to the Tax Sharing Agreement is governed by the terms, provisions and procedures of the Tax Sharing Agreement and not by this Article VII and indemnification for matters subject to the Merger Agreement is governed by the terms, provisions and procedures of the Merger Agreement and not by this Article VII.

Section 7.4 Procedures for Indemnification for Third-Party Claims.

(a) AT Co. shall, and shall cause the other AT Co. Indemnitees to, notify Spinco in writing promptly after learning of any Third-Party Claim for which any AT Co. Indemnitee intends to seek indemnification from Spinco under this Agreement. Spinco shall, and shall cause the other Spinco Indemnitees to, notify AT

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Co. in writing promptly after learning of any Third-Party Claim for which any Spinco Indemnitee intends to seek indemnification from AT Co. under this Agreement. The failure of any Indemnifying Party to give such notice shall not relieve any Indemnifying Party of its obligations under this Article VII except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice. Such notice shall describe such Third-Party Claim in reasonable detail considering the Information provided to the Indemnitee and shall indicate the amount (estimated if necessary) of the Indemnifiable Loss that has been claimed against or may be sustained by such Indemnitee.

(b) Except as otherwise provided in paragraph (c) of this Section 7.3, an Indemnifying Party may, by notice to the Indemnitee and to AT Co., if Spinco is the Indemnifying Party, or to the Indemnitee and Spinco, if AT Co. is the Indemnifying Party, within 30 days after receipt by such Indemnifying Party of such Indemnitee's notice of a Third-Party Claim, undertake (itself or through another member of the Group of which the Indemnifying Party is a member) the defense or settlement of such Third-Party Claim, at such Indemnifying Party's own expense and by counsel reasonably satisfactory to the Indemnitee. If an Indemnifying Party undertakes the defense of any Third-Party Claim, such Indemnifying Party shall control the investigation and defense or settlement thereof, and the Indemnitee may not settle or compromise such Third-Party Claim without the prior written consent of the Indemnifying Party, except that such Indemnifying Party shall not (i) require any Indemnitee, without its prior written consent, to take or refrain from taking any action in connection with such Third-Party Claim, or make any public statement, which such Indemnitee reasonably considers to be against its interests, or (ii) without the prior written consent of the Indemnitee and of AT Co., if the Indemnitee is an AT Co. Indemnitee, or the Indemnitee and of Spinco, if the Indemnitee is a Spinco Indemnitee, consent to any settlement that does not include as a part thereof an unconditional release of the relevant Indemnitees from liability with respect to such Third-Party Claim or that requires the Indemnitee or any of its Representatives or Affiliates to make any payment that is not fully indemnified under this Agreement or to be subject to any non-monetary remedy. Subject to the Indemnifying Party's control rights, as specified herein, the Indemnitees may participate in such investigation and defense, at their own expense. Following the provision of notices to the Indemnifying Party, until such time as an Indemnifying Party has undertaken the defense of any Third-Party Claim as provided herein, such Indemnitee shall control the investigation and defense or settlement thereof, without prejudice to its right to seek indemnification hereunder.

(c) If an Indemnitee reasonably determines that there may be legal defenses available to it that are different from or in addition to those available to its Indemnifying Party which make it inappropriate for the Indemnifying Party to undertake the defense or settlement thereof, then such Indemnifying Party shall not be entitled to undertake the defense or settlement of such Third-Party Claim; and counsel for the Indemnifying Party shall be entitled to conduct the defense of such Indemnifying Party and counsel for the Indemnitee (selected by the Indemnitee) shall be entitled to conduct the defense of such Indemnitee, in which case the reasonable fees, costs and expenses of such counsel for the Indemnitee (but not more than one counsel (in addition to local counsel, if any) reasonably satisfactory to the Indemnifying Party) shall be paid by such Indemnifying Party, it being understood that both such counsel shall cooperate with each other to conduct the defense or settlement of such action as efficiently as possible.

(d) In no event shall an Indemnifying Party be liable for the fees and expenses of more than one counsel for all Indemnitees (in addition to local counsel and its own counsel, if any) in connection with any one action, or separate but similar or related actions, in the same jurisdiction arising out of the same general allegations or circumstances.

(e) If the Indemnifying Party undertakes the defense or settlement of a Third-Party Claim, the Indemnitee shall make available to the Indemnifying Party and its counsel all information and documents reasonably available to it which relate to any Third-Party Claim, and otherwise cooperate as may reasonably be required in connection with the investigation, defense and settlement thereof, subject to the terms and conditions of a mutually acceptable joint defense agreement.

Section 7.5 Reductions for Insurance Proceeds, Tax Benefits and Other Recoveries. The amount that any Indemnifying Party is or may be required to pay to any Indemnitee pursuant to this Article VII shall be

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reduced (retroactively or prospectively) by (i) any insurance proceeds or other amounts actually recovered from third parties by or on behalf of such Indemnitee in respect of the related Indemnifiable Losses (net of all costs of recovery, including deductibles, co-payments or other payment obligations) and (ii) any tax benefit actually realized by the Indemnitee in respect of the related Indemnifiable Losses. The existence of a claim by an Indemnitee for insurance or against a third party in respect of any Indemnifiable Loss or the availability of potential tax benefits shall not, however, delay or reduce any payment pursuant to the indemnification provisions contained herein and otherwise determined to be due and owing by an Indemnifying Party. The Indemnifying Party shall make payment in full of such amount so determined to be due and owing by it and, if, and to the extent that, there exists a claim against any third party (other than an insurer) in respect of such Indemnifiable Loss, the Indemnitee shall assign such claim against such third party to the Indemnifying Party. Any tax benefit actually received by an Indemnified Party shall be paid over to the Indemnifying Party to the extent such tax benefit relates to an Indemnifiable Loss for which indemnification has already been received. Notwithstanding any other provisions of this Agreement, it is the intention of the parties hereto that no insurer or any other third party shall be (i) entitled to a benefit it would not be entitled to receive in the absence of the foregoing indemnification provisions or (ii) relieved of the responsibility to pay any claims for which it is obligated. If an Indemnitee shall have received the payment required by this Agreement from an Indemnifying Party in respect of any Indemnifiable Losses and shall subsequently actually receive insurance proceeds, tax benefits or other amounts in respect of such Indemnifiable Losses, then such Indemnitee shall hold such insurance proceeds in trust for the benefit of such Indemnifying Party and shall pay to such Indemnifying Party a sum equal to the amount of such insurance proceeds, tax benefits or other amounts actually received, up to the aggregate amount of any payments received from such Indemnifying Party pursuant to this Agreement in respect of such Indemnifiable Losses.

Section 7.6 Consequential Damages. In no event shall an Indemnifying Party be liable for special, punitive, exemplary, incidental, consequential or indirect damages, or lost profits, whether based on contract, tort, strict liability, other law or otherwise.

Section 7.7 Survival of Indemnities. Except as otherwise provided herein with respect to any specific covenant or obligation, for a period of two (2) years from and after the Distribution Date, the obligations of each of AT Co. and Spinco under this Article VII shall survive the sale or other transfer by it of any of its Assets or Business or the assignment by it of any of its Liabilities, with respect to any Indemnifiable Loss of the other related to such Assets, Business or Liabilities.

ARTICLE VIII

Certain Additional Covenants

Section 8.1 Notices to Third Parties. In addition to the actions described in Section 8.2, the members of the AT Co. Group and the members of the Spinco Group shall use reasonable best efforts to make all other filings and give notice to and obtain consents from all third parties that may be required to consummate the transactions contemplated by this Agreement and the other Transaction Agreements.

Section 8.2 Licenses and Permits. Each party hereto shall cause the appropriate members of its Group to prepare and file with the appropriate licensing and permitting authorities applications for the transfer or issuance, as may be necessary or advisable in connection with the transactions contemplated by this Agreement and the other Transaction Agreements, to its Group of all material governmental licenses and permits required for the members of its Group to operate its Business after the Distribution Date. The members of the Spinco Group and the members of the AT Co. Group shall cooperate and use all commercially reasonable efforts to secure the transfer or issuance of such licenses and permits.

Section 8.3 Intercompany Agreements; Intercompany Accounts.

(a) Except as set forth on Section 8.3 of the Disclosure Letter or specifically provided herein or in the other Transaction Agreements, all material contracts, licenses, agreements, commitments and other arrangements, formal and informal, between any member of the AT Co. Group, on the one hand, and any member of the Spinco Group, on the other hand, in existence as of the Distribution Date, shall terminate as of the close of

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business on the day prior to the Distribution Date. No such terminated contract, license, agreement, commitment or other arrangement (including any provision thereof that purports to survive termination) shall be of any further force or effect after the Distribution Date and all parties shall be released from all obligations thereunder. From and after the Distribution Date, no member of either Group shall have any rights under any such contract, license, agreement, commitment or arrangement with any member of the other Group, except as specifically provided herein or in the other Transaction Agreements or as may be agreed to at arms' length after the Distribution Date.

(b) Effective immediately prior to the Distribution Date, all intercompany cash management loan balances between AT Co. and the AT Co. Subsidiaries, on one hand, and Spinco and the Spinco Subsidiaries, on the other hand, shall be canceled.

Section 8.4 Further Assurances. In addition to the actions specifically provided for elsewhere in this Agreement, each of the parties hereto shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under applicable laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the other Transaction Agreements. Without limiting the foregoing, each party hereto shall cooperate with the other party, and execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, and 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.

Section 8.5 Guarantee Obligations and Liens.

(a) AT Co. and Spinco shall cooperate, and shall cause their respective Groups to cooperate and use their respective reasonable best efforts to: (x) terminate, or to cause a member of the Spinco Group to be substituted in all respects for any member of the AT Co. Group in respect of, all obligations of any member of the AT Co. Group under any Spinco Liabilities for which such member of the AT Co. Group may be liable, as guarantor, original tenant, primary obligor or otherwise, and (y) terminate, or to cause Spinco Assets to be substituted in all respects for any AT Co. Assets in respect of, any liens or encumbrances on AT Co. Assets which are securing any Spinco Liabilities. If such a termination or substitution is not effected by the Distribution Date: (i) Spinco shall indemnify and hold harmless the AT Co. Indemnitees for any Indemnifiable Loss arising from or relating thereto, and (ii) without the prior written consent of AT Co., from and after the Distribution Date, Spinco shall not, and shall not permit any member of the Spinco Group to, renew or extend the term of, increase its obligations under, or transfer to a third party, any loan, lease, contract or other obligation for which a member of the AT Co. Group is or may be liable or for which any AT Co. Asset is or may be encumbered unless all obligations of the AT Co. Group and all liens and encumbrances on any AT Co. Asset with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to AT Co.

(b) AT Co. and Spinco shall cooperate, and shall cause their respective Groups to cooperate and use their respective reasonable best efforts to: (x) terminate, or to cause a member of the AT Co. Group to be substituted in all respects for any member of Spinco Group in respect of, all obligations of any member of the Spinco Group under any AT Co. Liabilities for which such member of the Spinco Group may be liable, as guarantor, original tenant, primary obligor or otherwise, and (y) terminate, or to cause AT Co. Assets to be substituted in all respects for any Spinco Assets in respect of, any liens or encumbrances on Spinco Assets which are securing any AT Co. Liabilities. If such a termination or substitution is not effected by the Distribution Date: (i) AT Co. shall indemnify and hold harmless the Spinco Indemnitees for any Indemnifiable Loss arising from or relating thereto, and (ii) without the prior written consent of Spinco, from and after the Distribution Date, AT Co. shall not, and shall not permit any member of the AT Co. Group to, renew or extend the term of, increase its obligations under, or transfer to a third party, any loan, lease, contract or other obligation for which a member of the Spinco Group is or may be liable or for which any Spinco Asset is or may be encumbered unless all obligations of the Spinco Group and all liens and encumbrances on any

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Spinco Asset with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to Spinco.

Section 8.6 Insurance.

(a) *Rights Under Policies.* Notwithstanding any other provision of this Agreement, from and after the Distribution Date, Spinco and the Spinco Subsidiaries will have no rights with respect to any Policies, except that (i) Spinco may assert claims, and AT Co. will use its reasonable best efforts to assist Spinco in asserting claims, for any loss, liability or damage with respect to the Spinco Assets or Spinco Liabilities under Policies with third-party insurers which are “occurrence basis” insurance policies (“Occurrence Basis Policies”) arising out of insured incidents occurring from the date coverage thereunder first commenced until the Distribution Date to the extent that the terms and conditions of any such Occurrence Basis Policies and agreements relating thereto so allow and (ii) Spinco may continue to prosecute, and AT Co. will use reasonable best efforts to assist Spinco to continue to prosecute, claims with respect to Spinco Assets or Spinco Liabilities properly asserted with an insurer prior to the Distribution Date under Policies with third-party insurers which are insurance policies written on a “claims made” basis (“Claims Made Policies”) arising out of insured incidents occurring from the date coverage thereunder first commenced until the Distribution Date to the extent that the terms and conditions of any such Claims Made Policies and agreements relating thereto so allow; provided, that in the case of both clauses (i) and (ii) above, (A) all of AT Co.’s and each AT Co. Subsidiary’s reasonable out-of-pocket costs and expenses incurred in connection with the foregoing are promptly paid by Spinco, (B) AT Co. and the AT Co. Subsidiaries may, at any time, without liability or obligation to Spinco or any Spinco Subsidiary (other than as set forth in Section 8.6(c)), amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any Occurrence Basis Policies or Claims Made Policies (and such claims shall be subject to any such amendments, commutations, terminations, buy-outs, extinguishments and modifications), and (C) any such claim will be subject to all of the terms and conditions of the applicable Policy. AT Co.’s obligation to use its reasonable best efforts to assist Spinco in asserting claims under applicable Policies will include using reasonable best efforts in assisting Spinco to establish its right to coverage under such Policies (so long as all of AT Co.’s reasonable out-of-pocket costs and expenses in connection therewith are promptly paid by Spinco). In the event that the terms and conditions of any Policy do not allow Spinco the right to assert or prosecute a claim as set forth in clause (i) or (ii) above, then in such case, AT Co. shall use its reasonable best efforts to pursue such claim under such Policy and Spinco shall promptly pay all of AT Co.’s and each AT Co. Subsidiary’s reasonable costs and expenses incurred in connection therewith.

(b) *Assistance by AT Co.* AT Co. will use reasonable best efforts to assist Spinco in connection with any efforts by Spinco to recover damages under any Policy with respect to the Spinco Business for incidents occurring prior to the Distribution Date; provided, that all of AT Co.’s reasonable out-of-pocket costs and expenses incurred in connection with the foregoing are promptly paid by Spinco.

(c) *AT Co. Actions.* In the event that after the Distribution Date, AT Co. or any AT Co. Subsidiary proposes to amend, commute, terminate, buy-out, extinguish liability under or otherwise modify any Policies under which Spinco has rights to assert claims pursuant to Section 8.6(a) in a manner that would adversely affect any such rights of Spinco (i) AT Co. will give Spinco prior written notice thereof (it being understood that the decision to take any such action will be in the sole discretion of AT Co.) and (ii) AT Co. will pay to Spinco its equitable share (which shall be determined by AT Co. in good faith based on the amount of premiums paid or allocated to the Spinco business in respect of the applicable Policy) of any net proceeds actually received by AT Co. from the insurer under the applicable Policy as a result of such action by AT Co. (after deducting AT Co.’s reasonable costs and expenses incurred in connection with such action).

(d) *Administration.* From and after the Distribution Date:

(i) AT Co. or an AT Co. Subsidiary, as appropriate, will be responsible for the Claims Administration with respect to claims of AT Co. and the AT Co. Subsidiaries under the Policies; and

(ii) Spinco or a Spinco Subsidiary, as appropriate, will be responsible for the Claims Administration with respect to claims of Spinco and the Spinco Subsidiaries under the Policies.

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(e) *Insurance Premiums.* Subject to clause (B) of the proviso to Section 8.6(a), from and after the Distribution Date, AT Co. will pay all premiums (retrospectively-rated or otherwise) as required under the terms and conditions of the respective Policies in respect of periods prior to the Distribution Date, whereupon Spinco will upon the request of AT Co., forthwith reimburse AT Co. for that portion of such premiums paid by AT Co. as are reasonably determined by AT Co. to be attributable to the Spinco Business.

(f) *Agreement for Waiver of Conflict and Shared Defense.* In the event that a Policy provides coverage for both AT Co. and/or an AT Co. Subsidiary, on the one hand, and Spinco and/or a Spinco Subsidiary, on the other hand, relating to the same occurrence, AT Co. and Spinco agree to defend jointly and to waive any conflict of interest necessary to the conduct of that joint defense.

(g) Nothing in this Section 8.6 will be construed to limit or otherwise alter in any way the indemnity obligations of the parties to this Agreement, including those created by this Agreement, by operation of law or otherwise.

Section 8.7 Use of Names.

(a) Any material showing any affiliation or connection of AT Co. or any member of the AT Co. Group with Spinco or any member of the Spinco Group shall not be used by AT Co. or any member of the AT Co. Group after the Distribution Date, except that the restrictions contained in this Section 8.7(a) shall not apply to filings, reports and other documents required by applicable law or regulations of securities exchanges to be filed and/or made publicly available. On and after the Distribution Date, neither AT Co. nor any AT Co. Subsidiary shall represent to third parties that any of them is affiliated or connected with Spinco or any member of the Spinco Group.

(b) Subject to Section 8.7(c) below, any material showing any affiliation of Spinco or any member of the Spinco Group with AT Co. or any member of the AT Co. Group shall not be used by Spinco or any member of the Spinco Group after the Distribution Date, except that the restrictions contained in this Section 8.7(b) shall not apply to filings, reports and other documents required by applicable law or regulations of securities exchanges to be filed and/or made publicly available. On and after the Distribution Date, neither Spinco nor any Subsidiary of Spinco shall represent to third parties that any of them is affiliated with AT Co. or any member of the AT Co. Group.

(c) The parties agree that, for a period of 120 days from and after the Distribution Date (the "Sell-off Period"), Spinco and its Subsidiaries shall be entitled to continue to use all trademarks or other source identifiers owned by AT Co. (the "AT Co. Trademarks") to the extent that such AT Co. Trademarks are contained as of the Distribution Date on any business cards, schedules, stationery, displays, signs, promotional materials, manuals, forms, computer software and other material used in the Spinco Business, without any obligation on the part of Spinco or its Subsidiaries to pay royalties or similar fees to AT Co. during the Sell-off Period. Spinco agrees that, upon termination of the Sell-off Period, Spinco and its Subsidiaries shall cease and desist from all further use of the AT Co. Trademarks except to the extent that such use is a "fair use" as a matter of law or as otherwise agreed by the parties.

Section 8.8 Non Solicitation of Employees.

(a) AT Co. agrees not to (and to cause the other members of the AT Co. Group not to) solicit or recruit for hire any employee of Spinco or any other member of the Spinco Group for a period of one year following the Distribution Date or until three months after such employee's employment with Spinco or any other member of the Spinco Group terminates, whichever occurs first.

(b) Spinco agrees not to (and to cause the other members of the Spinco Group not to) solicit or recruit for hire any employee of AT Co. or any other member of the AT Co. Group for a period of one year following the Distribution Date or until three months after such employee's employment with AT Co. or any other member of the AT Co. Group terminates, whichever occurs first.

(c) Notwithstanding the foregoing, such prohibitions on solicitation shall not restrict general recruitment efforts carried out through a public or general solicitation.

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Section 8.9 *Subsequent Transfers*. In the event that following the Distribution Date a member of the AT Co. Group becomes aware that it possesses any Spinco Assets (except (i) for assets, rights and properties provided by members of the AT Co. Group pursuant to the Transition Services Agreement or (ii) as otherwise contemplated by the Transaction Agreements), AT Co. shall cause the prompt transfer of such assets, rights or properties to Spinco. Prior to any such transfer, AT Co. shall hold such Spinco Asset in trust for Spinco.

ARTICLE IX

Access to Information

Section 9.1 *Provision of Corporate Records*. Prior to or as promptly as practicable after the Distribution Date, AT Co. shall deliver or make available to Spinco all corporate books and records of the Spinco Group in its possession and complete and accurate copies of all relevant portions of all corporate books and records of the AT Co. Group relating directly and primarily to the Spinco Assets, the Spinco Business, or the Spinco Liabilities, including, in each case, all active agreements, active litigation files, government filings and returns or reports relating to Taxes for all open periods. Subject to Section 9.5, AT Co. may retain complete and accurate copies of such books and records. From and after the Distribution Date, all such books, records and copies shall be the property of Spinco. Prior to or as promptly as practicable after the Distribution Date, Spinco shall deliver or make available to AT Co., all corporate books and records of the AT Co. Group in its possession and complete and accurate copies of all relevant portions of all corporate books and records of the Spinco Group relating directly and primarily to the AT Co. Assets, the AT Co. Business, or the AT Co. Liabilities, including, in each case, all active agreements, active litigation files, government filings and returns or reports relating to Taxes for all open periods. Subject to Section 9.5, Spinco may retain complete and accurate copies of such books and records. From and after the Distribution Date, all such books, records and copies shall be the property of AT Co. The costs and expenses incurred in the provision of records or other information to a party shall be paid for by the delivering party.

Section 9.2 *Access to Information*. From and after the Distribution Date, each of AT Co. and Spinco shall afford to the other and to the other's Representatives reasonable access and duplicating rights during normal business hours to all Information within the possession or control of such party's Group relating to the other party's Group's pre-Distribution business, Assets or Liabilities or relating to or arising in connection with the relationship between the Groups on or prior to the Distribution Date, insofar as such access is reasonably required for a reasonable purpose, subject to the provisions below regarding Privileged Information. Without limiting the foregoing, Information may be requested under this Section 9.2 for audit, accounting, regulatory, claims, litigation and tax purposes, as well as for purposes of fulfilling disclosure and reporting obligations.

In furtherance of the foregoing:

(a) Each party hereto acknowledges that: (i) each of AT Co. and Spinco (and the members of the AT Co. Group and the Spinco Group, respectively) has or may obtain Privileged Information; (ii) there are and/or may be a number of Litigation Matters affecting each or both of AT Co. and Spinco; (iii) both AT Co. and Spinco have a common legal interest in Litigation Matters, in the Privileged Information and in the preservation of the confidential status of the Privileged Information, in each case relating to the pre-Distribution business of the AT Co. Group or the Spinco Group or relating to or arising in connection with the relationship between the Groups on or prior to the Distribution Date; and (iv) both AT Co. and Spinco intend that the transactions contemplated hereby and by the Merger Agreement and the other Transaction Agreements and any transfer of Privileged Information in connection therewith shall not operate as a waiver of any potentially applicable privilege.

(b) Each of AT Co. and Spinco agrees, on behalf of itself and each member of the Group of which it is a member, not to disclose or otherwise waive any privilege attaching to any Privileged Information relating to the pre-Distribution business of the other Group or relating to or arising in connection with the relationship between the Groups on or prior to the Distribution Date, without providing prompt written notice to and obtaining the prior written consent of the other, which consent shall not be unreasonably

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withheld, conditioned or delayed and shall not be withheld, conditioned or delayed if the other party certifies that such disclosure is to be made in response to a likely threat of suspension or debarment or similar action; provided, however, that AT Co. and Spinco shall not be required to give any such notice or obtain any such consent and may make such disclosure or waiver with respect to Privileged Information if such Privileged Information relates solely to the pre-Distribution business of the AT Co. Group in the case of AT Co. or the Spinco Group in the case of Spinco. In the event of a disagreement between any member of the AT Co. Group and any member of the Spinco Group concerning the reasonableness of withholding such consent, no disclosure shall be made prior to a resolution of such disagreement by a court of competent jurisdiction, provided that the limitations in this sentence shall not apply in the case of disclosure required by law and so certified as provided in the first sentence of this paragraph.

(c) Upon any member of the AT Co. Group or any member of the Spinco Group receiving any subpoena or other compulsory disclosure notice from a court, other governmental agency or otherwise which requests disclosure of Privileged Information, in each case relating to pre-Distribution business of the Spinco Group or the AT Co. Group, respectively, or relating to or arising in connection with the relationship between the Groups on or prior to the Distribution Date, the recipient of the notice shall as promptly as practicable provide to the other Group (following the notice provisions set forth herein) a copy of such notice, the intended response, and all materials or information relating to the other Group that might be disclosed. In the event of a disagreement as to the intended response or disclosure, unless and until the disagreement is resolved as provided in paragraph (b) of this Section, the parties shall cooperate to assert all defenses to disclosure claimed by either party's Group, and shall not disclose any disputed documents or information until all legal defenses and claims of privilege have been finally determined, except as otherwise required by a court order requiring such disclosure.

Section 9.3 Production of Witnesses. Subject to Section 9.2, after the Distribution Date, each of AT Co. and Spinco shall, and shall cause each member of its respective Group to make available to Spinco or AT Co. or any member of the Spinco Group or of the AT Co. Group, as the case may be, upon reasonable prior written request, such Group's directors, managers or other persons acting in a similar capacity, officers, employees and agents as witnesses to the extent that any such Person may reasonably be required in connection with any Litigation Matters, administrative or other proceedings in which the requesting party may from time to time be involved and relating to the pre-Distribution business of the AT Co. Group or the Spinco Group or relating to or in connection with the relationship between the Groups on or prior to the Distribution Date. The costs and expenses incurred in the provision of such witnesses shall be paid by the party requesting the availability of such persons.

Section 9.4 Retention of Records. Except as otherwise agreed in writing, or as otherwise provided in the other Transaction Agreements, each of AT Co. and Spinco shall, and shall cause the members of the Group of which it is a member to, retain all Information in such party's Group's possession or under its control, relating directly and primarily to the pre-Distribution business, Assets or Liabilities of the other party's Group until such Information is at least seven years old or until such later date as may be required by law, except that if, prior to the expiration of such period, any member of either party's Group wishes to destroy or dispose of any such Information that is at least three years old, prior to destroying or disposing of any of such Information, (a) the party whose Group is proposing to dispose of or destroy any such Information shall provide no less than 30 days' prior written notice to the other party, specifying the Information proposed to be destroyed or disposed of, and (b) if, prior to the scheduled date for such destruction or disposal, the other party requests in writing that any of the Information proposed to be destroyed or disposed of be delivered to such other party, the party whose Group is proposing to dispose of or destroy such Information promptly shall arrange for the delivery of the requested Information to a location specified by, and at the expense of, the requesting party.

Section 9.5 Confidentiality. Subject to Section 9.2, which shall govern Privileged Information, from and after the Distribution Date, each of AT Co. and Spinco shall hold, and shall use commercially reasonable efforts to cause its Affiliates and Representatives to hold, in strict confidence all Information concerning the other party's Group obtained by it or furnished to it by such other party's Group pursuant to this Agreement or the other Transaction Agreements and shall not release or disclose such Information to any other Person,

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except its Affiliates and Representatives, who shall be advised of the provisions of this Section 9.5, and each party shall be responsible for a breach by any of its Affiliates or Representatives; provided, however, that any member of the AT Co. Group or the Spinco Group may disclose such Information to the extent that (a) disclosure is compelled by judicial or administrative process or, based on advice of such Person's counsel, by other requirements of law or regulation, or (b) such party can show that such Information was (i) in the public domain through no fault of such Person or (ii) lawfully acquired by such Person from another source after the time that it was furnished to such Person by the other party's Group, and not acquired from such source subject to any confidentiality obligation on the part of such source known to the acquiror. Notwithstanding the foregoing, each of AT Co. and Spinco shall be deemed to have satisfied its obligations under this Section 9.5 with respect to any Information (other than Privileged Information) if it exercises the same care with regard to such Information as it takes to preserve confidentiality for its own similar Information.

Section 9.6 Cooperation with Respect to Government Reports and Filings. AT Co., on behalf of itself and each member of the AT Co. Group, agrees to provide any member of the Spinco Group, and Spinco, on behalf of itself and each member of the Spinco Group, agrees to provide any member of the AT Co. Group, with such cooperation and Information as may be reasonably requested by the other in connection with the preparation or filing of any government report or other government filing contemplated by this Agreement or in conducting any other government proceeding relating to the pre-Distribution business of the AT Co. Group or the Spinco Group, Assets or Liabilities of either Group or relating to or in connection with the relationship between the Groups on or prior to the Distribution Date. Such cooperation and Information shall include promptly forwarding copies of appropriate notices, forms and other communications received from or sent to any government authority which relate to the AT Co. Group, in the case of the Spinco Group, or the Spinco Group, in the case of the AT Co. Group. Each party shall make its employees and facilities available during normal business hours and on reasonable prior notice to provide explanation of any documents or Information provided hereunder.

Section 9.7 Tax Sharing Agreement. None of the provisions of this Article IX are intended to supersede any provision in the Tax Sharing Agreement or the Merger Agreement with respect to matters related to Taxes. In the event of any conflict between this Agreement and the Tax Sharing Agreement or the Merger Agreement, the Tax Sharing Agreement or the Merger Agreement, as the case may be, shall control with respect to matters related to Taxes.

ARTICLE X

No Representations or Warranties

Section 10.1 No Representations or Warranties. Except as expressly set forth herein or in any other Transaction Agreement, Spinco and AT Co. understand and agree that no member of the AT Co. Group is representing or warranting to Spinco or any member of the Spinco Group in any way as to the Spinco Assets, the Spinco Business or the Spinco Liabilities. Except as expressly set forth herein or in any other Transaction Agreement, AT Co. and Spinco understand and agree that no member of the Spinco Group is representing or warranting to AT Co. or any member of the AT Co. Group in any way as to the AT Co. Assets, the AT Co. Business or the AT Co. Liabilities.

ARTICLE XI

Conditions

Section 11.1 Conditions to the Distribution. The obligations of AT Co. pursuant to this Agreement to effect the Distribution shall be subject to the fulfillment (or waiver by AT Co.) on or prior to the Distribution Date (provided that certain of such conditions will occur substantially contemporaneous with the Distribution) of each of the conditions set forth in Sections 9.1 and 9.2 of the Merger Agreement having been satisfied or to the extent permitted by applicable Law, waived in writing, except the consummation of the Contribution and the Distribution and the other transactions contemplated hereby.

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Section 11.2 Waiver of Conditions. To the extent permitted by applicable Law, the condition set forth in Section 11.1 hereof may be waived in the sole discretion of the AT Co. Board. The condition set forth in Section 11.1 is for the sole benefit of AT Co. and shall not give rise to or create any duty on the part of AT Co. or the AT Co. Board to waive or not waive any such conditions.

Section 11.3 Disclosure. If at any time after the date hereof either of the parties shall become aware of any circumstances that will or could reasonably be expected to prevent any or all of the conditions contained in Section 11.1 from being satisfied, it will promptly give to the other party written notice of those circumstances.

ARTICLE XII

Miscellaneous

Section 12.1 Complete Agreement. This Agreement, the Exhibits and the Disclosure Letter hereto, the other Transaction Agreements and other documents referred to herein shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter. The Disclosure Letter delivered pursuant hereto is expressly made a part of, and incorporated by reference into, this Agreement. In the case of any conflict between the terms of this Agreement and the terms of any other Transaction Agreement, the terms of such other Transaction Agreement shall be applicable.

Section 12.2 Expenses. Except as set forth in Section 12.2 of the Disclosure Letter, whether or not the Distribution is consummated, the costs and expenses incurred by AT Co. or Spinco or their respective Subsidiaries in connection with this Agreement, the Preliminary Restructuring contemplated hereby, the Contribution, the Special Dividend, the Debt Exchange, the Spinco Financing and the Merger (including (i) all underwriter's discounts, fees and expenses associated with the Spinco Financing and the Debt Exchange; and (ii) all broker, finder and similar advisory fees incurred by AT Co. or Spinco in connection with the transactions contemplated by this Agreement and the Merger Agreement) shall be paid by Spinco; provided, however, that in the event that the aggregate amount of all such expenses exceeds \$115 million less the principal amount of any Additional Spinco Indebtedness, AT Co. shall pay such excess expenses (the "AT Excess Expenses"). For the avoidance of doubt, the expenses of AT Co. and Spinco shall not include any expenses of the Company's legal, accounting, financial and other advisors or any costs of refinancing the Company's outstanding Indebtedness or any other costs incurred by the Company in connection with the transactions contemplated hereby or by the Merger Agreement.

Section 12.3 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without reference to its conflicts of laws principles.

Section 12.4 Notices. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be deemed given upon (a) a transmitter's confirmation of a receipt of a facsimile transmission (but only if followed by confirmed delivery of a standard overnight courier the following business day or if delivered by hand the following business day), (b) confirmed delivery of a standard overnight courier or when delivered by hand or (c) the expiration of five business days after the date mailed by certified or registered mail (return receipt requested), postage prepaid, to the parties at the following addresses (or at such other addresses for a party as shall be specified by like notice):

If to AT Co. or any member of the AT Co. Group, to:

ALLTEL Corporation
One Allied Drive
Little Rock, Arkansas 72202
Attention: Chief Executive Officer
(with a copy to the Corporate Secretary)
Facsimile: (501) 905-5444

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If to Spinco or any member of the Spinco Group prior to the Distribution Date, to:

ALLTEL Holding Corp.
One Allied Drive
Little Rock, Arkansas 72202
Attention: Chief Executive Officer
(with a copy to the Chairman)
Facsimile: (501) 905-0962

or to such other address as any party hereto may have furnished to the other parties by a notice in writing in accordance with this Section.

Section 12.5 Amendment and Modification. This Agreement may be amended, modified or supplemented, and any provision hereunder may be waived, only by a written agreement signed by all of the parties hereto, together with (i) prior to the Effective Time, in the case of any material amendment, modification or supplement, a Company Consent and (ii) following the Effective Time, in the case of any material amendment, modification or supplement, the consent of a majority of the Surviving Corporation's "independent" directors (as such term is defined in the regulations of the securities exchange in which the Surviving Corporation's securities then are listed).

Section 12.6 Successors and Assigns: No Third-Party Beneficiaries. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their successors and permitted assigns, but neither this Agreement nor any of the rights, interests and obligations hereunder shall be assigned by any party hereto without the prior written consent of the other parties and a Company Consent. Except for the provisions of Sections 7.3 and 7.4 relating to indemnities, which are also for the benefit of the Indemnitees, this Agreement is solely for the benefit of AT Co., Spinco and the Company and their respective Subsidiaries and Affiliates and is not intended to confer upon any other Persons any rights or remedies hereunder; provided, however, that the Company is and shall be a stated and intended third party beneficiary hereof.

Section 12.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 12.8 Interpretation. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties hereto and shall not in any way affect the meaning or interpretation of this Agreement.

Section 12.9 Severability. If any provision of this Agreement or the application thereof to any person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any party.

Section 12.10 References: Construction. References to any "Article," "Exhibit," "Schedule" or "Section," without more, are to Articles, Exhibits, Schedules and Sections to or of this Agreement. Unless otherwise expressly stated, clauses beginning with the term "including" or similar words set forth examples only and in no way limit the generality of the matters thus exemplified.

Section 12.11 Termination. Notwithstanding any provision hereof, following termination of the Merger Agreement, this Agreement may be terminated and the Distribution abandoned at any time prior to the Distribution Date by and in the sole discretion of the Board of Directors of AT Co. In the event of such termination, no party hereto or to any other Transaction Agreement (other than the Merger Agreement) shall have any Liability to any Person by reason of this Agreement or any other Transaction Agreement (other than the Merger Agreement).

Section 12.12 Consent to Jurisdiction and Service of Process. Each of the parties to this Agreement hereby irrevocably and unconditionally (i) agrees to be subject to, and hereby consent and submits to, the

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jurisdiction of the courts of the State of Delaware and of the federal courts sitting in the State of Delaware, (ii) to the extent such party is not otherwise subject to service of process in the State of Delaware, hereby appoints the Corporation Service Company as such party's agent in the State of Delaware for acceptance of legal process and (iii) agrees that service made on any such agent set forth in (ii) above shall have the same legal force and effect as if served upon such party personally within the State of Delaware.

Section 12.13 Waivers. Except as provided in this Agreement, no action taken pursuant to this Agreement, including, without limitation, any investigation by or on behalf of any party, shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained in this Agreement. The waiver by any party hereto of a breach of any provision hereunder shall not operate or be construed as a waiver of any prior or subsequent breach of the same or any other provision hereunder.

Section 12.14 Specific Performance. The parties hereto agree that irreparable damage would occur in the event any provision of this Agreement was not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or in equity.

Section 12.15 Waiver of Jury Trial. Each of the parties hereto irrevocably and unconditionally waives all right to trial by jury in any litigation, claim, action, suit, arbitration, inquiry, proceeding, investigation or counterclaim (whether based in contract, tort or otherwise) arising out of or relating to this Agreement or the actions of the parties hereto in the negotiation, administration, performance and enforcement thereof.

SIGNATURE PAGE FOLLOWS

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

ALLTEL CORPORATION

By: /s/ Scott T. Ford
Name: Scott T. Ford
Title: CEO & President

ALLTEL HOLDING CORP.

By: /s/ Jeffery R. Gardner
Name: Jeffery R. Gardner
Title: President
B-27

VOTING AGREEMENT

VOTING AGREEMENT (this "Agreement") dated as of December 8, 2005, is by and among ALLTEL Holding Corp., a Delaware corporation ("Spinco"), and each Person (as defined in the Merger Agreement (as defined below)) listed on the signature page hereof as a stockholder (each, a "Stockholder" and, collectively, the "Stockholders"). For purposes of this Agreement, capitalized terms used and not defined herein shall have the respective meanings ascribed to them in the Agreement and Plan of Merger, dated as of the date hereof (the "Merger Agreement"), by and between Spinco, ALLTEL Corporation, a Delaware corporation ("AT Co.") and Valor Communications Group, Inc., a Delaware corporation (the "Company").

RECITALS

A. Each Stockholder "beneficially owns" (as such term is defined in Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended) and is entitled to dispose of (or to direct the disposition of) and to vote (or to direct the voting of) the number of shares of common stock, par value \$.0001 per share, of the Company (the "Common Stock") set forth opposite such Stockholder's name on Schedule A hereto (such shares of Common Stock, together with all other shares of capital stock of the Company acquired by any Stockholder after the date hereof and during the term of this Agreement, being collectively referred to herein as the "Subject Shares").

B. Concurrently with the execution and delivery of this Agreement, Spinco and the Company are entering into the Merger Agreement providing for the merger of Spinco with and into the Company, with the Company surviving the Merger (the "Merger") upon the terms and subject to the conditions set forth therein.

C. As a condition to entering into the Merger Agreement, Spinco has required that the Stockholders enter into this Agreement, and the Stockholders desire to enter into this Agreement to induce Spinco to enter into the Merger Agreement.

D. The Board of Directors of the Company has taken all actions so that the restrictions contained in the Company's certificate of incorporation and the General Corporation Law of the State of Delaware (the "DGCL") applicable to a "business combination" (as defined in Section 203 of the DGCL) will not apply to the execution, delivery or performance of this Agreement or the Merger Agreement, or to the consummation of the Merger, this Agreement and the Merger Agreement.

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

1. Representations and Warranties of Each Stockholder.

Each Stockholder severally (and not jointly) represents and warrants to Spinco as follows:

(a) Due Authorization and Organization. Such Stockholder is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization (as applicable). Such Stockholder has all requisite legal power (corporate or other) and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by such Stockholder and constitutes a valid and binding obligation of such Stockholder enforceable in accordance with its terms subject to (i) bankruptcy, insolvency, moratorium and other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, and (ii) general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(b) No Conflicts. (i) No filing by such Stockholder with any governmental body or authority, and no authorization, consent or approval of any other person is necessary for the execution of this Agreement by such Stockholder and the consummation by such Stockholder of the transactions contemplated hereby

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and (ii) none of the execution and delivery of this Agreement by such Stockholder, the consummation by such Stockholder of the transactions contemplated hereby or compliance by such Stockholder with any of the provisions hereof shall (A) conflict with or result in any breach of the organizational documents of such Stockholder, (B) result in, or give rise to, a violation or breach of or a default under (with or without notice or lapse of time, or both) any of the terms of any material contract, trust agreement, loan or credit agreement, note, bond, mortgage, indenture, lease, permit, understanding, agreement or other instrument or obligation to which such stockholder is a party or by which such Stockholder or any of its Subject Shares or assets may be bound, or (C) violate any applicable order, writ, injunction, decree, judgment, statute, rule or regulation, except for any of the foregoing as would not reasonably be expected to prevent such Stockholder from performing its obligations under this Agreement.

(c) The Subject Shares. Schedule A sets forth, opposite such Stockholder's name, the number of Subject Shares over which such Stockholder has record or beneficial ownership as of the date hereof. As of the date hereof, such Stockholder is the record or beneficial owner of the Subject Shares denoted as being owned by such Stockholder on Schedule A and has the sole power to vote (or cause to be voted) such Subject Shares. Except as set forth on such Schedule A, neither such Stockholder nor any controlled affiliate of such Stockholder owns or holds any right to acquire any additional shares of any class of capital stock of the Company or other securities of the Company or any interest therein or any voting rights with respect to any securities of the Company. Such Stockholder has good and valid title to the Subject Shares denoted as being owned by such Stockholder on Schedule A, free and clear of any and all pledges, mortgages, liens, charges, proxies, voting agreements, encumbrances, adverse claims, options, security interests and demands of any nature or kind whatsoever, other than those created by this Agreement, as disclosed on Schedule A, or as would not prevent such Stockholder from performing its obligations under this Agreement.

(d) Reliance By Spinco. Such Stockholder understands and acknowledges that Spinco is entering into the Merger Agreement in reliance upon such Stockholder's execution and delivery of this Agreement.

(e) Litigation. As of the date hereof, there is no action, proceeding or investigation pending or threatened against such Stockholder that questions the validity of this Agreement or any action taken or to be taken by such Stockholder in connection with this Agreement.

2. Representations and Warranties of Spinco.

Spinco hereby represents and warrants to the Stockholders as follows:

(a) Due Authorization and Organization. Spinco is duly organized, validly existing and in good standing under the laws of the State of Delaware. Spinco has all requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by Spinco and constitutes a valid and binding obligation of Spinco enforceable in accordance with its terms subject to (i) bankruptcy, insolvency, moratorium and other similar laws now or hereafter in effect relating to or affecting creditors' rights generally, and (ii) general principles of equity (regardless of whether considered in a proceeding at law or in equity).

(b) Conflicts. (i) No filing by Spinco with any governmental body or authority, and no authorization, consent or approval of any other person is necessary for the execution of this Agreement by Spinco and the consummation by Spinco of the transactions contemplated hereby and (ii) none of the execution and delivery of this Agreement by Spinco, the consummation by Spinco of the transactions contemplated hereby or compliance by Spinco with any of the provisions hereof shall (A) conflict with or result in any breach of the certificate of incorporation or by-laws of Spinco, (B) result in, or give rise to, a violation or breach of or a default under (with or without notice or lapse of time, or both) any of the terms of any material contract, loan or credit agreement, note, bond, mortgage, indenture, lease, permit, understanding, agreement or other instrument or obligation to which Spinco is a party or by which Spinco or any of its assets may be bound, or (C) violate any applicable order, writ, injunction, decree, judgment,

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statute, rule or regulation, except for any of the foregoing as would not prevent Spinco from performing its obligations under this Agreement.

(c) Reliance by the Stockholders. Spinco understands and acknowledges that the Stockholders are entering into this Agreement in reliance upon the execution and delivery of the Merger Agreement by Spinco.

3. Covenants of Each Stockholder.

Until the termination of this Agreement in accordance with Section 5, each Stockholder, in its capacity as such, agrees as follows:

(a) At the Company Stockholders Meeting or at any adjournment, postponement or continuation thereof or in any other circumstances occurring prior to the Company Stockholders Meeting upon which a vote or other approval with respect to the Merger and the Merger Agreement is sought, each Stockholder shall vote (or cause to be voted) the Subject Shares (and each class thereof) held by such Stockholder (i) in favor of the approval of the Merger and the approval and adoption of the Merger Agreement; and (ii) except with the written consent of Spinco, against any Company Acquisition Proposal. Any such vote shall be cast in accordance with such procedures relating thereto so as to ensure that it is duly counted for purposes of determining that a quorum is present and for purposes of recording the results of such vote. Each Stockholder agrees not to enter into any agreement or commitment with any person the effect of which would be inconsistent with or violative of the provisions and agreements contained in this Section 3(a).

(b) Each Stockholder agrees not to, directly or indirectly, (i) sell, transfer, tender, pledge, encumber, assign or otherwise dispose of (collectively, a "Transfer") or enter into any agreement, option or other arrangement with respect to, or consent to a Transfer of, or convert or agree to convert, any or all of the Subject Shares to any person, other than in accordance with the Merger Agreement, except in each case for Transfers to such Stockholder's affiliates as agree to be bound hereby, or (ii) grant any proxies (other than the Company proxy card in connection with the Company Stockholders Meeting if and to the extent such proxy is consistent with the Stockholder's obligations under Section 3(a) hereof), deposit any Subject Shares into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to any of the Subject Shares, other than pursuant to this Agreement. Such Stockholder further agrees not to commit or agree to take any of the foregoing actions or take any action that would have the effect of preventing, impeding, interfering with or adversely affecting its ability to perform its obligations under this Agreement.

(c) Such Stockholder shall not, nor shall such Stockholder permit any controlled affiliate of such Stockholder to, nor shall such Stockholder act in concert with or permit any controlled affiliate to act in concert with any person to make, or in any manner participate in, directly or indirectly, a "solicitation" (as such term is used in the rules of the Securities and Exchange Commission) of proxies or powers of attorney or similar rights to vote, or seek to advise or influence any person with respect to the voting of, any shares of Common Stock intended to facilitate any Company Acquisition Proposal or to cause stockholders of the Company not to vote to approve and adopt the Merger Agreement. Such Stockholder shall not, and shall direct any investment banker, attorney, agent or other adviser or representative of such Stockholder not to, directly or indirectly, through any officer, director, agent or otherwise, enter into, solicit, initiate, conduct or continue any discussions or negotiations with, or knowingly encourage or respond to any inquiries or proposals by, or provide any information to, any person, other than Spinco, relating to any Company Acquisition Proposal. Each Stockholder hereby represents that, as of the date hereof, it is not engaged in discussions or negotiations with any party other than Spinco and AT Co. with respect to any Company Acquisition Proposal.

4. Stockholder Capacity.

No Person executing this Agreement, or any officer, director, partner, employee, agent or representative of such Person, who is or becomes during the term of this Agreement a director or officer of the Company shall be deemed to make any agreement or understanding in this Agreement in such Person's capacity as a

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director or officer. Each Stockholder is entering into this Agreement solely in his or her capacity as the record holder or beneficial owner of, or the trustee of a trust whose beneficiaries are the beneficial owners of, such Stockholder's Subject Shares and nothing herein shall limit or affect any actions taken by a Stockholder in his or her capacity as a director or officer of the Company.

5. Termination.

This Agreement shall terminate (i) upon the earlier of (A) the approval and adoption of the Merger Agreement at the Company Stockholders Meeting, (B) provided that the Company Stockholders Meeting shall have been held, the failure of the stockholders of the Company to approve and adopt the Merger Agreement at the Company Stockholders Meeting, (C) the Merger Agreement is amended in a manner that is materially disadvantageous to the Stockholders without the Stockholders' consent and (D) the termination of the Merger Agreement in accordance with its terms by any party thereto for any reason, or (ii) at any time upon notice by Spinco to the Stockholders. No party hereto shall be relieved from any liability for intentional breach of this Agreement by reason of any such termination. Notwithstanding the foregoing, Section 6 and Sections 11 through 21, inclusive, of this Agreement shall survive the termination of this Agreement.

6. Appraisal Rights.

To the extent permitted by applicable law, each Stockholder hereby waives any rights of appraisal or rights to dissent from the Merger that it may have under applicable law.

7. Publication.

Each Stockholder hereby authorizes Spinco and the Company to publish and disclose in the Proxy Statement/ Prospectus and the Registration Statement (including any and all documents and schedules filed with the Securities and Exchange Commission relating thereto) its identity and ownership of shares of Common Stock and the nature of its commitments, arrangements and understandings pursuant to this Agreement.

8. Amendment of Company Securityholders Agreement.

Each Stockholder shall take all action necessary, and shall use its reasonable best efforts to cause each other stockholder of the Company party thereto, to cause the Securityholders Agreement, dated as of February 14, 2005, by and among the Company, the Stockholders and certain other stockholders of the Company (the "Company Securityholders Agreement") to be amended effective as of the Effective Time (as defined in the Merger Agreement), without any cost or liability to the Company, such that from and after the Effective Time, the Company Securityholders Agreement shall have substantially the terms set forth on Exhibit G to the Merger Agreement.

9. Affiliate Letters.

Each Stockholder agrees to execute a Rule 145 Affiliate Agreement in substantially the form attached as Exhibit F to the Merger Agreement, as soon as practicable after the date hereof.

10. Governing Law.

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

11. Jurisdiction: Waiver of Jury Trial.

(a) Each of the parties hereto (a) consents to submit itself to the personal jurisdiction of any federal court located in the State of Delaware or any Delaware state court in the event any dispute arises out of this Agreement or any of the transactions contemplated by this Agreement, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than a federal or state court sitting in the State of Delaware.

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(b) Each of the parties hereto irrevocably waives all right to trial by jury in any action, suit, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or the actions of the parties hereto in the negotiation, administration, performance and enforcement hereof.

12. Specific Performance.

The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of Delaware or in Delaware state court, this being in addition to any other remedy to which they are entitled at law or in equity.

13. Amendment, Waivers, Etc.

This Agreement may be amended by Spinco and the Stockholders at any time before or after adoption of the Merger Agreement by the stockholders of the Company; provided, however, that after such adoption, no amendment shall be made that by Law or in accordance with the rules of any relevant stock exchange or automated inter-dealer quotation system requires further approval by such stockholders without such further approval. This Agreement may not be amended except by an instrument in writing signed by Spinco and the Stockholders. At any time prior to the Effective Time, Spinco and the Stockholders may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or acts of the other party; (ii) waive any inaccuracies in the representations and warranties of the other party contained herein or in any document delivered pursuant to this Agreement; and (iii) waive compliance with any of the agreements or conditions of the other party contained herein; provided, however, that no failure or delay by Spinco or the Stockholders in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right hereunder. Any agreement on the part of Spinco or the Stockholders to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

14. Assignment: No Third Party Beneficiaries.

Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of all of the other parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to or shall confer upon any Person (other than Spinco and the Stockholders and their respective successors and permitted assigns) any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, and no Person (other than as so specified) shall be deemed a third party beneficiary under or by reason of this Agreement.

15. Notices.

All notices, consents, requests, instructions, approvals and other communications provided for in this Agreement shall be in writing and shall be deemed validly given upon personal delivery or one day after being sent by overnight courier service or by telecopy (so long as for notices or other communications sent by telecopy, the transmitting telecopy machine records electronic confirmation of the due transmission of the notice), at the following address or telecopy number, or at such other address or telecopy number as a party may designate to the other parties:

If to Spinco, to:

AT Holding Corp.
One Allied Drive
Little Rock, Arkansas 72202
Attention: Chief Executive Officer
(with a copy to the Chairman)
Telecopy: (501) 905-0962

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If to any Stockholder, at the address set forth under such Stockholder's name on Schedule A hereto or to such other address as the party to whom notice is to be given may have furnished to the other parties in writing in accordance herewith.

16. Severability.

If any provision of this Agreement is held to be invalid or unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties hereto to the maximum extent possible. In any event, the invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision, in any other jurisdiction.

17. Integration.

This Agreement (together with the Merger Agreement to the extent referenced herein), including Schedule A hereto, constitutes the full and entire understanding and agreement of the parties with respect to the subject matter hereof and thereof and supersedes any and all prior understandings or agreements relating to the subject matter hereof and thereof.

18. Mutual Drafting.

Each party hereto has participated in the drafting of this Agreement, which each party acknowledges is the result of extensive negotiations between the parties.

19. Section Headings.

The section headings of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

20. Counterparts.

This Agreement may be executed in one or more counterparts (including by facsimile), each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

21. Definitions.

References in this Agreement (except as specifically otherwise defined) to "affiliates" shall mean, as to any person, any other person which, directly or indirectly, controls, or is controlled by, or is under common control with, such person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

ALLTEL HOLDING CORP.

By: /s/ Jeffery R. Gardner
Name: Jeffery R. Gardner
Title: President

WCAS MANAGEMENT CORPORATION

By: /s/ Jonathan M. Rather
Name: Jonathan M. Rather
Title: Treasurer

Russell L. Carson
Andrew M. Paul
Pondfield Holdings, L.P.
Thomas E. McInerney
Robert A. Municucci
Anthony J. de Nicola
Paul B. Queally
Lawrence B. Sorrel
D. Scott Mackesy
John Clark
Sean M. Traynor
John Almeida, Jr.
Sanjay Swani
Eric Lee
Jonathan M. Rather

By: /s/ Jonathan M. Rather
Jonathan M. Rather, Individually and as
Attorney-in-Fact

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THE PATRICK WELSH 2004 IRREVOCABLE
TRUST

By: /s/ Carol Welsh
Name: Carol Welsh
Title: Trustee

THE BRUCE K. ANDERSON 2004
IRREVOCABLE TRUST

By: /s/ Mary A. Anderson
Name: Mary A. Anderson
Title: Trustee

/s/ Jill Hanau
JILL HANAU

/s/ Lauren Melkus
LAUREN MELKUS

ESTATE OF RUDOLPH E. RUPERT

By: /s/ Claudia de Dominicis
Claudia de Dominicis, Executor

WELSH CARSON ANDERSON &
STOWE IX, L.P.

By: WCAS IX Associates LLC,
Its General Partner

By: /s/ Jonathan M. Rather
Name: Jonathan M. Rather
Title: Managing Member

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WCAS CAPITAL PARTNERS III, L.P.

By: WCAS CP III Associates LLC,
Its General Partner

By: /s/ Jonathan M. Rather
Name: Jonathan M. Rather
Title: Managing Member

WELSH CARSON ANDERSON &
STOWE VIII, L.P.

By: WCAS VIII Associates LLC,
Its General Partner

By: /s/ Jonathan M. Rather
Name: Jonathan M. Rather
Title: Managing Member

/s/ Michael Donovan
MICHAEL DONOVAN

VESTAR CAPITAL PARTNERS III, L.P.

By: Vestar Associates III, L.P.,
Its General Partner
By: Vestar Associates Corporation III,
Its General Partner

By: /s/ Norman W. Alpert
Name: Norman W. Alpert
Title: Managing Director

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VESTAR CAPITAL PARTNERS IV, L.P.,

By: Vestar Associates IV, L.P.
Its General Partner
By: Vestar Associates Corporation IV,
Its General Partner

By: /s/ Norman W. Alpert
Name: Norman W. Alpert
Title: Managing Director

VESTAR/ VALOR, LLC

By: Vestar Associates IV, L.P.,
Its Managing Member
By: Vestar Associates Corporation IV,
Its General Partner

By: /s/ Norman W. Alpert
Name: Norman W. Alpert
Title: Managing Director

/s/ Norman W. Alpert
NORMAN W. ALPERT

/s/ Frederico Pena
FREDERICO PENA
C-10

OPINION OF WACHOVIA SECURITIES

December 8, 2005

Board of Directors
Valor Communications Group, Inc.
200 E. John Carpenter Freeway
Suite 200
Irving, TX 75062

Ladies and Gentlemen:

You have asked Wachovia Capital Markets, LLC ("Wachovia Securities") to advise you with respect to the fairness, from a financial point of view, to Valor Communications Group, Inc., a Delaware corporation ("Valor" or the "Company") and its stockholders, of the Aggregate Merger Consideration (as hereinafter defined) to be paid by the Company pursuant to that certain Agreement and Plan of Merger, dated as of December 8, 2005 (the "Agreement"), by and among the Company, Alltel Corporation, a Delaware corporation ("AT Co."), Alltel Holding Corp., a newly formed Delaware corporation and a wholly owned subsidiary of AT Co. ("Spinco"). Terms used, but not defined, herein, shall have the meaning ascribed to them by the Agreement.

Pursuant to the Agreement and the Distribution Agreement entered into by and between AT Co. and Spinco as of the date of the Agreement, AT Co. will engage in the Preliminary Restructuring (as defined in the Distribution Agreement) in order to separate the Spinco Assets from the AT Co. Assets and in exchange for the contribution to Spinco, directly or indirectly, of all of the issued and outstanding capital stock or other equity securities of the Spinco Subsidiaries, Spinco will issue to AT Co. the Spinco Common Stock (as defined in the Distribution Agreement), distribute to AT Co. the Spinco Exchange Notes (as defined in the Distribution Agreement) and pay to AT Co. the Special Dividend (as defined in the Distribution Agreement), all upon the terms and subject to the conditions set forth in the Distribution Agreement. On the Distribution Date, AT Co. will distribute all of the issued and outstanding shares of Spinco Common Stock to the Distribution Agent for the benefit of the holders as of the Record Date (as defined in the Distribution Agreement) of the outstanding AT Co. Common Stock. Pursuant to the Agreement, at the Effective Time, Spinco shall be merged with and into the Company (the "Merger"), the separate existence of Spinco shall cease and the Company shall continue as the surviving corporation of the Merger. The Agreement further provides that all of the shares of Spinco Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into the right to receive an aggregate number of shares of the Company, par value \$0.0001 ("Company Common Stock"), equal to the product of (x) 5.6667 multiplied by (y) the aggregate number of shares of Company Common Stock issued and outstanding, on a Fully Diluted Basis, immediately prior to the Effective Time (the "Aggregate Merger Consideration") that will result in the fully diluted Company Common Stock at the Effective Time of the Merger being held 85% by the former AT Co. stockholders and 15% by the stockholders of the Company immediately prior to the Effective Time of the Merger. The terms and conditions of the Merger are more fully set forth in the Agreement.

In arriving at our opinion, we have, among other things:

- Reviewed the Agreement, including the financial terms of the Merger, and the agreements contemplated thereby;
- Reviewed Annual Reports on Form 10-K of AT Co. for the three fiscal years ended December 31, 2004; Annual Reports on Form 10-K of the Company for the fiscal year ended December 31, 2004; certain interim reports to stockholders and Quarterly Reports on Form 10-Q of AT Co. and the Company; and certain business, financial, and other information regarding each of AT Co. and the Company that was publicly available;
- Reviewed certain business, financial, and other information regarding the Company and its prospects that was furnished to us by, and we have discussed with, the management of the Company;

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Board of Directors
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December 8, 2005
Page 2

- Reviewed certain business, financial, and other information regarding AT Co. and Spinco and their prospects that were furnished to us by, and we have discussed with, the management of AT Co. and Spinco;
- Reviewed the stock price and trading history of the Company Common Stock;
- Compared the available business, financial, and other information regarding each of the Company and Spinco with similar information regarding certain publicly traded companies that we deemed relevant;
- Compared the proposed financial terms of the Agreement with the financial terms of certain other business combinations and transactions that we deemed relevant;
- Developed discounted cash flow models for each of the Company and Spinco based upon estimates provided by the management of each of the Company and Spinco, as to each of the Company and Spinco respectively, and certain estimates discussed with the management of the Company;
- Reviewed the potential pro forma impact of the Merger on the Company's financial statements;
- Considered other information such as financial, economic and market criteria that we deemed relevant; and
- Participated in the discussions and negotiations among representatives of the Company and AT Co. and their respective financial and legal advisors that resulted in the Agreement.

In connection with our review, we have assumed and relied upon the accuracy and completeness of the foregoing financial and other information we have obtained and reviewed for the purpose of our opinion, and we have not assumed any responsibility for, nor conducted, any independent verification of such information. We have relied upon the assurances of the management of the Company and AT Co. that they are not aware of any facts or circumstances that would make such information about the Company or AT Co. inaccurate or misleading. We have been provided with prospective financial information, including post-merger synergies, for the Company and Spinco by each of their managements, respectively. We have also been provided with prospective financial information of Spinco by AT Co., including cost allocations by AT Co. to Spinco. We have discussed such prospective financial information, as well as the assumptions upon which they are based, with the managements of the Company, AT Co. and Spinco. We have assumed that the forecasts, estimates, judgments, and all assumptions expressed by the management of each of the Company, AT Co. and Spinco in such projections have been reasonably formulated and that they are the best currently available forecasts, estimates, judgments, allocations and assumptions of each of the respective managements of the Company, AT Co. and Spinco regarding such projections. We assume no responsibility for and express no view as to any such prospective financial information or the assumptions upon which they are based. We have also assumed that the cost allocations by AT Co. to Spinco provided to us by AT Co. reflect the true standalone costs that Spinco will experience following the Merger. We have discussed certain estimates for the Company and for Spinco, and the reasonableness of the assumptions upon which they are based, with the management of the Company. You have not asked us to, nor have we, explored or conducted a review of strategic alternatives for the Company. In arriving at our opinion, we have not conducted any physical inspection or assessment of the facilities or assets of the Company, AT Co. or Spinco. In addition, we have not made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or off-balance sheet assets and liabilities) of the Company, AT Co. or Spinco or any of their respective subsidiaries and have not been furnished with any such evaluations or appraisals.

In rendering our opinion, we have assumed that the Merger will be consummated on the terms described in the Agreement and the agreements contemplated thereby without waiver of any material terms or conditions and that each party to the Agreement and the agreements contemplated thereby will perform all of

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the covenants and agreements required to be performed by it thereunder without any consents or waivers of the other parties thereto. We have also assumed that in the course of obtaining any necessary legal, regulatory or third party consents and/or approvals, no restrictions will be imposed or delay will be suffered that will have a material adverse effect on the Company, or on the Merger or on other actions contemplated by the Agreement in any way meaningful to our analysis. We have further assumed that the Agreement and the agreements contemplated thereby will not differ in any material respect from the drafts furnished to and reviewed by us. In addition, we have assumed that the Merger and the distribution to Spinco will be tax-free, for federal income tax purposes.

Our opinion is necessarily based on economic, market, financial and other conditions as they exist on, and can be evaluated as of, the date hereof. Although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. Our opinion does not address the merits of the underlying decision by the Company to enter into the Agreement, including the relative merits of the Merger compared with other business strategies or transactions that may have been considered by the Company's management, its Board of Directors or any committee thereof. We are not expressing any opinion herein with respect to the prices at which the Company Common Stock will trade following the announcement of the Merger or the prices at which the Company Common Stock will trade following the consummation of the Merger.

Wachovia Securities is a trade name of Wachovia Capital Markets, LLC, an investment banking subsidiary and affiliate of Wachovia Corporation. We have been engaged to render certain financial advisory services to the Board of Directors of the Company in connection with the Merger, and will receive a fee for such services, a portion of which is payable upon delivery of this opinion, and the principal portion of which is payable upon consummation of the Merger. In addition, the Company has agreed to reimburse our expenses and indemnify us against certain liabilities that may arise out of our engagement. Wachovia Securities and our affiliates provide a full range of financial advisory, securities and lending services in the ordinary course of business for which we receive customary fees. In connection with unrelated matters, Wachovia Securities and its affiliates (including Wachovia Corporation and its affiliates) in the past have provided financing services to the Company, certain of its affiliates and AT Co. and may provide similar or other such services to, and maintain relationships with, the Company, certain of its affiliates and AT Co. in the future. Wachovia Securities served as a co-Lead Arranger, Joint Book-Running Manager and Syndication Agent in the Company's \$1.67 billion refinancing in October 2004, as a Senior co-Manager for the Company's \$440 million initial public offering in February 2005 and as a co-Manager on the Company's \$400 million senior unsecured notes offering in February 2005. Wachovia Securities and its affiliates maintain banking, finance and investment relationships with certain affiliates of the Company, including Welsh Carson Anderson & Stowe, in certain of whose funds an affiliate of Wachovia Securities invests, and Vestar Capital Partners and certain of their respective portfolio companies. Wachovia Securities or one of its affiliates is currently a senior secured lender to AT Co. Additionally, in the ordinary course of our business, we currently, and in the future may, trade in the debt and equity securities (or related derivative securities) of the Company and AT Co. for our own account and for the accounts of our customers and, accordingly, may at any time hold a long or short position in such securities. Wachovia Securities maintains research coverage of the equity securities of the Company and the equity and debt securities of AT Co.

This opinion is for the information and use of the Board of Directors of the Company in connection with its consideration of the Merger. This opinion does not and shall not constitute a recommendation to any holder of shares of Company Common Stock as to how such holder should vote in connection with the Agreement or any other matter related thereto. Our opinion may not be disclosed, summarized, excerpted from, or otherwise publicly referred to without our prior written consent, except that this opinion may be reproduced in full in any proxy statement mailed or provided to the holders of Company Common Stock.

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Board of Directors
Valor Communications Group, Inc.
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Subject to the foregoing and based upon our experience as investment bankers, our work as described above, and other factors we deem relevant, it is our opinion that, as of the date hereof, the Aggregate Merger Consideration to be paid by the Company pursuant to the Agreement is fair, from a financial point of view, to the Company and its stockholders.

Very truly yours,

/s/ WACHOVIA CAPITAL MARKETS, LLC

D-1-4

OPINION OF BEAR, STEARNS & CO. INC.

December 8, 2005

The Board of Directors
Valor Communications Group, Inc.
201 E. John Carpenter Freeway
Suite 200
Irving, TX 75062

Ladies and Gentlemen:

We understand that Valor Communications Group, Inc. ("Valor"), Alltel Corporation ("Alltel") and Alltel Holding Corp., a wholly owned subsidiary of Alltel ("SpinCo"), have entered into an Agreement and Plan of Merger dated as of December 8, 2005 (the "Merger Agreement"), pursuant to which SpinCo will merge with and into Valor (the "Merger") with Valor continuing as the surviving corporation. We further understand that, pursuant to the Merger Agreement, the stockholders of SpinCo will exchange all of the issued and outstanding shares of common stock of SpinCo for an aggregate number of shares of Valor common stock equal to the product of (x) 5.6667 multiplied by (y) the aggregate number of shares of Valor common stock issued and outstanding, on a fully diluted basis taking into account all shares subject to outstanding options, warrants, and convertible securities, immediately prior to the effective time of the Merger (the "Aggregate Merger Consideration"), all as more fully described in the Merger Agreement. You have provided us with a copy of the Merger Agreement in substantially final form.

We understand that Alltel and SpinCo have entered into a Distribution Agreement dated as of December 8, 2005 (the "Distribution Agreement") pursuant to which Alltel will transfer or cause to be transferred to SpinCo or one or more subsidiaries of SpinCo substantially all of the assets primarily used in Alltel's wireline telecommunications business, along with certain specified assets, and that SpinCo or one or more subsidiaries of SpinCo will assume substantially all of the liabilities primarily relating to Alltel's wireline telecommunications business, along with certain specified liabilities (collectively, the "Contribution"), all as more fully described in the Distribution Agreement. In addition, we understand that SpinCo will enter into a credit agreement, make a cash distribution to Alltel, effect an exchange of certain outstanding Alltel notes for new SpinCo notes and enter into certain other ancillary agreements related to the Contribution and the Distribution, all as more fully described in the Distribution Agreement.

We understand that, prior to the effective time of the Merger and pursuant to the Distribution Agreement, Alltel will distribute all of the issued and outstanding shares of SpinCo common stock to the holders of Alltel common stock (the "Distribution"), all as more fully described in the Distribution Agreement. You have provided us a copy of the Distribution Agreement in substantially final form.

You have asked us to render our opinion as to whether the Aggregate Merger Consideration is fair, from a financial point of view, to Valor and the stockholders of Valor.

In the course of performing our review and analyses for rendering this opinion, we have:

- reviewed the Merger Agreement and the Distribution Agreement;
- reviewed the Voting Agreement, dated as of December 8, 2005, among SpinCo and the stockholders of Valor named therein;
- reviewed Valor's Annual Reports on Form 10-K for the year ended December 31, 2004, its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2005, June 30, 2005 and September 30, 2005 and its Current Reports on Form 8-K filed since January 1, 2005;
- reviewed SpinCo's Draft Audited Financial Statements for the years ended December 31, 2002, 2003 and 2004, its unaudited interim consolidated balance sheet as of September 30, 2005, and the related

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- unaudited interim consolidated income statement and statement of cash flows for the nine months ended September 30, 2005;
- reviewed Alltel's Annual Reports on Form 10-K for the years ended December 31, 2002, 2003 and 2004, its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2005, June 30, 2005 and September 30, 2005 and its Current Reports on Form 8-K filed since January 1, 2005;
 - reviewed certain operating and financial information relating to Valor's and SpinCo's businesses and prospects (as prepared and furnished to us by Valor's and Alltel's senior managements, respectively), including projections for Valor for the six years ended December 31, 2010 as prepared by Valor's senior management and projections for SpinCo for the three years ended December 31, 2007 as prepared by Alltel's management as well as certain publicly available research analyst projections for Alltel/ SpinCo for the years ended December 31, 2008, 2009 and 2010 (which research analyst projections were reviewed by and discussed with the senior management of Valor);
 - reviewed certain estimates of cost savings and other synergies estimates expected to result from the Merger, as prepared and provided to us by Valor's senior management and discussed with Alltel's senior management, including persons who will become members of SpinCo's senior management;
 - met with certain members of Valor's and Alltel's senior management, including persons who will become members of SpinCo's senior management, to discuss Valor's and SpinCo's respective businesses, operations, historical and projected financial results and future prospects;
 - reviewed the historical prices, trading multiples and trading volume of the common shares of Valor;
 - reviewed publicly available financial data, stock market performance data and trading multiples of companies which we deemed generally comparable to Valor and SpinCo, as appropriate;
 - reviewed the terms of recent mergers and acquisitions involving companies which we deemed generally comparable to Valor;
 - performed discounted cash flow analyses based on the projections for Valor and SpinCo and the synergy estimates for the combined company, including certain tax attributes available to Valor and SpinCo;
 - reviewed the pro forma financial results, financial condition and capitalization of the combined company giving effect to the Merger; and
 - conducted such other studies, analyses, inquiries and investigations as we deemed appropriate.

We have relied upon and assumed, without independent verification, the accuracy and completeness of the financial and other information provided to or discussed with us by Valor, Alltel and SpinCo or obtained by us from public sources, including, without limitation, the projections and synergy estimates referred to above. With respect to the projections and synergy estimates, we have relied on representations that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the senior management of each of Valor and Alltel, including persons who will become members of SpinCo's senior management, respectively, as to the expected future performance of Valor, SpinCo and the combined company. We have not assumed any responsibility for the independent verification of any such information, including, without limitation, the projections and synergy estimates, and we have further relied upon the assurances of the senior management of each of Valor and Alltel, including persons who will become members of SpinCo's senior management, that they are unaware of any facts that would make the information, projections and synergy estimates incomplete or misleading.

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The Board of Directors
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In arriving at our opinion, we have not performed or obtained any independent appraisal of the assets or liabilities (contingent or otherwise) of Valor and SpinCo, including assets and liabilities that will be contributed to or assumed by SpinCo or any of its subsidiaries pursuant to the Distribution Agreement, nor have we been furnished with any such appraisals. We have assumed that the Distribution will qualify as a tax-free distribution pursuant to Section 355 of the Internal Revenue Code and the Merger will qualify as a tax-free "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code. We have assumed that the Contribution, the Distribution and all of the transactions described in the Distribution Agreement will be consummated in a timely manner and in accordance with the terms of the Distribution Agreement, without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise, that collectively would have a material adverse effect on Valor or SpinCo. We have further assumed that the Merger will be consummated in a timely manner and in accordance with the terms of the Merger Agreement without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise, that collectively would have a material adverse effect on Valor or SpinCo.

We do not express any opinion as to the price or range of prices at which the shares of common stock of Valor may trade subsequent to the announcement or consummation of the Merger.

We have been engaged by Valor to provide it with certain financial advice and to render this letter. Bear Stearns has previously provided certain investment banking and other services to Valor for which we received customary fees. In addition, Bear Stearns is currently engaged, and in the past has been engaged, by affiliates of Alltel in matters unrelated to the Merger. Furthermore, we may be currently engaged, and in the past have been engaged, by Welsh, Carson, Anderson & Stowe and Vestar Capital Partners or their affiliates (collectively, the "Financial Sponsors") to provide certain investment banking and other services in matters unrelated to the Merger. In addition, various individuals and entities affiliated with us may have passive minority investments in the Financial Sponsors. In the ordinary course of business, Bear Stearns and its affiliates may actively trade the equity and debt securities and/or bank debt of Valor, Alltel and/or entities affiliated with the Financial Sponsors for our own account and for the account of our customers and, accordingly, may at any time hold a long or short position in such securities or bank debt.

It is understood that this letter is intended for the benefit and use of the Board of Directors of Valor and does not constitute a recommendation to the Board of Directors of Valor or any holders of Valor common stock as to how to vote in connection with the Merger or otherwise. This opinion does not address Valor's underlying business decision to pursue the Merger, any financing or refinancing to be undertaken by SpinCo or Valor in connection with the Distribution or the Merger, the relative merits of the Merger as compared to any alternative business strategies that might exist for Valor or the effects of any other transaction in which Valor might engage. This letter is not to be used for any other purpose, or be reproduced, disseminated, quoted from or referred to at any time, in whole or in part, without our prior written consent; provided, however, that this letter may be included in its entirety in any proxy statement or other regulatory filing to be distributed to the holders of Valor common stock in connection with the Merger or otherwise required to be filed by Valor and summaries of this letter may be included in the proxy statement or any such filing. Our opinion is subject to the assumptions and conditions contained herein and is necessarily based on economic, market and other conditions, and the information made available to us, as of the date hereof. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.

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The Board of Directors
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Based on and subject to the foregoing, it is our opinion that, as of the date hereof, the Aggregate Merger Consideration is fair, from a financial point of view, to Valor and the stockholders of Valor.

Very truly yours,

BEAR, STEARNS & CO. INC.

By: /s/ Fred J. Turpin Jr.
Fred J. Turpin Jr.
Senior Managing Director
D-2-4

Form of
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
NEWCO

ARTICLE

One

The name of the Corporation is [Name to Be Determined] (the "Corporation").

ARTICLE

Two

The address of the Corporation's registered office in the state of Delaware is 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

ARTICLE

Three

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

ARTICLE

Four

Section 1. Authorized Shares. The total number of shares of capital stock which the Corporation has authority to issue is 2,200,000,000 shares, consisting of:

- (a) 200,000,000 shares of Preferred Stock, par value \$.0001 per share ("Preferred Stock"); and
- (b) 2,000,000,000 shares of Common Stock, par value \$.0001 per share ("Common Stock").

The Preferred Stock and the Common Stock shall have the rights, preferences and limitations set forth below.

Section 2. Preferred Stock. The Preferred Stock may be issued from time to time and in one or more series. The Board of Directors of the Corporation is authorized to determine or alter the powers, preferences and rights (including voting rights), and the qualifications, limitations and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock, and within the limitations or restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series of Preferred Stock, to increase or decrease (but not below the number of shares of any such series of Preferred Stock then outstanding) the number of shares of any such series of Preferred Stock, and to fix the number of shares of any series of Preferred Stock. In the event that the number of shares of any series of Preferred Stock shall be so decreased, the shares constituting such decrease shall resume the status which such shares had prior to the adoption of the resolution originally fixing the number of shares of such series of Preferred Stock subject to the requirements of applicable law.

Section 3. Common Stock.

(a) Dividends. Except as otherwise provided by the Delaware General Corporation Law or this Amended and Restated Certificate of Incorporation (this "Certificate of Incorporation"), the holders of

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Common Stock: (i) subject to the rights of holders of any series of Preferred Stock, shall share ratably, on a per share basis, in all dividends and other distributions payable in cash, securities or other property of the Corporation as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor; and (ii) are subject to all the powers, rights, privileges, preferences and priorities of any series of Preferred Stock as provided herein or in any resolution or resolutions adopted by the Board of Directors pursuant to authority expressly vested in it by the provisions of Section 2 of this ARTICLE FOUR.

(b) Conversion Rights. The Common Stock shall not be convertible into, or exchangeable for, shares of any other class or classes or of any other series of the same class of the Corporation's capital stock.

(c) Preemptive Rights. No holder of Common Stock shall have any preemptive rights with respect to the Common Stock or any other securities of the Corporation, or to any obligations convertible (directly or indirectly) into securities of the Corporation whether now or hereafter authorized.

(d) Voting Rights. Except as otherwise provided by the Delaware General Corporation Law or this Certificate of Incorporation and subject to the rights of holders of any series of Preferred Stock, all of the voting power of the stockholders of the Corporation shall be vested in the holders of the Common Stock, and each holder of Common Stock shall have one vote for each share held by such holder on all matters voted upon by the stockholders of the Corporation.

(e) Liquidation Rights. In the event of any liquidation, dissolution or winding up of the affairs of the Corporation, whether voluntary or involuntary, after payment or provision for payment of the Corporation's debts and subject to the rights of the holders of shares of Preferred Stock upon such dissolution, liquidation or winding up, the remaining net assets of the Corporation shall be distributed among holders of shares of Common Stock ratably on a per share basis. A merger or consolidation of the Corporation with or into any other corporation or other entity, or a sale or conveyance of all or any part of the assets of the Corporation (which shall not in fact result in the liquidation of the Corporation and the distribution of assets to its stockholders) shall not be deemed to be a voluntary or involuntary liquidation or dissolution or winding up of the Corporation within the meaning of this Section 3(e).

(f) Registration or Transfer. The Corporation shall keep or cause to be kept at its principal office (or such other place as the Corporation reasonably designates) a register for the registration of Common Stock. To the greatest extent permitted by applicable Delaware law, the shares of the Corporation's Common Stock shall be uncertificated and transfer of such shares shall be reflected by book entry. Upon the surrender of any certificate representing shares of any class of Common Stock, the Corporation shall forthwith cancel such certificate and the holder thereof shall no longer be entitled to a certificate or certificates representing the shares of such class represented by the surrendered certificate. Any shares represented by a surrendered certificate cancelled as provided above shall be registered in the name and will represent such number of shares of such class as is requested by the holder of the surrendered certificate. Such book entry shall be made without charge to the holders of the surrendered certificates for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such issuance.

(g) Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder will be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing one or more shares of any class of Common Stock that is represented by a certificate, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation (provided that if the holder is a financial institution or other institutional investor, its own agreement will be satisfactory), or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

(h) Notices. All notices referred to herein shall be in writing, shall be delivered personally or by first class mail, postage prepaid, and shall be deemed to have been given when so delivered or mailed to the Corporation at its principal executive offices and to any stockholder at such holder's address as it appears in

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the stock records of the Corporation (unless otherwise specified in a written notice to the Corporation by such holder).

(i) Fractional Shares. In no event will holders of fractional shares be required to accept any consideration in exchange for such shares other than consideration which all holders of Common Stock are required to accept.

ARTICLE

Five

The Corporation is to have perpetual existence.

ARTICLE

Six

Section 1. Number, Election and Term of Office of Directors.

(a) The Board of Directors shall consist of not less than three nor more than fifteen members, the exact number of which shall be fixed from time to time the affirmative vote of a majority of the entire Board of Directors.

(b) The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. Pursuant to Section 4.4 of that certain Agreement and Plan of Merger, dated as of December 8, 2005 (the "Merger Agreement"), among ALLTEL Corporation, a Delaware corporation, ALLTEL Holding Corp., a Delaware corporation, and the Corporation, (i) the initial Class I directors shall consist of three designees of ALLTEL Corporation, each of whom shall be designated by written notice to the other parties to the Merger Agreement in accordance with the terms thereof, (ii) the initial Class II directors shall consist of one designee of the Company and two (2) designees of ALLTEL Corporation, each of whom shall be designated by written notice to the other parties to the Merger Agreement in accordance with the terms thereof and (iii) the initial Class III directors shall consist of the Chairman of the Board of Directors and the Chief Executive Officer of the Corporation, each as set forth in the Merger Agreement, and one designee of ALLTEL Corporation, who shall be designated by written notice to the other parties to the Merger Agreement in accordance with the terms thereof. The term of the initial Class I directors shall terminate on the date of the 2007 annual meeting; the term of the initial Class II directors shall terminate on the date of the 2008 annual meeting; and the term of the initial Class III directors shall terminate on the date of the 2009 annual meeting. At each succeeding annual meeting of stockholders beginning in 2007, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as practicable, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director.

(c) A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

(d) Subject to the rights, if any, of holders of any series of Preferred Stock, any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor. Subject to the rights, if any, of

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the holders of any series of Preferred Stock, any or all of the directors of the Corporation may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least a majority of the voting power of the Corporation's then outstanding capital stock entitled to vote generally in the election of directors. Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Restated Certificate applicable thereto, and such directors so elected shall not be divided into classes pursuant to this ARTICLE SIX, unless expressly provided by such terms.

ARTICLE

Seven

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to amend, alter, change or repeal the Bylaws of the Corporation. Any amendment, alteration, change or repeal of the Corporation's Bylaws by the stockholders of the Corporation shall require the affirmative vote of a majority of the outstanding shares of the Corporation entitled to vote on such amendment, alteration, change or repeal; provided, however, that Section 11 of ARTICLE TWO and Sections 2, 3 and 4 of ARTICLE THREE and ARTICLE SEVEN of the Corporation's Bylaws shall not be amended, altered, changed or repealed and no provision inconsistent therewith shall be adopted without the affirmative vote of the holders of at least two thirds of the combined voting power of all of the then outstanding shares of the Corporation entitled to vote on such amendment, alteration, change or repeal.

ARTICLE

Eight

Section 1. Limitation of Liability.

(a) To the fullest extent permitted by the Delaware General Corporation Law as it now exists or may hereafter be amended, no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages arising from a breach of fiduciary duty owed to the Corporation or its stockholders.

(b) Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

Section 2. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved (including involvement as a witness) in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she is or was a director or officer of the Corporation or, while a director, officer or other employee of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended, against all expense, liability and loss (including attorneys' fees, judgments, fines, excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators; provided, however, that, except as provided in Section 3 of this ARTICLE EIGHT with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the

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Corporation. The right to indemnification conferred in this Section 2 of this ARTICLE EIGHT shall be a contract right. In addition, the Corporation shall pay the expenses incurred in defending any such proceeding in advance of its final disposition (an "advance of expenses"); provided, however, that, if and to the extent that the Delaware General Corporation Law requires, an advance of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation with the same or lesser scope and effect as the foregoing indemnification of directors and officers.

Section 3. Procedure for Indemnification. Any indemnification of a director or officer of the Corporation or advance of expenses under Section 2 of this ARTICLE EIGHT shall be made promptly, and in any event within forty-five days (or, in the case of an advance of expenses, twenty days), upon the written request of the director or officer. If a determination by the Corporation that the director or officer is entitled to indemnification pursuant to this ARTICLE EIGHT is required, and the Corporation fails to respond within sixty days to a written request for indemnity, the Corporation shall be deemed to have approved the request. If the Corporation denies a written request for indemnification or advance of expenses, in whole or in part, or if payment in full pursuant to such request is not made within forty-five days (or, in the case of an advance of expenses, twenty days), the right to indemnification or advances as granted by this ARTICLE EIGHT shall be enforceable by the director or officer in any court of competent jurisdiction. Such person's costs and expenses incurred in connection with successfully establishing his or her right to indemnification, in whole or in part, in any such action shall also be indemnified by the Corporation. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of expenses where the undertaking required pursuant to Section 2 of this ARTICLE EIGHT, if any, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. The procedure for indemnification of other employees and agents for whom indemnification is provided pursuant to Section 2 of this ARTICLE EIGHT shall be the same procedure set forth in this Section 3 for directors or officers, unless otherwise set forth in the action of the Board of Directors providing indemnification for such employee or agent.

Section 4. Insurance. The Corporation may purchase and maintain insurance on its own behalf and on behalf of any person who is or was a director, officer, employee or agent of the Corporation or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, against any expense, liability or loss asserted against him or her and incurred by him or her in any such capacity, whether or not the Corporation would have the power to indemnify such person against such expenses, liability or loss under the Delaware General Corporation Law.

Section 5. Service for Subsidiaries. Any person serving as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture or other enterprise, at least 50% of whose equity interests are owned by the Corporation (a "subsidiary" for this ARTICLE EIGHT) shall be conclusively presumed to be serving in such capacity at the request of the Corporation.

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Section 6. Reliance. Persons who after the date of the adoption of this provision become or remain directors or officers of the Corporation or who, while a director, officer or other employee of the Corporation, become or remain a director, officer, employee or agent of a subsidiary, shall be conclusively presumed to have relied on the rights to indemnity, advance of expenses and other rights contained in this ARTICLE EIGHT in entering into or continuing such service. The rights to indemnification and to the advance of expenses conferred in this ARTICLE EIGHT shall apply to claims made against an indemnitee arising out of acts or omissions which occurred or occur both prior and subsequent to the adoption hereof.

Section 7. Non-Exclusivity of Rights. The rights to indemnification and to the advance of expenses conferred in this ARTICLE EIGHT shall not be exclusive of any other right which any person may have or hereafter acquire under this Restated Certificate or under any statute, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 8. Merger or Consolidation. For purposes of this ARTICLE EIGHT, references to the "Corporation" shall include, in addition to the resulting Corporation, any constituent Corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent Corporation, or is or was serving at the request of such constituent Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under this ARTICLE EIGHT with respect to the resulting or surviving Corporation as he or she would have with respect to such constituent Corporation if its separate existence had continued.

Section 9. Savings Clause. If this ARTICLE EIGHT or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each person entitled to indemnification under Section 2 of this ARTICLE EIGHT as to all expense, liability and loss (including attorneys' fees and related disbursements, judgments, fines, ERISA excise taxes and penalties, penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person and for which indemnification is available to such person pursuant to this ARTICLE EIGHT to the full extent permitted by any applicable portion of this ARTICLE EIGHT that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE

Nine

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the statutes) outside of the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE

Ten

For so long as any security of the Company is registered under Section 12 of the Securities Exchange Act of 1934: (i) the stockholders of the Corporation may not take any action by written consent in lieu of a meeting, and must take any actions at a duly called annual or special meeting of stockholders and the power of stockholders to consent in writing without a meeting is specifically denied; and (ii) special meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution adopted by the affirmative vote of the majority of the total number of directors then in office.

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ARTICLE

Eleven

Notwithstanding any other provisions of this Restated Certificate or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of the capital stock required by law or this Restated Certificate, the affirmative vote of the holders of at least two-thirds of the combined voting power of all of the then outstanding shares of the Corporation eligible to be cast in the election of directors shall be required to amend, alter, change or repeal ARTICLES EIGHT, TEN or THIRTEEN hereof, or this ARTICLE ELEVEN, or any provision thereof or hereof.

ARTICLE

Twelve

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

ARTICLE

Thirteen

The Corporation expressly elects to be governed by Section 203 of the Delaware General Corporation Law.

**Form of
AMENDED AND RESTATED BYLAWS
OF
NEWCO
A Delaware Corporation
(Adopted as of _____, 2006)**

**ARTICLE I
Offices**

Section 1. Registered Office. The registered office of [Name to Be Determined] (the "Corporation") in the State of Delaware shall be located at 2711 Centerville Road, Wilmington, Delaware 19801. The name of the Corporation's registered agent at such address shall be Corporation Service Company. The registered office and/or registered agent of the Corporation may be changed from time to time by action of the Board of Directors.

Section 2. Other Offices. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

Meetings of Stockholders

Section 1. Annual Meeting. An annual meeting of the stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors. At the annual meeting, stockholders shall elect Directors and transact such other business as properly may be brought before the annual meeting pursuant to Section 11 of ARTICLE II hereof.

Section 2. Special Meetings. Special meetings of the stockholders may only be called in the manner provided in ARTICLE TEN of the Restated Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"). Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 3. Place of Meetings. The Board of Directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal executive office of the Corporation.

Section 4. Notice. Whenever stockholders are required or permitted to take action at a meeting, written or printed notice, or notice by electronic transmission, stating the place, if any, date, time, if applicable, the means of remote communications and, in the case of special meetings, the purpose or purposes, of such meeting, shall be given to each stockholder entitled to vote at such meeting not less than 10 nor more than 60 days before the date of the meeting. All such notices shall be delivered, either personally or by mail, by or at the direction of the Board of Directors, the chairman of the board, the president or the secretary, and if mailed, such notice shall be deemed to be delivered when deposited in the United States mail, postage prepaid, addressed to the stockholder at his, her or its address as the same appears on the records of the Corporation. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

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Section 5. Stockholders List. The officer having charge of the stock ledger of the Corporation shall make, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at such meeting arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting, either (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (ii) during ordinary business hours at the principal place of business of the Corporation. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 6. Quorum. The holders of a majority of the outstanding shares of capital stock entitled to vote, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders, except as otherwise provided by the General Corporation Law of the State of Delaware or by the Certificate of Incorporation. If a quorum is not present, the holders of a majority of the shares present in person or represented by proxy at the meeting, and entitled to vote at the meeting, may adjourn the meeting to another time and/or place. When a specified item of business requires a vote by a class or series (if the Corporation shall then have outstanding shares of more than one class or series) voting as a class or series, the holders of a majority of the shares of such class or series shall constitute a quorum (as to such class or series) for the transaction of such item of business.

Section 7. Adjourned Meetings. When a meeting is adjourned to another time and place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 8. Vote Required. When a quorum is present, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders, unless (i) by express provisions of an applicable law or of the Certificate of Incorporation a different vote is required, in which case such express provision shall govern and control the decision of such question, or (ii) the subject matter is the election of Directors, in which case Section 2 of ARTICLE III hereof shall govern and control the approval of such subject matter.

Section 9. Voting Rights. Except as otherwise provided by the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these Bylaws, every stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of capital stock held by such stockholder.

Section 10. Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may be made irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally. Any proxy is suspended when the person executing the proxy is present at a meeting of stockholders and elects to vote, except that when such proxy is coupled with an interest and the fact of the interest appears on the face of the proxy, the agent named in the proxy shall have all voting and other rights referred to in the proxy, notwithstanding the presence of the person executing the proxy. At each meeting of the stockholders, and before any voting commences, all proxies filed at or before the meeting shall be submitted to and examined by the secretary or a person designated by the secretary, and no shares may be represented or voted under a proxy that has been found to be invalid or irregular.

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Section 11. Business Brought Before an Annual Meeting. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) brought before the meeting by or at the direction of the Board of Directors or (iii) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, such proposed business, other than the nominations of persons for election to the Board of Directors, must constitute a proper matter for stockholder actions, and the stockholder must have given timely notice thereof in writing to the secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation, not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding annual meeting of stockholders; provided, however, that in the event that the annual meeting of stockholders is called for a date that is not within 25 days before or after such anniversary date, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the date on which notice of the date of the annual meeting was mailed or public announcement of such date was made, whichever occurs first. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. A stockholder's notice to the secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the text of the proposal or business, (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (iii) the class and number of shares of the Corporation which are beneficially owned by the stockholder, (iv) any material interest of the stockholder in such business, (v) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business, and (vi) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal and/or (b) otherwise to solicit proxies from stockholders in support of such proposal. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with the procedures set forth in this section. The presiding officer of an annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this section; if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. For purposes of this section, "public announcement" shall mean disclosure in a press release reported by Dow Jones News Service, Associated Press or a comparable national news service. Nothing in this section shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 promulgated under the Securities Exchange Act of 1934 (the "Exchange Act").

ARTICLE III

Directors

Section 1. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to such powers as are herein and in the Certificate of Incorporation expressly conferred upon it, the Board of Directors shall have and may exercise all the powers of the Corporation, subject to the provisions of the laws of Delaware, the Certificate of Incorporation and these Bylaws.

Section 2. Number, Election and Term of Office. The Directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of Directors constituting the entire Board of Directors. The terms of the initial directors of each Class shall expire as provided in the Certificate of Incorporation, and successors to the class of Directors whose term expires at each annual meeting shall be elected for a three-year term and until their successors are duly elected and qualified. If the number of Directors is changed, any increase or decrease shall be

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apportioned among the classes so as to maintain the number of Directors in each class as nearly equal as possible, and any additional Director of any class elected to fill a vacancy resulting from an increase in such class or from the removal from office, death, disability, resignation or disqualification of a Director or other cause shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of Directors have the effect of removing or shortening the term of any incumbent Director. Any Director elected to fill a vacancy not resulting from an increase in the number of Directors shall have the same remaining term as that of his or her predecessor. Except as provided in Section 3 of this Article III, the Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote in the election of directors.

Section 3. Vacancies. Subject to the rights of holders of any series of Preferred Stock, any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his predecessor. Subject to the rights, if any, of the holders of any series of Preferred Stock, any or all of the directors of the Corporation may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least a majority of the voting power of the Corporation's then outstanding capital stock entitled to vote generally in the election of directors. Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of the Certificate of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to Article SIX of the Certificate of Incorporation or this Section 3 unless expressly provided by such terms.

Section 4. Nominations.

(a) Only persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as Directors. Nominations of persons for election to the Board of Directors of the Corporation may be made at a meeting of stockholders (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in these Bylaws, who is entitled to vote generally in the election of Directors at the meeting and who shall have complied with the notice procedures set forth below in Section 4(b).

(b) In order for a stockholder to nominate a person for election to the Board of Directors of the Corporation at a meeting of stockholders, such stockholder shall have delivered timely notice of such stockholder's intent to make such nomination in writing to the secretary of the Corporation. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation (i) in the case of an annual meeting, not less than 90 nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is changed by more than 30 days from such anniversary date, notice by the stockholder to be timely must be so received not later than the close of business on the 10th day following the day on which notice of the date of the meeting was mailed or public disclosure of the meeting was made, whichever occurs first, and (ii) in the case of a special meeting at which Directors are to be elected, not later than the close of business on the 10th day following the day on which notice of the date of the meeting was mailed or public disclosure of the meeting was made, whichever occurs first. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth (i) as to each person whom the stockholder proposes to nominate for election as a Director at such meeting all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a Director if elected) and such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (ii) as to the stockholder giving the notice (A) the name and address, as

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they appear on the Corporation's books, of such stockholder and (B) the class and number of shares of the Corporation which are beneficially owned by such stockholder and also which are owned of record by such stockholder; and (iii) as to the beneficial owner, if any, on whose behalf the nomination is made, (A) the name and address of such person and (B) the class and number of shares of the Corporation which are beneficially owned by such person (C) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination, and (D) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to elect the nominee and/or (b) otherwise to solicit proxies from stockholders in support of such nomination. At the request of the Board of Directors, any person nominated by the Board of Directors for election as a Director shall furnish to the secretary of the Corporation that information required to be set forth in a stockholder's notice of nomination which pertains to the nominee.

(c) No person shall be eligible to serve as a Director of the Corporation unless nominated in accordance with the procedures set forth in this section. The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the procedures prescribed by this section, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded. A stockholder seeking to nominate a person to serve as a Director must also comply with all applicable requirements of the Exchange Act, and the rules and regulations thereunder with respect to the matters set forth in this section.

Section 5. Annual Meetings. The annual meeting of the Board of Directors shall be held, without any notice other than this Section 5, immediately after, and at the same place as, the annual meeting of stockholders.

Section 6. Other Meetings and Notice. Regular meetings, other than the annual meeting, of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by resolution of the Board of Directors. Special meetings of the Board of Directors may be called by the chairman of the board, the president (if the president is a Director) or, upon the written request of a majority of the total number of Directors then in office, the secretary of the Corporation on at least 24 hours notice to each Director, either personally, by telephone, by mail or by telecopy.

Section 7. Chairman of the Board, Quorum, Required Vote and Adjournment. The Board of Directors shall elect, by the affirmative vote of a majority of the total number of Directors then in office, a chairman of the board, who shall preside at all meetings of the stockholders and Board of Directors at which he or she is present and shall have such powers and perform such duties as the Board of Directors may from time to time prescribe. If the chairman of the board is not present at a meeting of the stockholders or the Board of Directors, the president (if the president is a Director and is not also the chairman of the board) shall preside at such meeting, and, if the president is not present at such meeting, a majority of the Directors present at such meeting shall elect one of their members to so preside. A majority of the total number of Directors then in office shall constitute a quorum for the transaction of business. Unless by express provision of an applicable law, the Certificate of Incorporation or these Bylaws a different vote is required, the vote of a majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 8. Committees. The Board of Directors may, by resolution passed by a majority of the total number of Directors then in office, designate one or more committees, each committee to consist of one or more of the Directors of the Corporation, which to the extent provided in such resolution or these Bylaws shall have, and may exercise, the powers of the Board of Directors in the management and affairs of the Corporation, except as otherwise limited by law. The Board of Directors may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. Such committee or committees shall have such name or names as may be determined from

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time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors upon request.

Section 9. Committee Rules. Each committee of the Board of Directors may fix its own rules of procedure and shall hold its meetings as provided by such rules, except as may otherwise be provided by a resolution of the Board of Directors designating such committee. Unless otherwise provided in such a resolution, the presence of at least a majority of the members of the committee shall be necessary to constitute a quorum. Unless otherwise provided in such a resolution, in the event that a member and that member's alternate, if alternates are designated by the Board of Directors, of such committee is or are absent or disqualified, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member.

Section 10. Communications Equipment. Members of the Board of Directors or any committee thereof may participate in and act at any meeting of such board or committee through the use of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear and speak with each other, and participation in the meeting pursuant to this section shall constitute presence in person at the meeting.

Section 11. Waiver of Notice and Presumption of Assent. Any member of the Board of Directors or any committee thereof who is present at a meeting shall be conclusively presumed to have waived notice of such meeting except when such member attends for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Such member shall be conclusively presumed to have assented to any action taken unless his or her dissent shall be entered in the minutes of the meeting or unless his or her written dissent to such action shall be filed with the person acting as the secretary of the meeting before the adjournment thereof or shall be forwarded by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to any member who voted in favor of such action.

Section 12. Action by Written Consent. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of such board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission are filed with the minutes of proceedings of the board or committee.

ARTICLE IV

Officers

Section 1. Number. The officers of the Corporation shall be elected by the Board of Directors and shall consist of a chairman of the board, a chief executive officer, a president, one or more vice-presidents, a secretary, a chief financial officer and such other officers and assistant officers as may be deemed necessary or desirable by the Board of Directors. Any number of offices may be held by the same person, except that neither the chief executive officer nor the president shall also hold the office of secretary. In its discretion, the Board of Directors may choose not to fill any office for any period as it may deem advisable, except that the offices of president and secretary shall be filled as expeditiously as possible.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at its first meeting held after each annual meeting of stockholders or as soon thereafter as convenient. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until a successor is duly elected and qualified or until his or her earlier death, resignation or removal as hereinafter provided.

Section 3. Removal. Any officer or agent elected by the Board of Directors may be removed by the Board of Directors at its discretion, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

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Section 4. Vacancies. Any vacancy occurring in any office because of death, resignation, removal, disqualification or otherwise may be filled by the Board of Directors.

Section 5. Compensation. Compensation of all executive officers shall be approved by the Board of Directors, and no officer shall be prevented from receiving such compensation by virtue of his or her also being a Director of the Corporation; provided however, that compensation of all executive officers may be determined by a committee established for that purpose if so authorized by the Board of Directors.

Section 6. Chairman of the Board. The chairman of the Board of Directors shall preside at all meetings of the stockholders and of the Board of Directors and shall have such other powers and perform such other duties as may be prescribed to him or her by the Board of Directors or provided in these Bylaws.

Section 7. Chief Executive Officer. The chief executive officer shall have the powers and perform the duties incident to that position. Subject to the powers of the Board of Directors and the chairman of the board, the chief executive officer shall be in the general and active charge of the entire business and affairs of the Corporation, and shall be its chief policy making officer. The chief executive officer shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or provided in these Bylaws. The chief executive officer is authorized to execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation. Whenever the president is unable to serve, by reason of sickness, absence or otherwise, the chief executive officer shall perform all the duties and responsibilities and exercise all the powers of the president.

Section 8. The President. The president of the Corporation shall, subject to the powers of the Board of Directors, the chairman of the board and the chief executive officer, have general charge of the business, affairs and property of the Corporation, and control over its officers, agents and employees. The president shall see that all orders and resolutions of the Board of Directors are carried into effect. The president is authorized to execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation. The president shall have such other powers and perform such other duties as may be prescribed by the chairman of the board, the chief executive officer, the Board of Directors or as may be provided in these Bylaws.

Section 9. Vice-Presidents. The vice-president, or if there shall be more than one, the vice-presidents in the order determined by the Board of Directors or the chairman of the board, shall, in the absence or disability of the president, act with all of the powers and be subject to all the restrictions of the president. The vice-presidents shall also perform such other duties and have such other powers as the Board of Directors, the chairman of the board, the chief executive officer, the president or these Bylaws may, from time to time, prescribe. The vice-presidents may also be designated as executive vice-presidents or senior vice-presidents, as the Board of Directors may from time to time prescribe.

Section 10. The Secretary and Assistant Secretaries. The secretary shall attend all meetings of the Board of Directors, all meetings of the committees thereof and all meetings of the stockholders and record all the proceedings of the meetings in a book or books to be kept for that purpose or shall ensure that his or her designee attends each such meeting to act in such capacity. Under the chairman of the Board of Directors' supervision, the secretary shall give, or cause to be given, all notices required to be given by the Certificate of Incorporation, these Bylaws or by applicable law; shall have such powers and perform such duties as the Board of Directors, the chairman of the board, the chief executive officer, the president or these Bylaws may, from time to time, prescribe; and shall have custody of the corporate seal of the Corporation. The secretary, or an assistant secretary, shall have authority to affix the corporate seal to any instrument requiring it and when so affixed, it may be attested by his or her signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his or her signature. The assistant secretary, or if there be more than one, any of the assistant secretaries, shall in the absence or disability of the secretary, perform the duties and exercise the powers of the

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secretary and shall perform such other duties and have such other powers as the Board of Directors, the chairman of the board, the chief executive officer, the president, or secretary may, from time to time, prescribe.

Section 11. The Chief Financial Officer. The chief financial officer shall have the custody of the corporate funds and securities; shall keep full and accurate all books and accounts of the Corporation as shall be necessary or desirable in accordance with applicable law or generally accepted accounting principles; shall deposit all monies and other valuable effects in the name and to the credit of the Corporation as may be ordered by the chairman of the board or the Board of Directors; shall cause the funds of the Corporation to be disbursed when such disbursements have been duly authorized, taking proper vouchers for such disbursements; and shall render to the Board of Directors, at its regular meeting or when the Board of Directors so requires, an account of the Corporation; shall have such powers and perform such duties as the Board of Directors, the chairman of the board, the chief executive officer, the president or these Bylaws may, from time to time, prescribe. If required by the Board of Directors, the chief financial officer shall give the Corporation a bond (which shall be rendered every six years) in such sums and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of the office of chief financial officer and for the restoration to the Corporation, in case of death, resignation, retirement or removal from office of all books, papers, vouchers, money and other property of whatever kind in the possession or under the control of the chief financial officer belonging to the Corporation.

Section 12. Other Officers, Assistant Officers and Agents. Officers, assistant officers and agents, if any, other than those whose duties are provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the Board of Directors.

Section 13. Absence or Disability of Officers. In the case of the absence or disability of any officer of the Corporation and of any person hereby authorized to act in such officer's place during such officer's absence or disability, the Board of Directors may by resolution delegate the powers and duties of such officer to any other officer or to any Director, or to any other person selected by it.

ARTICLE V

Certificates of Stock

Section 1. Form. To the greatest extent permitted by applicable Delaware law, the shares of the Corporation's Common Stock shall be uncertificated and transfer of such shares shall be reflected by book entry. Notwithstanding the foregoing, every holder of stock in the Corporation, if any, that is represented by a certificate shall be entitled to have a certificate, signed by, or in the name of the Corporation by the chairman of the board, the chief executive officer or the president and the secretary or an assistant secretary of the Corporation, certifying the number of shares owned by such holder in the Corporation. If such a certificate is countersigned (i) by a transfer agent or an assistant transfer agent other than the Corporation or its employee or (ii) by a registrar, other than the Corporation or its employee, the signature of any such chairman of the board, chief executive officer, president, secretary or assistant secretary may be facsimiles. In case any officer or officers who have signed, or whose facsimile signature or signatures have been used on, any such certificate or certificates shall cease to be such officer or officers of the Corporation whether because of death, resignation or otherwise before such certificate or certificates have been delivered by the Corporation, such certificate or certificates may nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates or whose facsimile signature or signatures have been used thereon had not ceased to be such officer or officers of the Corporation. All certificates for shares shall be consecutively numbered or otherwise identified. The name of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the books of the Corporation. Shares of stock of the Corporation shall only be transferred on the books of the Corporation by the holder of record thereof or by such holder's attorney duly authorized in writing, in the case of certificated shares, upon surrender to the Corporation of the certificate or certificates for such shares endorsed by the appropriate person or persons, with such evidence of the authenticity of such endorsement, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps, or in the case of

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uncertificated shares, upon delivery to the Corporation of evidence, in form and substance reasonably satisfactory to the Corporation, demonstrating that the party requesting such transfer is the record holder thereof or the holder's attorney duly authorized in writing. Upon the surrender of any certificate representing shares of any class of Common Stock, the Corporation shall forthwith cancel such certificate and the holder thereof shall no longer be entitled to a certificate or certificates representing the shares of such class represented by the surrendered certificate. Any shares represented by a surrendered certificate cancelled as provided above shall be registered in the name and will represent such number of shares of such class as is requested by the holder of the surrendered certificate. Such book entry shall be made without charge to the holders of the surrendered certificates for any issuance tax in respect thereof or other cost incurred by the Corporation in connection with such issuance. The Board of Directors may appoint a bank or trust company organized under the laws of the United States or any state thereof to act as its transfer agent or registrar, or both in connection with the transfer of any class or series of securities of the Corporation.

Section 2. Lost Certificates. The Board of Directors may direct a new certificate or certificates, if any, to be issued in place of any certificate or certificates previously issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to give the Corporation a bond sufficient to indemnify the Corporation against any claim that may be made against the Corporation on account of the loss, theft or destruction of any such certificate or the issuance of such new certificate.

Section 3. Fixing a Record Date for Stockholder Meetings. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be the close of business on the next day preceding the day on which notice is first given. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 4. Fixing a Record Date for Other Purposes. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment or any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purposes of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 5. Registered Stockholders. Prior to the surrender to the Corporation of the certificate or certificates, if any, for a share or shares of stock with a request to record the transfer of such share or shares, the Corporation may treat the registered owner as the person entitled to receive dividends, to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner. The Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

Section 6. Subscriptions for Stock. Unless otherwise provided for in the subscription agreement, subscriptions for shares shall be paid in full at such time, or in such installments and at such times, as shall be determined by the Board of Directors. Any call made by the Board of Directors for payment on subscriptions shall be uniform as to all shares of the same class or as to all shares of the same series. In case of default in the

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payment of any installment or call when such payment is due, the Corporation may proceed to collect the amount due in the same manner as any debt due the Corporation.

ARTICLE VI

General Provisions

Section 1. Dividends. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, in accordance with applicable law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or any other purpose and the Directors may modify or abolish any such reserve in the manner in which it was created.

Section 2. Checks, Drafts or Orders. All checks, drafts or other orders for the payment of money by or to the Corporation and all notes and other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation, and in such manner, as shall be determined by resolution of the Board of Directors or a duly authorized committee thereof.

Section 3. Contracts. In addition to the powers otherwise granted to officers pursuant to ARTICLE IV hereof, the Board of Directors may authorize any officer or officers, or any agent or agents, of the Corporation to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 4. Loans. Subject to compliance with applicable laws, the Corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the Corporation or of its subsidiaries, including any officer or employee who is a Director of the Corporation or its subsidiaries, whenever, in the judgment of the Directors, such loan, guaranty or assistance may reasonably be expected to benefit the Corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the Corporation. Nothing in this section shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the Corporation at common law or under any statute.

Section 5. Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 6. Corporate Seal. The Board of Directors may provide a corporate seal which shall be in the form of a circle and shall have inscribed thereon the name of the Corporation and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. No seal shall be required by virtue of this Section.

Section 7. Voting Securities Owned By Corporation. Voting securities in any other Corporation held by the Corporation shall be voted by the chief executive officer, the president or a vice-president, unless the Board of Directors specifically confers authority to vote with respect thereto, which authority may be general or confined to specific instances, upon some other person or officer. Any person authorized to vote securities shall have the power to appoint proxies, with general power of substitution.

Section 8. Inspection of Books and Records. The Board of Directors shall have power from time to time to determine to what extent and at what times and places and under what conditions and regulations the accounts and books of the Corporation, or any of them, shall be open to the inspection of the stockholders; and no stockholder shall have any right to inspect any account or book or document of the Corporation, except as conferred by the laws of the State of Delaware, unless and until authorized so to do by resolution of the Board of Directors or of the stockholders of the Corporation.

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Section 9. *Section Headings.* Section headings in these Bylaws are for convenience of reference only and shall not be given any substantive effect in limiting or otherwise construing any provision herein.

Section 10. *Inconsistent Provisions.* In the event that any provision of these Bylaws is or becomes inconsistent with any provision of the Certificate of Incorporation, the General Corporation Law of the State of Delaware or any other applicable law, the provision of these Bylaws shall not be given any effect to the extent of such inconsistency but shall otherwise be given full force and effect.

ARTICLE VII

Amendments

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors of the Corporation is expressly authorized to make, alter, amend, change, add to or repeal these Bylaws by the affirmative vote of a majority of the total number of Directors then in office. Any alteration or repeal of these Bylaws by the stockholders of the Corporation shall require the affirmative vote of a majority of the outstanding shares of the Corporation entitled to vote on such alteration or repeal; provided, however, that Section 11 of ARTICLE II and Sections 2, 3 and 4 of ARTICLE III and this ARTICLE VII of these Bylaws shall not be altered, amended or repealed and no provision inconsistent therewith shall be adopted without the affirmative vote of the holders of at least two-thirds of the combined voting power of all of the then outstanding shares of the Corporation entitled to vote on such alteration or repeal.

**NEWCO
2006 EQUITY INCENTIVE PLAN**

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**NEWCO
2006 EQUITY INCENTIVE PLAN**

1. *Purpose of the Plan.* The purpose of this Plan is to attract, retain and motivate directors, officers and other key employees of Newco (the "Company") and its Subsidiaries and to provide to such persons incentives and rewards for superior performance and contribution. This Plan shall become effective as of the Effective Time as defined in the Agreement and Plan of Merger, dated as of December 8, 2005 among ALLTEL Corporation, ALLTEL Holding Corp., and Valor Communications Group, Inc.

2. *Definitions.* Capitalized terms used herein shall have the meanings assigned to such terms in this Section 2.

"*Applicable Laws*" means the requirements relating to the administration of equity-based compensation plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Shares are listed or quoted and the applicable laws of any other country or jurisdiction where awards are granted under this Plan.

"*Appreciation Right*" means a right granted pursuant to Section 5 or Section 9 of this Plan, and shall include both Tandem Appreciation Rights and Free-Standing Appreciation Rights.

"*Base Price*" means the price to be used as the basis for determining the Spread upon the exercise of a Free-Standing Appreciation Right and a Tandem Appreciation Right.

"*Board*" means the Board of Directors of the Company.

"*Change in Control*" means if at any time any of the following events shall have occurred (except as may be otherwise prescribed by the Board in an Evidence of Award):

a. The acquisition by any individual, entity or "group," within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act (a "Person"), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of voting securities of the Company where such acquisition causes any such Person to own fifty percent (50%) or more of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Voting Securities"); provided, however, that for purposes of this definition, any acquisition by any corporation pursuant to a transaction that complies with clauses (i), (ii) and (iii) of subparagraph c. below shall not be deemed to result in a Change in Control;

b. Individuals who, as of the date hereof, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

c. The consummation of a reorganization, merger or consolidation or sale or other disposition of more than fifty percent (50%) of the assets of the Company (a "Business Combination"), in each case, unless, following such Business Combination, (i) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, at least fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries), in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Voting Securities, as the

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case may be, (ii) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, fifty percent (50%) or more of, respectively, the then outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or the action of the Board, providing for such Business Combination; or

d. Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

“Code” means the Internal Revenue Code of 1986, as amended.

“Common Shares” means shares of common stock, par value \$0.0001, of the Company or any security into which such Common Shares may be changed by reason of any transaction or event of the type referred to in Section 12 of this Plan.

“Company” means [●] and its successors. The Company is the surviving corporation resulting from the merger between ALLTEL Holding Corp. and Valor Communications Group, Inc. pursuant to the terms of the Agreement and Plan of Merger dated as of December 8, 2005, among ALLTEL Corporation, ALLTEL Holding Corp., and Valor Communications Group, Inc.

“Covered Employee” means a Participant who is, or is determined by the Board to be likely to become, a “covered employee” within the meaning of Section 162(m) of the Code (or any successor provision).

“Date of Grant” means the date specified by the Board on which a grant of Option Rights, Appreciation Rights, Performance Units or Performance Shares or a grant or sale of Restricted Shares or Restricted Stock Units, or awards granted under Section 10 of this Plan shall become effective (which date will not be earlier than the date on which the Board takes action with respect thereto).

“Director” means a member of the Board.

“Evidence of Award” means an agreement, certificate, resolution or other type or form of writing or other evidence approved by the Board which sets forth the terms and conditions of the Option Rights, Appreciation Rights, Performance Units, Performance Shares, Restricted Shares, Restricted Stock Units, or awards granted under Section 10 of this Plan. An Evidence of Award may be in an electronic medium, may be limited to a notation on the books and records of the Company and, with the approval of the Board, need not be signed by a representative of the Company or a Participant.

“Exchange Act” means the Securities Exchange Act of 1934 and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

“Free-Standing Appreciation Right” means an Appreciation Right granted pursuant to Section 5 or Section 9 of this Plan that is not granted in tandem with an Option Right.

“Incentive Stock Options” means Option Rights that are intended to qualify as “incentive stock options” under Section 422 of the Code or any successor provision.

“Management Objectives” means the measurable performance objective or objectives established pursuant to this Plan for Participants who have received grants of Performance Units or Performance Shares or, when so determined by the Board, Option Rights, Appreciation Rights and Restricted Shares pursuant to this Plan. Management Objectives may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual Participant or of the Subsidiary, division, department, region or function within the Company or Subsidiary in which the Participant is employed. The Management Objectives may be made relative to the performance of other corporations. The Management Objectives applicable to any award to a Covered Employee that is intended to qualify for the performance-based

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compensation exception to Section 162(m) of the Code shall be based on specified levels of or growth in one or more of the following criteria: revenues, weighted average revenue per unit, earnings from operations, operating income, earnings before or after interest and taxes, operating income before or after interest and taxes, net income, cash flow, earnings per share, debt to capital ratio, economic value added, return on total capital, return on invested capital, return on equity, return on assets, total return to stockholders, earnings before or after interest, taxes, depreciation, amortization or extraordinary or special items, operating income before or after interest, taxes, depreciation, amortization or extraordinary or special items, return on investment, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, cash flow in excess of cost of capital, operating margin, profit margin, contribution margin, stock price and/or strategic business criteria consisting of one or more objectives based on meeting specified product development, strategic partnering, research and development, market penetration, geographic business expansion goals, cost targets, customer satisfaction, gross or net additional customers, average customer life, employee satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and goals relating to acquisitions or divestitures of subsidiaries, affiliates and joint ventures. Management Objectives may be stated as a combination of the listed factors. If the Board determines that a change in the business, operations, corporate structure or capital structure of the Company, or the manner in which it conducts its business, or other events or circumstances (including those events and circumstances described in Section 12 of this Plan) render the Management Objectives unsuitable, the Board may in its discretion modify such Management Objectives or the related minimum acceptable level of achievement, in whole or in part, as the Board deems appropriate and equitable, except in the case of a Covered Employee to the extent that such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code.

"Market Value per Share" means, as of any particular date, (i) the closing sale price per Common Share as reported on the principal exchange on which Common Shares are then trading, or if there are no sales on such day, on the next preceding trading day during which a sale occurred, or (ii) if clause (i) does not apply, the fair market value of a Common Share as determined by the Board.

"Non-Employee Director" means a Director who is not an employee of the Company or any Subsidiary.

"Optionee" means the optionee named in an agreement evidencing an outstanding Option Right.

"Option Price" means the purchase price payable on exercise of an Option Right.

"Option Right" means the right to purchase Common Shares upon exercise of an option granted pursuant to Section 4 or Section 9 of this Plan.

"Participant" means a person who is selected by the Board to receive benefits under this Plan and who is at the time an officer or other key employee of the Company or any of its Subsidiaries, or who has agreed to commence serving in any such capacities within 90 days of the Date of Grant, and shall also include each Non-Employee Director who receives an award of Option Rights, Appreciation Rights, Restricted Shares, Restricted Stock Units or any awards under Section 10 of this Plan.

"Performance Period" means, in respect of a Performance Unit or Performance Share, a period of time established pursuant to Section 6 of this Plan within which the Management Objectives relating to such Performance Share or Performance Unit are to be achieved.

"Performance Share" means a bookkeeping entry that records the equivalent of one Common Share awarded pursuant to Section 6 of this Plan.

"Performance Unit" means a bookkeeping entry that records a unit equivalent to \$1.00 awarded pursuant to Section 6 of this Plan.

"Plan" means this Valor Communications Group, Inc. 2006 Equity Incentive Plan, as amended from time to time.

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“*Restricted Shares*” means Common Shares granted or sold pursuant to Section 7 or Section 9 of this Plan as to which neither the substantial risk of forfeiture nor the prohibition on transfers referred to in such Section 7 has expired.

“*Restricted Stock Units*” means an award of the right to receive Common Shares at the end of a specified Restriction Period made pursuant to Section 8 or Section 9 of this Plan.

“*Restriction Period*” means the period of time during which Restricted Stock Units are subject to deferral limitations under Section 8 of this Plan.

“*Spread*” means the excess of the Market Value per Share on the date when an Appreciation Right is exercised, or on the date when Option Rights are surrendered in payment of the Option Price of other Option Rights, over the per share Option Price or per share Base Price provided for in the related Option Right or Free-Standing Appreciation Right, respectively.

“*Subsidiary*” means a corporation, company or other entity which is designated by the Board and in which the Company has a direct or indirect ownership or other equity interest, provided, however, that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, the term “Subsidiary” has the meaning given to such term in Section 424 of the Code, as interpreted by the regulations thereunder and applicable law.

“*Tandem Appreciation Right*” means an Appreciation Right granted pursuant to Section 5 or Section 9 of this Plan that is granted in tandem with an Option Right.

3. *Shares Available Under the Plan.*

a. Subject to adjustment as provided in Section 12 of this Plan, the number of Common Shares that may be issued or transferred (i) upon the exercise of Option Rights or Appreciation Rights, (ii) as Restricted Shares, (iii) in payment of Restricted Stock Units, (iv) in payment of Performance Units or Performance Shares that have been earned, (v) as awards to Non-Employee Directors, (vi) in payment of awards granted under Section 10 of this Plan or (vii) in payment of dividend equivalents paid with respect to awards made under the Plan shall not exceed in the aggregate 10,000,000 Common Shares, plus any shares relating to awards that expire or are forfeited or are cancelled. Common Shares covered by an award granted under the Plan shall not be counted as used unless and until they are actually issued and delivered to a Participant. Without limiting the generality of the foregoing, upon payment in cash of the benefit provided by any award granted under the Plan, any Common Shares that were covered by that award will be available for issue or transfer hereunder. Notwithstanding anything to the contrary contained herein: (A) Common Shares tendered in payment of the Option Price of an Option Right shall not be added to the aggregate Plan limit described above; (B) Common Shares withheld by the Company to satisfy the tax withholding obligation shall not be added to the aggregate Plan limit described above; (C) Common Shares that are repurchased by the Company with Option Right proceeds shall not be added to the aggregate Plan limit described above; and (D) all Common Shares covered by an Appreciation Right, to the extent that it is exercised and settled in Common Shares, and whether or not Common Shares are actually issued to the Participant upon exercise of the right, shall be considered issued or transferred pursuant to the Plan. Such Common Shares may be shares of original issuance or treasury shares or a combination of the foregoing.

b. If, under this Plan, a Participant has elected to give up the right to receive compensation in exchange for Common Shares based on fair market value, such Common Shares will not count against the number of shares available in Section 3(a) above.

c. Notwithstanding anything in this Section 3, or elsewhere in this Plan, to the contrary and subject to adjustment as provided in Section 12 of this Plan, (i) the aggregate number of Common Shares actually issued or transferred by the Company upon the exercise of Incentive Stock Options shall not exceed 10,000,000 Common Shares; (ii) no Participant shall be granted Option Rights and Appreciation Rights, in the aggregate, for more than 1,000,000 Common Shares during any calendar year; and (iii) the

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number of shares issued as Appreciation Rights, Restricted Shares and Restricted Stock Units (after taking forfeitures into account) shall not exceed, in the aggregate, 8,500,000 Common Shares.

d. Notwithstanding any other provision of this Plan to the contrary, in no event shall any Participant in any calendar year receive an award of (i) Performance Shares or Restricted Shares that specify Management Objectives, in the aggregate, for more than 1,000,000 Common Shares or (ii) Performance Units having an aggregate maximum value as of their respective Dates of Grant in excess of \$12,000,000.

4. *Option Rights.* The Board may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Participants of Option Rights. Each such grant may utilize any or all of the authorizations, and shall be subject to all of the limitations, contained in the following provisions:

a. Each grant shall specify the number of Common Shares to which it pertains.

b. Each grant shall specify an Option Price per share, which may not be less than the Market Value per Share on the Date of Grant.

c. Each grant shall specify whether the Option Price shall be payable (i) in cash or by check acceptable to the Company, (ii) by the actual or constructive transfer to the Company of nonforfeitable, unrestricted Common Shares owned by the Optionee having a value at the time of exercise equal to the total Option Price, on such basis as the Board may determine, (iii) in any other legal consideration that the Board may deem appropriate, on such basis as the Board may determine, or (iv) by a combination of such methods of payment.

d. To the extent permitted by law, any grant may provide for (i) deferred payment of the Option Price from the proceeds of sale through a bank or broker on a date satisfactory to the Company of some or all of the shares to which such exercise relates; (ii) payment of the Option Price, at the election of the Optionee, in installments, with or without interest, upon terms determined by the Board; or (iii) any combination of such methods.

e. Successive grants may be made to the same Participant whether or not any Option Rights previously granted to such Participant remain unexercised.

f. Each grant shall specify the period or periods of continuous service by the Optionee with the Company or any Subsidiary that is necessary before the Option Rights or installments thereof will become exercisable and may provide for the earlier exercise of such Option Rights in the event of a Change in Control, retirement, death or disability of the Optionee or other similar transaction or event as approved by the Board.

g. Any grant of Option Rights may specify Management Objectives that must be achieved as a condition to the exercise of such rights.

h. Option Rights granted under this Plan may be (i) options, including, without limitation, Incentive Stock Options, that are intended to qualify under particular provisions of the Code, (ii) "nonqualified stock options" that are not intended so to qualify, or (iii) combinations of the foregoing. Incentive Stock Options may only be granted to Participants who meet the definition of "employees" under Section 3401(c) of the Code on the Date of Grant.

i. The exercise of an Option Right shall result in the cancellation on a share-for-share basis of any Tandem Appreciation Right authorized under Section 5 of this Plan.

j. No Option Right shall be exercisable more than 10 years from the Date of Grant.

k. Each grant of Option Rights shall be evidenced by an Evidence of Award which shall contain such terms and provisions, consistent with this Plan and applicable sections of the Code, as the Board may approve.

l. The Board may, at the Date of Grant of any Option Rights (other than Incentive Stock Options), provide for the payment of dividend equivalents to the Optionee on either a current or deferred or contingent basis or may provide that such equivalents shall be credited against the Option Price.

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5. Appreciation Rights.

a. The Board may authorize the granting (i) to any Optionee, of Tandem Appreciation Rights in respect of Option Rights granted hereunder, and (ii) to any Participant, of Free-Standing Appreciation Rights. A Tandem Appreciation Right shall be a right of the Optionee, exercisable by surrender of the related Option Right, to receive from the Company an amount determined by the Board, which shall be expressed as a percentage of the Spread (not exceeding 100 percent) at the time of exercise. Tandem Appreciation Rights may be granted at any time prior to the exercise or termination of the related Option Rights; provided, however, that a Tandem Appreciation Right awarded in relation to an Incentive Stock Option must be granted concurrently with such Incentive Stock Option. A Free-Standing Appreciation Right shall be a right of the Participant to receive from the Company an amount determined by the Board, which shall be expressed as a percentage of the Spread (not exceeding 100 percent) at the time of exercise.

b. Each grant of Appreciation Rights may utilize any or all of the authorizations, and shall be subject to all of the requirements, contained in the following provisions:

(i) Any grant may specify that the amount payable on exercise of an Appreciation Right may be paid by the Company in cash, in Common Shares or in any combination thereof and may either grant to the Participant or retain in the Board the right to elect among those alternatives.

(ii) Any grant may specify that the amount payable on exercise of an Appreciation Right may not exceed a maximum specified by the Board at the Date of Grant.

(iii) Each grant shall specify the period or periods of continuous service by the Participant with the Company or any Subsidiary that is necessary before the Appreciation Right or installments thereof will become exercisable and may provide for the earlier exercise of such Appreciation Rights in the event of a Change in Control, retirement, death or disability of the Participant or other similar transaction or event as approved by the Board.

(iv) Each grant of an Appreciation Right shall be evidenced by an Evidence of Award, which shall describe such Appreciation Right, identify any related Option Right, state that such Appreciation Right is subject to all the terms and conditions of this Plan, and contain such other terms and provisions, consistent with this Plan and applicable sections of the Code, as the Board may approve.

(v) Any grant may provide for the payment to the Participant of dividend equivalents thereon in cash or Common Shares on a current, deferred or contingent basis.

c. Any grant of Tandem Appreciation Rights shall provide that such Rights may be exercised only at a time when the related Option Right is also exercisable and at a time when the Spread is positive, and by surrender of the related Option Right for cancellation.

d. Regarding Free-Standing Appreciation Rights only:

(i) Each grant shall specify in respect of each Free-Standing Appreciation Right a Base Price, which shall not be less than the Market Value per Share on the Date of Grant;

(ii) Successive grants may be made to the same Participant regardless of whether any Free-Standing Appreciation Rights previously granted to the Participant remain unexercised; and

(iii) No Free-Standing Appreciation Right granted under this Plan may be exercised more than 10 years from the Date of Grant.

e. Any grant of Appreciation Rights may specify Management Objectives that must be achieved as a condition to exercise such rights.

6. *Performance Units and Performance Shares.* The Board may also authorize the granting to Participants of Performance Units and Performance Shares that will become payable (or payable early) to a

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Participant upon achievement of specified Management Objectives. Each such grant may utilize any or all of the authorizations, and shall be subject to all of the limitations, contained in the following provisions:

a. Each grant shall specify the number of Performance Units or Performance Shares to which it pertains, which number may be subject to adjustment to reflect changes in compensation or other factors; provided, however, that no such adjustment shall be made in the case of a Covered Employee where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Code.

b. The Performance Period with respect to each Performance Unit or Performance Share shall be such period of time commencing with the Date of Grant as shall be determined by the Board at the time of grant. Each grant may provide for the earlier lapse or other modification of such Performance Period in the event of a Change in Control, retirement, or death or disability of the Participant or other similar transaction or event as approved by the Board.

c. Any grant of Performance Units or Performance Shares shall specify Management Objectives which, if achieved, will result in payment or early payment of the award, and each grant may specify in respect of such specified Management Objectives a minimum acceptable level of achievement and shall set forth a formula for determining the number of Performance Units or Performance Shares that will be earned if performance is at or above the minimum level, but falls short of full achievement of the specified Management Objectives. The grant of Performance Units or Performance Shares shall specify that, before the Performance Shares or Performance Units shall be earned and paid, the Board must determine that the Management Objectives have been satisfied.

d. Each grant shall specify the time and manner of payment of Performance Units or Performance Shares that have been earned. Any grant may specify that the amount payable with respect thereto may be paid by the Company to the Participant in cash, in Common Shares or in any combination thereof, and may either grant to the Participant or retain in the Board the right to elect among those alternatives.

e. Any grant of Performance Units may specify that the amount payable or the number of Common Shares issued with respect thereto may not exceed maximums specified by the Board at the Date of Grant. Any grant of Performance Shares may specify that the amount payable with respect thereto may not exceed a maximum specified by the Board at the Date of Grant.

f. Each grant of Performance Units or Performance Shares shall be evidenced by an Evidence of Award, which shall contain such terms and provisions, consistent with this Plan and applicable sections of the Code, as the Board may approve.

g. The Board may, at the Date of Grant of Performance Shares, provide for the payment of dividend equivalents to the holder thereof on either a current or deferred or contingent basis, either in cash or in additional Common Shares.

7. *Restricted Shares.* The Board may also authorize the grant or sale of Restricted Shares to Participants. Each such grant or sale may utilize any or all of the authorizations, and shall be subject to all of the limitations, contained in the following provisions:

a. Each such grant or sale shall constitute an immediate transfer of the ownership of Common Shares to the Participant in consideration of the performance of services, entitling such Participant to voting, dividend and other ownership rights (unless otherwise determined by the Board), but subject to the substantial risk of forfeiture and restrictions on transfer hereinafter referred to.

b. Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than Market Value per Share at the Date of Grant.

c. Each such grant or sale shall provide that the Restricted Shares covered by such grant or sale shall be subject to a "substantial risk of forfeiture" within the meaning of Section 83 of the Code for a period to be determined by the Board at the Date of Grant and may provide for the earlier lapse of such

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substantial risk of forfeiture in the event of a Change in Control, retirement, or death or disability of the Participant or other similar transaction or event as approved by the Board.

d. Each such grant or sale shall provide that during the period for which such substantial risk of forfeiture is to continue, the transferability of the Restricted Shares shall be prohibited or restricted in the manner and to the extent prescribed by the Board at the Date of Grant (which restrictions may include, without limitation, rights of repurchase or first refusal in the Company or provisions subjecting the Restricted Shares to a continuing substantial risk of forfeiture in the hands of any transferee).

e. Any grant of Restricted Shares may specify Management Objectives that, if achieved, will result in termination or early termination of the restrictions applicable to such shares. Each grant may specify in respect of such Management Objectives a minimum acceptable level of achievement and may set forth a formula for determining the number of Restricted Shares on which restrictions will terminate if performance is at or above the minimum level, but falls short of full achievement of the specified Management Objectives.

f. Any such grant or sale of Restricted Shares may require that any or all dividends or other distributions paid thereon during the period of such restrictions be automatically deferred and reinvested in additional Restricted Shares, which may be subject to the same restrictions as the underlying award.

g. Each grant or sale of Restricted Shares shall be evidenced by an Evidence of Award, which shall contain such terms and provisions, consistent with this Plan and applicable sections of the Code, as the Board may approve. Unless otherwise directed by the Board, all certificates representing Restricted Shares shall be held in custody by the Company until all restrictions thereon shall have lapsed, together with a stock power or powers executed by the Participant in whose name such certificates are registered, endorsed in blank and covering such Shares.

8. *Restricted Stock Units.* The Board may also authorize the grant or sale of Restricted Stock Units to Participants. Each such grant or sale may utilize any or all of the authorizations, and shall be subject to all of the requirements contained in the following provisions:

a. Each such grant or sale shall constitute the agreement by the Company to deliver Common Shares to the Participant in the future in consideration of the performance of services, but subject to the fulfillment of such conditions during the Restriction Period as the Board may specify.

b. Each such grant or sale may be made without additional consideration or in consideration of a payment by such Participant that is less than the Market Value per Share at the Date of Grant.

c. Each such grant or sale shall be subject to a Restriction Period as determined by the Board at the Date of Grant, and may provide for the earlier lapse or other modification of such Restriction Period in the event of a Change in Control, retirement, or death or disability of the Participant or other similar transaction or event as approved by the Board.

d. During the Restriction Period, the Participant shall have no right to transfer any rights under his or her award and shall have no rights of ownership in the Restricted Stock Units and shall have no right to vote them, but the Board may, at the Date of Grant, authorize the payment of dividend equivalents on such Restricted Stock Units on either a current or deferred or contingent basis, either in cash or in additional Common Shares.

e. Each grant or sale of Restricted Stock Units shall be evidenced by an Evidence of Award, which shall contain such terms and provisions, consistent with this Plan and applicable sections of the Code, as the Board may approve.

9. *Awards to Non-Employee Directors.* The Board may, from time to time and upon such terms and conditions as it may determine, authorize the granting to Non-Employee Directors of Option Rights under Section 4 of this Plan or Appreciation Rights under Section 5 of this Plan, and may also authorize the grant or sale of Restricted Shares under Section 7 of this Plan, Restricted Stock Units under Section 8 of this Plan or other awards under Section 10 of this Plan, or any combination of the foregoing.

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10. *Other Awards.*

a. The Board is authorized, subject to limitations under applicable law, to grant to any Participant such other awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on, or related to, Common Shares or factors that may influence the value of Common Shares, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Common Shares, purchase rights for Common Shares, awards with value and payment contingent upon performance of the Company or business units thereof or any other factors designated by the Board, and awards valued by reference to the book value of Common Shares or the value of securities of, or the performance of specified Subsidiaries or affiliates or other business units of, the Company. The Board shall determine the terms and conditions of such awards. Common Shares delivered pursuant to an award in the nature of a purchase right granted under this Section 10 shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Common Shares, other awards, notes or other property, as the Board shall determine.

b. Cash awards, as an element of or supplement to any other award granted under this Plan, may also be granted pursuant to this Section 10 of this Plan.

c. The Board is authorized to grant Common Shares as a bonus, or to grant Common Shares or other awards in lieu of obligations of the Company or a Subsidiary to pay cash or deliver other property under the Plan or under other plans or compensatory arrangements, subject to such terms as shall be determined by the Board.

11. *Transferability.*

a. Except as otherwise determined by the Board, no Option Right, Appreciation Right or other derivative security granted under the Plan shall be transferable by a Participant other than by will or the laws of descent and distribution. Except as otherwise determined by the Board, Option Rights and Appreciation Rights shall be exercisable during the Optionee's lifetime only by him or her or by his or her guardian or legal representative.

b. The Board may specify at the Date of Grant that part or all of the Common Shares that are (i) to be issued or transferred by the Company upon the exercise of Option Rights or Appreciation Rights, upon the termination of the Restriction Period applicable to Restricted Stock Units or upon payment under any grant of Performance Units or Performance Shares or (ii) no longer subject to the substantial risk of forfeiture and restrictions on transfer referred to in Section 7 of this Plan, shall be subject to further restrictions on transfer.

12. *Adjustments.* The Board may make or provide for such adjustments in the numbers of Common Shares covered by outstanding Option Rights, Appreciation Rights, Performance Shares, Restricted Stock Units and share-based awards described in Section 10 of this Plan granted hereunder, in the Option Price and Base Price provided in outstanding Option Rights and Appreciation Rights, and in the kind of shares covered thereby, as the Board, in its sole discretion, exercised in good faith, may determine is equitably required to prevent dilution or enlargement of the rights of Participants or Optionees that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, or (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets (including, without limitation, a special or large non-recurring dividend), issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing. Moreover, in the event of any such transaction or event, the Board, in its discretion, may provide in substitution for any or all outstanding awards under this Plan such alternative consideration (including cash) as it, in good faith, may determine to be equitable in the circumstances and may require in connection therewith the surrender of all awards so replaced. The Board may also make or provide for such adjustments in the numbers of shares specified in Section 3 of this Plan as the Board in its sole discretion, exercised in good faith, may determine is appropriate to reflect any transaction or event described in this Section 12; provided, however, that any such adjustment to

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the number specified in Section 3(c)(i) shall be made only if and to the extent that such adjustment would not cause any Option intended to qualify as an Incentive Stock Option to fail so to qualify.

13. *Fractional Shares.* The Company shall not be required to issue any fractional Common Shares pursuant to this Plan. The Board may provide for the elimination of fractions or for the settlement of fractions in cash.

14. *Withholding Taxes.* The Company shall have the right to deduct from any payment or benefit realized under this Plan an amount equal to the federal, state, local, foreign and other taxes which in the opinion of the Company are required to be withheld by it with respect to such payment or benefit. To the extent that the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of such payment or the realization of such benefit that the Participant or other recipient make arrangements satisfactory to the Company for payment of the balance of such taxes required to be withheld. At the discretion of the Board, such arrangements may include relinquishment of a portion of such benefit pursuant to procedures adopted by the Board from time to time. The Company and a Participant or such other recipient may also make similar arrangements with respect to the payment of any taxes with respect to which withholding is not required.

15. *Foreign Employees.* In order to facilitate the making of any grant or combination of grants under this Plan, the Board may provide for such special terms for awards to Participants who are foreign nationals or who are employed by the Company or any Subsidiary outside of the United States of America as the Board may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. Moreover, the Board may approve such supplements to or amendments, restatements or alternative versions of this Plan as it may consider necessary or appropriate for such purposes, without thereby affecting the terms of this Plan as in effect for any other purpose, and the Corporate Secretary or other appropriate officer of the Company may certify any such document as having been approved and adopted in the same manner as this Plan. No such special terms, supplements, amendments or restatements, however, shall include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Company.

16. *Administration of the Plan.*

a. This Plan shall be administered by the Board, which may from time to time delegate all or any part of its authority under this Plan to the Compensation Committee (or a subcommittee thereof), or such other committee as designated by the Board performing similar functions as required by the listing standards of the New York Stock Exchange, as constituted from time to time. To the extent of any such delegation, references in this Plan to the Board shall be deemed to be references to any such committee or subcommittee. A majority of the committee (or subcommittee) shall constitute a quorum, and the action of the members of the committee (or subcommittee) present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the committee (or subcommittee).

b. The interpretation and construction by the Board of any provision of this Plan or of any Evidence of Award and any determination by the Board pursuant to any provision of this Plan or of any such Evidence of Award shall be final and conclusive. No member of the Board shall be liable for any such action or determination made in good faith.

c. To the extent permitted by applicable law, the Board or, to the extent of any delegation as provided in Section 16(a), the committee, may delegate to one or more of its members or to one or more officers of the Company, or to one or more agents or advisors, such administrative duties or powers as it may deem advisable, and the Board, the committee, or any person to whom duties or powers have been delegated as aforesaid, may employ one or more persons to render advice with respect to any responsibility the Board, the committee or such person may have under the Plan. To the extent permitted by applicable law, the Board or the committee may, by resolution, authorize one or more officers of the Company to do one or both of the following on the same basis as the Board or the committee: (i) designate employees to be recipients of awards under this Plan; (ii) determine the size of any such awards; provided, however, that (A) the Board or the committee shall not delegate such responsibilities

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to any such officer for awards granted to an employee who is an officer, Director, or more than 10% beneficial owner of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Board in accordance with Section 16 of the Exchange Act; (B) the resolution providing for such authorization sets forth the total number of Common Shares such officer(s) may grant; and (iii) the officer(s) shall report periodically to the Board or the committee, as the case may be, regarding the nature and scope of the awards granted pursuant to the authority delegated.

17. Amendments and Other Matters.

a. The Board may at any time and from time to time amend the Plan in whole or in part; provided, however, that any amendment which must be approved by the stockholders of the Company in order to comply with applicable law or the rules of the New York Stock Exchange or, if the Common Shares are not traded on the New York Stock Exchange, the principal national securities exchange upon which the Common Shares are traded or quoted, shall not be effective unless and until such approval has been obtained. Presentation of this Plan or any amendment thereof for stockholder approval shall not be construed to limit the Company's authority to offer similar or dissimilar benefits under other plans or otherwise with or without stockholder approval. Without limiting the generality of the foregoing, the Board may amend this Plan to eliminate provisions which are no longer necessary as a result in changes in tax or securities laws or regulations, or in the interpretation thereof.

b. The Board shall not, without the further approval of the stockholders of the Company, authorize the amendment of any outstanding Option Right or Appreciation Right to reduce the Option Price or Base Price. Furthermore, no Option Right or Appreciation Right shall be cancelled and replaced with awards having a lower Option Price or Base Price, respectively, without further approval of the stockholders of the Company. This Section 17(b) is intended to prohibit the repricing of "underwater" Option Rights and Appreciation Rights and shall not be construed to prohibit the adjustments provided for in Section 12 of this Plan.

c. The Board also may permit Participants to elect to defer the issuance of Common Shares or the settlement of awards in cash under the Plan pursuant to such rules, procedures or programs as it may establish for purposes of this Plan. The Board also may provide that deferred issuances and settlements include the payment or crediting of dividend equivalents or interest on the deferral amounts.

d. The Board may condition the grant of any award or combination of awards authorized under this Plan on the deferral by the Participant of his or her right to receive a cash bonus or other compensation otherwise payable by the Company or a Subsidiary to the Participant.

e. If permitted by Section 409A of the Code, in case of termination of employment by reason of death, disability or normal or early retirement, or in the case of hardship or other special circumstances, of a Participant who holds an Option Right or Appreciation Right not immediately exercisable in full, or any Restricted Shares as to which the substantial risk of forfeiture or the prohibition or restriction on transfer has not lapsed, or any Restricted Stock Units as to which the Restriction Period has not been completed, or any Performance Shares or Performance Units which have not been fully earned, or any other awards made pursuant to Section 10 subject to any vesting schedule or transfer restriction, or who holds Common Shares subject to any transfer restriction imposed pursuant to Section 11(b) of this Plan, the Board may, in its sole discretion, accelerate the time at which such Option Right, Appreciation Right or other award may be exercised or the time at which such substantial risk of forfeiture or prohibition or restriction on transfer will lapse or the time when such Restriction Period will end or the time at which such Performance Shares or Performance Units will be deemed to have been fully earned or the time when such transfer restriction will terminate or may waive any other limitation or requirement under any such award.

f. This Plan shall not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor shall it interfere in any way with

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any right the Company or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time.

g. To the extent that any provision of this Plan would prevent any Option Right that was intended to qualify as an Incentive Stock Option from qualifying as such, that provision shall be null and void with respect to such Option Right. Such provision, however, shall remain in effect for other Option Rights and there shall be no further effect on any provision of this Plan.

h. Subject to Section 20, this Plan shall continue in effect until the date on which all Common Shares available for issuance or transfer under this Plan have been issued or transferred and the Company has no further obligation hereunder.

i. Neither a Participant nor any other person shall, by reason of participation in the Plan, acquire any right or title to any assets, funds or property of the Company or any Subsidiary, including without limitation, any specific funds, assets or other property which the Company or any Subsidiary may set aside in anticipation of any liability under the Plan. A Participant shall have only a contractual right to an award or the amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Subsidiary, and nothing contained in the Plan shall constitute a guarantee that the assets of the Company or any Subsidiary shall be sufficient to pay any benefits to any person.

j. This Plan and each Evidence of Award shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

k. If any provision of the Plan is or becomes invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any award under any law deemed applicable by the Board, such provision shall be construed or deemed amended or limited in scope to conform to applicable laws or, in the discretion of the Board, it shall be stricken and the remainder of the Plan shall remain in full force and effect.

18. *Compliance with Section 409A of the Code.* To the extent applicable, it is intended that this Plan and any grants made hereunder comply with the provisions of Section 409A of the Code. The Plan and any grants made hereunder shall be administrated in a manner consistent with this intent, and any provision that would cause the Plan or any grant made hereunder to fail to satisfy Section 409A of the Code shall have no force and effect until amended to comply with Section 409A of the Code (which amendment may be retroactive to the extent permitted by Section 409A of the Code and may be made by the Company without the consent of Participants). Any reference in this Plan to Section 409A of the Code will also include any proposed, temporary or final regulations, or any other guidance, promulgated with respect to such Section by the U.S. Department of the Treasury or the Internal Revenue Service.

19. *Applicable Laws.* The obligations of the Company with respect to awards under the Plan shall be subject to all Applicable Laws and such approvals by any governmental agencies as the Board determines may be required.

20. *Termination.* No grant shall be made under this Plan more than 10 years after the date on which this Plan is first approved by the Board, but all grants effective on or prior to such date shall continue in effect thereafter subject to the terms thereof and of this Plan.

END OF DOCUMENT

G-12

VALOR AUDIT COMMITTEE CHARTER



Valor Communications Group, Inc.

AUDIT COMMITTEE CHARTER

This Audit Committee Charter was adopted by the Board of Directors (the "Board") of Valor Communications Group, Inc. (the "Company") on February 8, 2005 and replaces any charter previously used by the committee.

Mandate

The Audit Committee (the "Committee") assists the Board in its oversight responsibilities relating to financial matters including:

- (i) the integrity of the Company's financial statements;
- (ii) the independent auditor's qualifications and independence;
- (iii) the performance of the Company's internal audit function and independent auditors;
- (iv) the Company's compliance with legal and regulatory requirements; and
- (v) the preparation of an audit committee report as required by the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.

In discharging its responsibilities, the Committee is not itself responsible for the planning or conduct of audits, or for any determination that the Company's financial statements and disclosures are complete and accurate or are in accordance with generally accepted accounting principles ("GAAP") and applicable rules and regulations. This is the responsibility of the Company's management, internal auditor (or others responsible for the internal audit function, including contracted non-employee or audit or accounting firms engaged to provide internal audit services) (the "internal auditor") and the Company's independent auditor.

Notwithstanding any thing to the contrary contained in this charter, the Company's independent auditor is ultimately accountable to the Committee and the Board. The Committee and the Board have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the Company's independent auditor (or, as and when applicable, to nominate the independent auditor to be proposed for approval in any proxy statement of the Company).

Organization

Committee Members

The Committee shall be comprised of no less than three, but no more than five, directors. The members and the Chair of the Committee shall be appointed by the full Board on an annual basis and may be re-appointed or replaced at the Board's discretion at any time.

Qualifications

Each Committee member shall be financially literate, as determined by the Board in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Committee. At least one member of the Committee shall have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment. In addition, at least one member of the Committee shall be an "audit committee financial expert" as defined in Item 401(h) of

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Regulation S-K; provided that if no member of the Committee is an “audit committee financial expert,” then the Company shall disclose in its periodic reports filed with the SEC pursuant to the Securities Exchange Act of 1934 (the “Exchange Act”) the reasons why at least one member of the Committee is not an “audit committee financial expert.” A determination by the Board that a member of the Committee is an audit committee financial expert shall constitute a determination by the Board that such member has accounting or related financial management expertise.

Independence

Each Committee member shall satisfy the independence requirements of the New York Stock Exchange Listed Company Manual Sections 303 and 303A and Exchange Act Rule 10A-3, unless the Company avails itself of any applicable exemption allowed under such rules and regulations. The Company shall make any required disclosures relating to the use of any such exemptions.

Other Service

No Committee member may serve on the audit committee of more than three public companies unless the Board has determined that such simultaneous service would not impair the ability of such member to serve effectively on the Committee. Any such determination shall be disclosed in the Company’s annual proxy statement or annual report.

Committee Meetings

The Chair of the Committee shall be responsible for calling meetings of the Committee, developing the meeting agenda, providing reading materials to Committee members relative to agenda items and chairing the meetings.

The Committee shall meet at least four times a year. Meetings may be in person or by conference call. A majority of the Committee members must be in attendance for a quorum. The Committee may also act by unanimous written consent. The Committee shall keep minutes of its meetings and report regularly to the full Board on the Committee’s activities. Such reports shall include, without limitation, the minutes as required hereunder and a review of any issues that arise with respect to the quality or integrity of the Company’s financial statements, the Company’s compliance with legal or regulatory requirements, the performance and independence of the Company’s independent auditors, or the performance of the internal audit function.

Separate Meetings

The Committee shall meet separately, periodically, with management, with internal auditor (or other personnel responsible for the internal audit function) and independent auditor.

Professional Advisors

The Committee shall have the sole authority to retain any independent counsel, experts or other advisors (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate to carry out its duties. The Committee may also use the services of the Company’s legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company, (ii) compensation to any advisors employed by the Committee and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Investigations

The Committee is empowered to conduct its own investigations into issues related to its responsibilities.

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Responsibilities

Independent Auditors

Appointment and Oversight of Independent Auditor

The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between Company management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company, and each such registered public accounting firm shall report directly to the Committee.

Appointment and Oversight of Additional Audit Firm

The Committee shall be directly responsible for the appointment, compensation, retention and oversight work of any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attestation services for the Company and such firm shall also report directly to the Committee.

Preapproval of Services

Before the Company's independent auditing firm is engaged by the Company or its subsidiaries to render audit or non-audit services, the Committee shall pre-approve the engagement. The Committee may delegate to one or more members of the Committee the authority to grant preapprovals, provided such approvals are presented to the Committee at the next scheduled Committee meeting.

- (i) Committee preapproval of audit and non-audit services will not be required if the engagement for the services is entered into pursuant to preapproval policies and procedures established by the Committee regarding the Company's engagement of the independent auditing firm; provided the policies and procedures are detailed as to the particular service, the Committee is informed of each service provided and such policies and procedures do not include delegation of the Committee's responsibilities under the Exchange Act to the Company's management.
- (ii) Committee preapproval of non-audit services (other than review and attestation services) also will not be required if such services fall within an available exception established by the SEC.

Independence

The Committee shall, at least annually, evaluate the independent auditor's qualifications, performance and independence. In making its evaluation, the Committee should take into account the opinions of management and the Company's internal auditors (or other personnel responsible for the audit function). The Committee shall present its conclusions with respect to the independent auditor to the full Board. In conducting its evaluation the Committee shall take the following steps:

- (i) the Committee shall obtain and review a report prepared by the independent auditor describing (a) the independent auditing firm's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditing firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditing firm, and any steps taken to deal with any such issues and (c) to assess the independent auditing firm's independence, all relationships between the independent auditor and the Company;
- (ii) the Committee shall obtain and review a formal written statement prepared by the independent auditor describing the fees billed in each of the last two fiscal years in each of the categories required to be disclosed in the Company's annual proxy statement;
- (iii) the Committee shall (a) actively engage in dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor from the Company, and obtain, (b) review on a periodic basis a formal written statement prepared by the independent auditor delineating all relationships between the indepen-

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dent auditor and the Company, consistent with Independence Standards Board Standard 1, and (c) recommend that the Board take appropriate action in response to the independent auditor's report as may be necessary or advisable to comply with applicable rules and regulations;

- (iv) the Committee shall review and evaluate the qualifications, performance and independence of the independent auditing firm, including without limitation a review and evaluation of the lead partner of the independent auditor;
- (v) the Committee, in addition to assuring the regular rotation of the lead audit partner as required by law, shall consider whether, in order to assure continuing auditor independence, the Company should adopt a regular rotation of the independent audit firm; and
- (vi) the Committee shall, if applicable, consider whether the independent auditor's provision of any permitted non-audit services to the Company is compatible with maintaining the independence of the independent auditor.

Financial Statements and Disclosures

Audit Resources

In connection with each annual audit, the Committee shall discuss with management, the independent auditor and the internal auditor the overall scope and plans for such audits, including the adequacy of staffing and other factors that may affect the effectiveness and timeliness of such audits.

Audit Principles

The Committee shall review and discuss with management and the independent auditor: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements; (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements and (iv) management's and/or the independent auditor's judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the financial statements and the adequacy of internal controls.

Review of Reports

The Committee shall review and discuss the Company's annual audited financial statements and quarterly financial statements with management and the independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Communication with Independent Auditors

- (i) The Committee shall discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, "Communication with Audit Committees," as then in effect.
- (ii) The Committee shall regularly review with the independent auditor any problems or difficulties the independent auditor may have encountered during the course of audit work, including any restrictions imposed on the scope of activities or access to requested information, any significant disagreements with management, and management's responses to such matters. Among the items that the Committee should consider reviewing with the independent auditor are: (a) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise); (b) any communications between the independent audit team and the independent auditing firm's national office respecting auditing or accounting issues presented by the engagement; and (c) any "management" or "internal control" letter issued, or proposed to be issued, by the

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independent auditing firm to the Company. The review should also include discussion of the responsibilities, budget and staffing of the Company's internal audit function.

Review of Independent Auditor Report to Audit Committee

The Committee shall review the report that any registered public accounting firm is required to make to the Committee regarding: (i) all critical accounting policies and practices to be used; (ii) all alternative treatments within GAAP that have been discussed among Company management and the registered public accounting firm, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the registered public accounting firm; and (iii) all other material written communications between the registered public accounting firm and Company management, such as any management letter, management representation letter, reports on observations and recommendations on internal controls, independent auditor's engagement letter, independent auditor's independence letter, schedule of unadjusted differences or a listing of adjustments and reclassifications not recorded.

Recommendation to Include Financial Statements in Annual Report

The Committee shall, based on its review and discussions outlined in paragraphs above, determine whether to recommend to the Board that the audited financial statements be included in the Company's annual report.

Internal Audit Function

The Company shall maintain an internal audit function to provide management and the Committee with ongoing assessments of the Company's risk management and system of internal control. The Committee shall meet periodically with the Company's internal auditor (or others responsible for the internal audit function, including contracted non-employee or audit or accounting firms engaged to provide internal audit services) to discuss the responsibilities, budget and staffing of the Company's internal audit function and any issues that the internal auditor believes warrant attention of the Committee or the Board of Directors.

Compliance Oversight

Risk Management

The Committee shall discuss with management and the independent auditor the Company's policies with respect to risk assessment and risk management, the Company's major financial risk exposures and the steps management has taken to limit, monitor and control such exposures. While the Committee is not required to be the sole body responsible for risk assessment and management, the Committee must discuss guidelines and policies to govern the process by which risk assessment and management is undertaken.

Communication with Board

The Committee shall report regularly to, and review with, the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, the performance of the Company's internal audit function or any other matter the Committee determines is necessary or advisable to report to the Board.

Hiring Practices

The Committee shall approve guidelines for the Company's hiring of employees or former employees of the independent auditing firm.

10A(b) Implications

The Committee shall obtain from the independent auditor assurances that the independent auditor is not aware of any matters required to be reported under Section 10A(b) of the Exchange Act.

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Whistleblower Procedures

The Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Press Releases and Analyst Communications

The Committee shall discuss with management and the independent auditor the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee shall also review the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information. The Committee's discussion in this regard may be general in nature (i.e., discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.

Disclosure Controls and Procedures

The Committee shall review with the Chief Executive Officer, Chief Legal Officer and the Chief Financial Officer the Company's disclosure controls and procedures and review periodically management's conclusions about the efficacy of such disclosure controls and procedures.

Preparation of Audit Committee Report

The Committee shall provide the full Board with the report of the Committee with respect to the audited financial statements for inclusion in each of the Company's annual proxy statements.

Attorney Reporting

The Committee shall review and discuss any reports concerning material violations submitted to the Committee by the Company's attorneys pursuant to SEC attorney professional responsibility rules or otherwise.

Committee Self-Assessment

The Committee is responsible for developing and conducting an annual self-assessment of its performance. The Committee will work with the Nomination and Governance Committee to design and coordinate the annual self-assessment in conjunction with the overall Board assessment process. The Committee shall report to the full Board on the results of its assessment each year and shall make any appropriate recommendations to further enhance the Committee's performance.

Other Matters

The Committee shall also fulfill any other responsibilities that may be assigned to the Committee by the Board from time to time.

Charter Modifications/ Updating

The Committee shall review and reassess the adequacy of this charter on an annual basis, and may recommend to the Board from time to time any proposed changes to the charter and to any other documents related to the responsibilities of the Committee.

PART II — INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. *Indemnification of Directors and Officers.*

The DGCL permits a Delaware corporation to indemnify directors, officers, employees, and agents under some circumstances, and mandates indemnification under certain limited circumstances. The DGCL permits a corporation to indemnify a director, officer, employee, or agent for expenses actually and reasonably incurred, as well as fines, judgments and amounts paid in settlement in the context of actions other than derivative actions, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation. Indemnification against expenses incurred by a present or former director or officer in connection with his defense of a proceeding against such person for actions in such capacity is mandatory to the extent that such person has been successful on the merits. The DGCL grants express power to a Delaware corporation to purchase liability insurance for its directors, officers, employees, and agents, regardless of whether any such person is otherwise eligible for indemnification by the corporation. Advancement of expenses to directors and officers is permitted, but a person receiving such advances must repay those expenses if it is ultimately determined that he is not entitled to indemnification.

The Amended and Restated Certificate of Incorporation of Valor Communications Group, Inc. (the "Certificate") provides for indemnification of directors and officers to the fullest extent permitted by the DGCL, as amended from time to time. Under the Certificate, any expansion of the protection afforded directors or officers by the DGCL will automatically extend to Valor's directors and officers, as the case may be.

Article Eight of the Certificate also requires Valor, to the fullest extent expressly authorized by Section 145 of the DGCL, to advance expenses incurred by a director or officer in a legal proceeding prior to final disposition of the proceeding.

In addition, as permitted under the DGCL, Valor has entered into indemnity agreements with its directors and officers. Under the indemnity agreements, Valor will indemnify its directors and officers to the fullest extent permitted or authorized by the DGCL, as it may from time to time be amended, or by any other statutory provisions authorizing or permitting such indemnification. Under the terms of Valor's directors and officers' liability and company reimbursement insurance policy, directors and officers of Valor are insured against certain liabilities, including liabilities arising under the Securities Act of 1933. Valor will indemnify such directors and officers under the indemnity agreements from all losses arising out of claims made against them, except those based upon illegal personal profit, recovery of short-swing profits, or dishonesty; provided, however, that Valor's obligations will be satisfied to the extent of any reimbursement under such insurance.

Item 21. *Exhibits and Financial Statements*

- 2.1 Agreement and Plan of Merger, dated as of December 8, 2005, by and among Alltel Corporation, Alltel Holding Corp. and Valor Communications Group, Inc. (included as Annex A to the Proxy Statement/Prospectus-Information Statement forming a part of this registration statement). Pursuant to Item 601(b)(2) of Regulation S-K, certain schedules, exhibits and similar attachments to this Agreement have not been filed with this exhibit. The schedules contain various items relating to the assets of the business being acquired and the representations and warranties made by the parties to the Agreement. The Registrant agrees to furnish supplementally any omitted schedule, exhibit or similar attachment to the SEC upon request.
- 2.2 List of exhibits and schedules to Agreement and Plan of Merger.
- 3.1 Form of Amended and Restated Certificate of Incorporation of Newco (attached as Annex E to the proxy statement/prospectus-information statement which is a part of this Registration Statement)
- 3.3 Form of Amended and Restated Bylaws of Newco (attached as Annex F to the proxy statement/prospectus-information statement which is a part of this Registration Statement)
- 4.1 Form of Amended Securityholders' Agreement by and among Valor Communications Group, Inc., Welsh, Carson, Anderson & Stowe and certain individuals affiliated therewith, Vestar Capital Partners and individuals affiliated therewith, and certain of other stockholders of Valor.*
- 5.1 Opinion of Kirkland & Ellis LLP as to the legality of the securities to be issued*

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8.1	Opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding certain Federal income tax matters*
8.2	Opinion of Kirkland & Ellis LLP regarding certain Federal income tax matters*
10.1	Distribution Agreement, dated as of December 8, 2005, between Alltel Corporation and Alltel Holding Corp. (attached as Annex B to the proxy statement/ prospectus-information statement which is a part of this Registration Statement)
10.2	Employee Benefits Agreement, dated as of December 8, 2005, between Alltel Corporation and Alltel Holding Corp.
10.3	Form of Tax Sharing Agreement among Alltel Corporation, Alltel Holding Corp. and Valor Communications Group, Inc.
10.4	Form of Transition Services Agreement among Alltel Corporation and Alltel Holding Corp.
10.5	Form of Reverse Transition Services Agreement between Alltel Corporation and Alltel Holding Corp.
21.1	Subsidiaries of the Registrant
23.1	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm of the wireline division of Alltel Corporation
23.2	Consent of Deloitte & Touche LLP, independent registered public accounting firm of Valor Communications Group, Inc.
23.3	Consent of Kirkland & Ellis LLP (included in Exhibit 5.1)*
23.4	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 8.1)*
23.5	Consent of Kirkland & Ellis LLP (included in Exhibit 8.2)*
24.1	Powers of Attorney
99.1	Voting Agreement, dated as of December 8, 2005, between Alltel Corporation and certain stockholders of Valor Communications Group, Inc. named therein. (included as Annex C to the proxy statement/ prospectus-information statement forming a part of this registration statement)
99.2	Form of Proxy Card of Valor Communications Group, Inc.*
99.3	Consent of Wachovia Securities
99.4	Consent of Bear, Stearns & Co. Inc.

* To be filed by amendment

Item 22. Undertakings.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

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Provided, however, that paragraphs (1)(i), (1)(ii) and (1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(5) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(A) Each prospectus filed by a Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(B) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(6) That, for the purpose of determining liability of the Registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(A) Any preliminary prospectus or prospectus of an undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;

(B) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned Registrant or used or referred to by the undersigned Registrant;

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(C) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and

(D) Any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

(7) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(8) The undersigned Registrant hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(9) The undersigned Registrant hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Irving, State of Texas, on the 27th day of February, 2006.

VALOR COMMUNICATIONS GROUP, INC.

/s/ John J. Mueller

Name: John J. Mueller

Title: President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement on Form S-4 has been signed by the following persons in the capacities indicated on February 27, 2006.

<u>Signature</u>	<u>Title</u>
/s/ John J. Mueller	President and Chief Executive Officer, Director (Principal Executive Officer)
John J. Mueller	
/s/ Jerry E. Vaughn	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
Jerry E. Vaughn	
/s/ Randal S. Dumas	Vice President — Accounting and Controller (Principal Accounting Officer)
Randal S. Dumas	
/s/ Anthony J. de Nicola	Chairman and Director
Anthony J. de Nicola	
/s/ Kenneth R. Cole	Vice Chairman and Director
Kenneth R. Cole	
/s/ Sanjay Swani	Director
Sanjay Swani	
/s/ Norman W. Alpert	Director
Norman W. Alpert	
/s/ Stephen Brodeur	Director
Stephen Brodeur	
/s/ Edward L. Lujan	Director
Edward L. Lujan	
/s/ M. Ann Padilla	Director
M. Ann Padilla	
/s/ Frederico Pena	Director
Frederico Pena	

/s/ Edward J. Heffernan

Director

Edward J. Heffernan

/s/ Michael Donovan

Director

Michael Donovan

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EXHIBIT INDEX

- 2.1 Agreement and Plan of Merger, dated as of December 8, 2005, by and among Alltel Corporation, Alltel Holding Corp. and Valor Communications Group, Inc. (included as Annex A to the Proxy Statement/ Prospectus–Information Statement forming a part of this registration statement). Pursuant to Item 601(b)(2) of Regulation S–K, certain schedules, exhibits and similar attachments to this Agreement have not been filed with this exhibit. The schedules contain various items relating to the assets of the business being acquired and the representations and warranties made by the parties to the Agreement. The Registrant agrees to furnish supplementally any omitted schedule, exhibit or similar attachment to the SEC upon request.
- 2.2 List of exhibits and schedules to Agreement and Plan of Merger.
- 3.1 Form of Amended and Restated Certificate of Incorporation of Newco (attached as Annex E to the proxy statement/ prospectus–information statement which is a part of this Registration Statement)
- 3.3 Form of Amended and Restated Bylaws of Newco (attached as Annex F to the proxy statement/ prospectus–information statement which is a part of this Registration Statement)
- 4.1 Form of Amended Securityholders’ Agreement by and among Valor Communications Group, Inc., Welsh, Carson, Anderson & Stowe and certain individuals affiliated therewith, Vestar Capital Partners and individuals affiliated therewith, and certain of other stockholders of Valor.*
- 5.1 Opinion of Kirkland & Ellis LLP as to the legality of the securities to be issued*
- 8.1 Opinion of Skadden, Arps, Slate, Meagher & Flom LLP regarding certain Federal income tax matters*
- 8.2 Opinion of Kirkland & Ellis LLP regarding certain Federal income tax matters*
- 10:1 Distribution Agreement, dated as of December 8, 2005, between Alltel Corporation and Alltel Holding Corp. (attached as Annex B to the proxy statement/ prospectus–information statement which is a part of this Registration Statement)
- 10.2 Employee Benefits Agreement, dated as of December 8, 2005, between Alltel Corporation and Alltel Holding Corp.
- 10.3 Form of Tax Sharing Agreement among Alltel Corporation, Alltel Holding Corp. and Valor Communications Group, Inc.
- 10.4 Form of Transition Services Agreement between Alltel Corporation and Alltel Holding Corp.
- 10.5 Form of Reverse Transition Services Agreement between Alltel Corporation and Alltel Holding Corp.
- 21.1 Subsidiaries of the Registrant
- 23.1 Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm of the wireline division of Alltel Corporation
- 23.2 Consent of Deloitte & Touche LLP, independent registered public accounting firm of Valor Communications Group, Inc.
- 23.3 Consent of Kirkland & Ellis LLP (included in Exhibit 5.1)*
- 23.4 Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 8.1)*
- 23.5 Consent of Kirkland & Ellis LLP (included in Exhibit 8.2)*
- 24.1 Powers of Attorney
- 99.1 Voting Agreement, dated as of December 8, 2005, between Alltel Corporation and certain stockholders of Valor Communications Group, Inc. named therein. (included as Annex C to the proxy statement/ prospectus–information statement forming a part of this registration statement)
- 99.2 Form of Proxy Card of Valor Communications Group, Inc.*
- 99.3 Consent of Wachovia Securities

99.4

Consent of Bear, Stearns & Co. Inc.

* To be filed by amendment

List of Schedules and Exhibits to Agreement and Plan of Merger

The following is a list of the subject matters of the exhibits and schedules to the merger agreement, which exhibits and schedules were both omitted from Exhibit 2.1 pursuant to Item 601(b)(2) of Regulation S-K.

(i) **Exhibits and Schedules to the Merger Agreement**

Exhibit A	—	Distribution Agreement
Exhibit B	—	Voting Agreement
Exhibit C	—	Amended and Restated Certificate of Incorporation of the Surviving Corporation
Exhibit D	—	Amended and Restated Bylaws of the Surviving Corporation
Exhibit E	—	Officers of Spinco
Exhibit F	—	Rule 145 Affiliate Agreement
Exhibit G	—	Terms of Company Securityholders Agreement Amendment

(ii) **List of Subject Matters under Valor Disclosure Schedule**

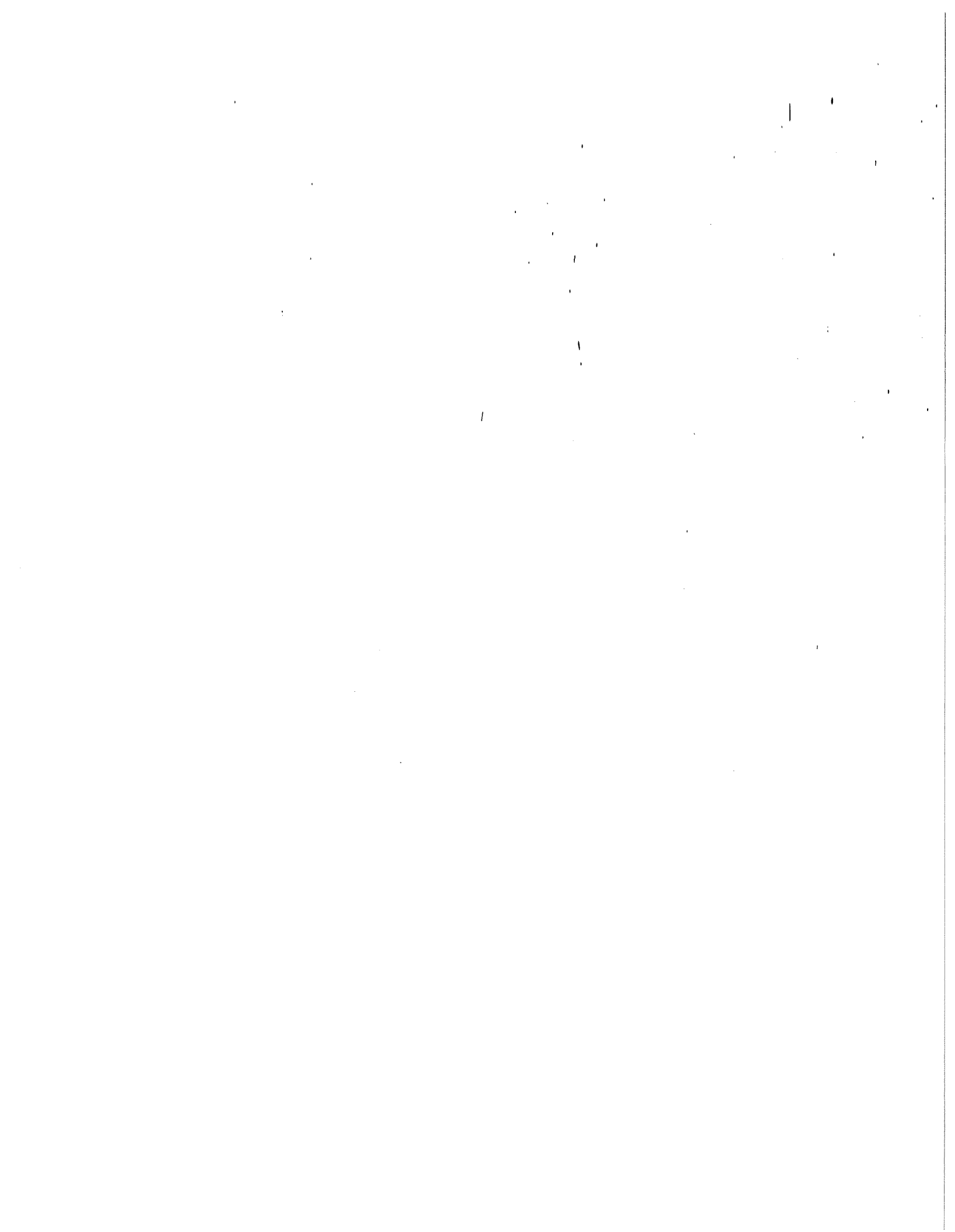
Section 7.1(b) — Company Subsidiaries
 Sections 7.2(c) — Grants of Equity Rights
 Sections 7.3 (c) — Company Approvals
 Section 7.4 — Company Undisclosed Liabilities
 Section 7.11 — Tax Jurisdictions
 Section 7.12 — Company Employee Benefit Plans
 Sections 7.12(b) — Underfunded ERISA Plans
 Section 7.13 — Company Collective Bargaining Agreements
 Sections 7.14 — Company Intellectual Property
 Section 7.15(e) — Company Regulatory Approvals
 Sections 7.17(a) — Company Owned Real Property
 Section 7.17 (b) — Company Leased Real Property
 Section 8.1(h) — Company Conduct of Business
 Sections 10.1(c) — Ownership of Alltel Company Securities

(iii) **List of Subject Matters under Alltel Disclosure Schedule**

Section 5.2(b) — Corporate Authority; No Violation
 Section 5.2(c) — Alltel Company Approvals
 Section 5.4 — Alltel Company Reports and Financial Statements

(iv) **List of Subject Matters under Spinco Disclosure Schedule**

Schedule 8.6(a) — Telecommunications Regulatory Consents
 Schedule 9.1(b) — Conditions to the Obligations of Spinco, Alltel, Merger Sub and the Company to Effect the Merger
 Section 6.1(b) — Organization, Qualification
 Section 6.3 — Corporate Authority; No Violation
 Section 6.3(d) — Spinco Approvals
 Section 6.4 — Financial Statements
 Section 6.5 — Absence of Changes or Events
 Section 6.6 — Investigations; Litigation
 Section 6.7 — Compliance with Laws
 Section 6.10 — Environmental Matters
 Section 6.11 — Tax Matters
 Section 6.12 — Benefit Plans
 Section 6.13 — Labor Matters
 Section 6.14 — Intellectual Property Matters
 Section 6.15 — Material Contracts
 Section 6.19(a) — Spinco Owned Real Property
 Section 6.19(b) — Spinco Leased Real Property
 Section 6.20 — Communications Regulatory Matters
 Section 8.2 — Conduct of Business by Spinco and Altell Pending the Merger
 Section 8.10(e) — Equity Awards to Transferred Employees
 Section 12.2 — Expenses



EMPLOYEE BENEFITS AGREEMENTBY AND BETWEENALLTEL CORPORATIONAND ALLTEL HOLDING CORP.DATED AS OF DECEMBER 8, 2005TABLE OF CONTENTS

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EMPLOYEE BENEFITS AGREEMENT

This EMPLOYEE BENEFITS AGREEMENT (this "Agreement"), dated as of December 8, 2005, is by and between Alltel Corporation, a Delaware corporation ("Alltel"), and Alltel Holding Corp., a newly formed Delaware corporation and a wholly owned subsidiary of Alltel ("Spinco").

RECITALS

WHEREAS, Alltel, Spinco and Valor Communications Group, Inc., a Delaware corporation (the "Company"), have entered into an Agreement and Plan of Merger, dated as of December 8, 2005 (the "Merger Agreement"), pursuant to which Spinco will merge with and into the Company, with the Company continuing as the surviving corporation (the "Merger");

WHEREAS, Alltel and Spinco have entered into a Distribution Agreement, dated as of December 8, 2005 (the "Distribution Agreement") setting forth certain transactions that are conditions to consummation of the Merger, including certain preliminary restructuring transactions whereby assets and liabilities predominately relating to or arising from the operation of Alltel's wireline communications business are transferred to Spinco or a Spinco Subsidiary; and

WHEREAS, pursuant to the Distribution Agreement, Alltel and Spinco have agreed to enter into this Agreement allocating assets, liabilities, and responsibilities with respect to certain employee benefit plans, policies, and compensation programs between them.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

1.01. Definitions. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

(a) Agreement. Agreement means this Employee Benefits Agreement, including all Schedules hereto.

(b) Alltel Wireless Individuals. Alltel Wireless Individuals means the employees, former employees, and the beneficiaries, dependents, alternate payees within the meaning of Section 206(d) of ERISA, and qualified beneficiaries within the meaning of Section 607 of ERISA thereof who are not Spinco Employees or Spinco Individuals.

(c) Beginning Date. Beginning Date means the date that the Distribution Agreement is entered into by Alltel and Spinco.

(d) Code. Code means the Internal Revenue Code of 1986, as amended.

(e) ERISA. ERISA means the Employee Retirement Income Security Act of 1974, as amended.

(f) FMLA. FMLA means the Family and Medical Leave Act of 1993, as amended.

(g) PBGC. PBGC means the Pension Benefit Guaranty Corporation or any successor thereto.

(h) Pension Transfer Date. Pension Transfer Date means the date on which the assets are transferred pursuant to Section 3.01(c) of the Agreement, which date shall be as soon as reasonably practicable after the establishment of the Spinco Pension Plan (as defined herein).

(i) Spinco Employees. Spinco Employees means the employees of AT Co. Group primarily engaged in the Spinco Business who are (1) transferred to or accept employment with Spinco, whether salaried or hourly and whether or not on vacation, leave, or authorized absence in accordance with the established practices or policies of Alltel on the Beginning Date and (2) designated as a Spinco Employee in accordance with Section 2.01 of this Agreement.

(j) Spinco Individuals. Spinco Individuals means the former employees of the AT Group who were engaged in the Spinco Business and the beneficiaries, including dependents, alternate payees within the meaning of Section 206(d) of ERISA, and qualified beneficiaries within the meaning of Section 607 of ERISA thereof to the extent such beneficiaries, dependents, alternate payees and qualified beneficiaries have any interest in the employee benefit plans, policies and compensation programs set forth in Schedule III. Notwithstanding the foregoing, no individual shall be deemed a Spinco Individual for purposes of this Agreement unless designated as a Spinco Individual in accordance with Section 2.01 of this Agreement.

1.02. Other Capitalized Terms. Capitalized terms used in this Agreement (and not otherwise defined in the preamble, recitals, or Section 1.01) shall have the respective meanings assigned to them in the Distribution Agreement, except for names of benefit arrangements and unless the contrary is clearly indicated by the context.

1.03. Schedule I. Schedule I sets forth the Alltel employee benefit plans, policies, and compensation programs in effect as of the Beginning Date.

1.04. Schedule V. Schedule V sets forth a list of Spinco Employees and Spinco Individuals as of the Beginning Date, which list will be updated from time to time prior to the Distribution Date by Alltel.

ARTICLE 2

EMPLOYEES AND GENERAL PRINCIPLES

2.01. Designation of Spinco Employees and Spinco Individuals. Prior to the Distribution Date, Alltel and Spinco shall take or cause to be taken all actions necessary to cause the Spinco Employees to be employed by Spinco or a Spinco Subsidiary. Until the Distribution Date, Spinco shall continue to use existing salary or pay structures for Spinco Employees, including ordinary salary and pay adjustments in the normal course of business or salary or pay adjustments made in connection with a Spinco Employee's change in responsibility or a change in structure of Spinco. Prior to the Distribution Date, Alltel shall designate those employees and other individuals who shall constitute Spinco Employees and Spinco Individuals for purposes of this Agreement. Alltel shall provide Spinco and the Company or their designated agents and the Steering Committee with the list of the individuals so designated (as well as information with respect to service and most recent annual compensation with the AT Co. Group) within 15 days prior to the Distribution Date.

2.02. Collective Bargaining Agreements. Prior to the Distribution Date, Alltel and Spinco shall take or cause to be taken actions that are necessary (if any) for Spinco or a Spinco Subsidiary to continue to maintain or to assume any collective bargaining agreements relating to Spinco Employees. Schedule II sets forth a list of collective bargaining agreements relating to Spinco Employees in effect as of the Beginning Date.

2.03. Assumption, Retention of Liabilities. As described in this Agreement and except as otherwise provided in the Distribution Agreement, Spinco hereby agrees, as of the dates set forth herein, to assume and to pay, perform, fulfill, and discharge, or to cause an employee benefit plan to assume, pay, perform, fulfill, and discharge, or to cause an employee benefit plan, program or arrangement to assume, pay, perform, fulfill and discharge, in accordance with their respective terms, all liabilities (regardless of when or where such liabilities arose or arise or were or are incurred) relating to Spinco Employees and Spinco Individuals, under or with respect to the employee benefit plans, policies, and compensation programs as set forth in Schedule III, to the extent relating to, arising out of, or resulting from future, present, or former employment with the AT Co. Group or Spinco Group. Alltel and AT Co. Group hereby agrees to retain, pay, perform, fulfill and discharge or cause an employee benefit plan, program or arrangement to retain, pay, perform, fulfill and discharge, in accordance with their respective terms, all liabilities (regardless of when or where such liabilities arose or arise or were or are incurred) relating to Alltel Wireless Employees.

2.04. No Duplication of Benefits. The Spinco employee benefit plans, policies, and compensation programs shall be, with respect to Spinco Employees and Spinco Individuals, and in accordance with the terms of such benefit plans, policies and compensation programs and applicable law, the successors in interest to, and shall not provide benefits that duplicate benefits provided by, the corresponding Alltel employee benefit plans, policies, and compensation programs. Alltel and Spinco shall agree on methods and procedures to prevent Spinco Individuals from receiving duplicative benefits. Nothing in this Agreement shall entitle any Alltel Wireless Employee to any benefit, right or interest in any benefit plans, policies, and compensation programs established by Spinco pursuant to this Agreement.

2.05. No Acceleration of Benefits. Except as otherwise provided in this Agreement or in the Distribution Agreement, no provision of this Agreement or the Distribution Agreement shall be construed to create any right, or accelerate vesting or entitlement, to any compensation or benefit whatsoever on the part of any Spinco Employee or Spinco Individual or other future, present or former employee of the AT Co. Group or Spinco Group under any benefit plans, policies, and compensation programs of the AT Co. Group or Spinco Group.

2.06. Beneficiary Designations. All beneficiary designations made by Spinco Employees and Spinco Individuals for Alltel employee benefit plans shall be transferred to and be in full force and effect under the corresponding Spinco employee benefit plans until such beneficiary designations are replaced or revoked by the Spinco Employees and Spinco Individuals who made the beneficiary designation.

2.07. Spinco Amendment Authority. Except as otherwise provided in this Agreement or in the Distribution Agreement, nothing in this Agreement is intended to prohibit Spinco or the Spinco Group from amending or terminating any employee benefit plans, policies, and compensation programs at any time after the Distribution Date.

2.08. Asset Transfers. The provisions of this Agreement for the transfer of assets from certain trusts relating to Alltel employee benefit plans to the corresponding trusts relating to Spinco employee benefit plans are based upon the understanding of the parties that each such Spinco employee benefit plan will assume the corresponding liabilities from the Alltel employee benefit plan relating to the Spinco Employees and Spinco Individuals, as provided for in this Agreement.

2.09. Spinco Responsibility and Rights. Spinco may perform any responsibility or exercise any right under this Agreement by causing such responsibility or right to be undertaken or exercised by a Spinco Subsidiary, provided, however, that Spinco shall be fully responsible to Alltel for ensuring compliance by Spinco, any Spinco Subsidiary and the Spinco Group with the applicable terms of this Agreement.

2.10. No Commitment to Employment or Benefits. Nothing contained in this Agreement shall be construed as a commitment or agreement on the part of any person to continue employment with the AT Co. Group or Spinco Group, or as a commitment on the part of the AT Co. Group or Spinco Group to continue the employment, compensation, or benefits of any person for any period. This Agreement is solely for the benefit of the AT Co. Group, Spinco Group and the Company and nothing in this Agreement, express or implied, is intended to confer any rights, benefits, remedies, obligations or liabilities under this Agreement upon any Person, including any Spinco Employee, Spinco Individual, Alltel Wireless Employee, employee of the Company, or officer, director or contractor of the AT Co. Group, the Spinco Group or the Company, other than the Company and parties to this Agreement and their respective successors and assigns.

2.11. No Expansion of Participation. Unless otherwise determined by Spinco, a Spinco Employee or Spinco Individual shall be entitled to participate in a Spinco employee benefit plan, policy or compensation program established pursuant to this Agreement only to the extent that such Spinco Employee or Spinco Individual was entitled to participate in the corresponding

Alltel employee benefit plan, policy or compensation program in effect immediately prior to the Effective Time.

2.12. No Alteration of Collective Bargaining Agreements. Nothing in this Agreement is intended to alter the provisions of any collective bargaining agreement set forth on Schedule II or modify in any way the obligations of the AT Group or Spinco or the Spinco Group to any person or union as described in such agreement.

2.13. Government Reporting. Prior to the Distribution Date or within such other time period described by applicable law or regulation, Alltel shall notify or report to the appropriate government agency regarding the transactions contemplated by, or the actions taken pursuant to this Agreement to the extent such notification or report is required by ERISA, the Code or other applicable law, and shall provide all information required by such government agency.

ARTICLE 3

DEFINED BENEFIT RETIREMENT PLANS

3.01. Establishment of Mirror Retirement Plan and Trust.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan and related trust intended to be qualified under Section 401(a) of the Code and exempt from taxation under Section 501(a) of the Code for Spinco Employees and Spinco Individuals, the provisions of which shall be substantially similar to provisions of the Alltel Corporation Pension Plan (the "Spinco Pension Plan") including for this purpose the amendments to the Alltel Corporation Pension Plan regarding the freeze of benefit accruals under such plan for certain employees effective as of December 31, 2005 or December 31, 2010, as applicable, under the amendment.

(b) Determination Letter. Before the expiration of the applicable remedial amendment period under Section 401(b) of the Code, Spinco shall file an application for and make commercially reasonable efforts to obtain a determination from the Internal Revenue Service that the Spinco Pension Plan and related trust are qualified within the meaning of Sections 401(a) and 501(a) of the Code, respectively.

(c) Transfer of Assets/Liabilities. On the Pension Transfer Date, Alltel shall transfer, or cause to be transferred, in accordance with Section 414(l) of the Code, the assets and liabilities attributable to the Spinco Employees and Spinco Individuals from the Alltel Corporation Pension Plan and its related trust to the Spinco Pension Plan and its related trust. The amount of assets and liabilities transferred from the Alltel Corporation Pension Plan to the Spinco Pension Plan shall be determined in accordance with Section 3.02.

3.02. Pension Plan Transfer Amount.

(a) The liabilities transferred from the Alltel Corporation Pension Plan to the Spinco Pension Plan will be the current liability with respect to the Spinco

Employees and Spinco Individuals under the Alltel Corporation Pension Plan as of the Pension Transfer Date. Except as provided in Section 3.02(b), the amount of assets transferred from the Alltel Corporation Pension Plan to the Spinco Pension Plan shall be the amount equal to a percentage of the fair market value of the assets of the Alltel Corporation Pension Plan as of the Pension Transfer Date, where the percentage is the quotient of (1) the current liability with respect to the Spinco Employees and Spinco Individuals under the Alltel Corporation Pension Plan as of the Pension Transfer Date divided by (2) the entire current liability under the Alltel Corporation Pension Plan as of the Pension Transfer Date. "Current liability" shall be calculated utilizing the actuarial methods and assumptions attached hereto as Schedule IV.

(b) In no event shall the amount transferred under Section 3.02(a) be less than the amount required to be transferred under the requirements of Section 414(l) of the Code.

(c) In the event Alltel makes a contribution(s) to the Alltel Corporation Pension Plan at or prior to the time of transfer of assets and liabilities to the Spinco Pension Plan, Spinco will pay to Alltel the percentage of the contribution(s) over \$20 million equal to the quotient of (1) the current liability (as defined in Section 3.02(a)) with respect to the Spinco Individuals under the Alltel Corporation Pension Plan as of the Pension Transfer Date divided by (2) the entire current liability (as defined in Section 3.02(a)) under the Alltel Corporation Pension Plan as of the Pension Transfer Date.

ARTICLE 4

DEFINED CONTRIBUTION RETIREMENT PLANS

4.01. Establishment of Mirror 401(k) Plan and Trust.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan and related trust intended to be qualified under Section 401(a) of the Code and exempt from taxation under Section 501(a) of the Code for Spinco Employee and Spinco Individuals, the provisions of which shall be substantially similar to provisions of the Alltel Corporation 401(k) Plan (the "Spinco 401(k) Plan").

(b) Determination Letter. Before the expiration of the applicable remedial amendment period under Section 401(b) of the Code, Spinco shall file for and make commercially reasonable efforts to obtain a determination from the Internal Revenue Service that the Spinco 401(k) Plan and related trust are qualified within the meaning of Sections 401(a) and 501(a) of the Code, respectively.

(c) Transfer of Assets/Liabilities. As soon as reasonably practicable after the establishment of the Spinco 401(k) Plan, Alltel shall transfer, or cause to be transferred, in accordance with Section 414(l) of the Code, the account balances (assets and liabilities) of the Spinco Employees and Spinco Individuals from the Alltel

Corporation 401(k) Plan and its related trust to the Spinco 401(k) Plan and its related trust. Any participant loan notes with respect to the Spinco Individuals shall be transferred in-kind.

4.02. Establishment of Mirror Profit Sharing Plan and Trust.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan and related trust intended to be qualified under Section 401(a) of the Code and exempt from taxation under Section 501(a) of the Code for Spinco Employees and Spinco Individuals, the provisions of which shall be substantially similar to the provisions of the Alltel Corporation Profit Sharing Plan (the "Spinco Profit Sharing Plan").

(b) Determination Letter. Before the expiration of the applicable remedial amendment period under Section 401(b) of the Code, Spinco shall file an application for and make commercially reasonable efforts to obtain a determination from the Internal Revenue Service that the Spinco Profit Sharing Plan and related trust are qualified within the meaning of Sections 401(a) and 501(a) of the Code, respectively.

(c) Transfer of Assets/Liabilities. As soon as reasonably practicable after the establishment of the Spinco Profit Sharing Plan, Alltel shall transfer, or cause to be transferred, in accordance with Section 414(l) of the Code, the account balances (assets and liabilities) of the Spinco Employees and Spinco Individuals from the Alltel Corporation Profit Sharing Plan and its related trust to the Spinco Profit Sharing Plan and related trust. Alltel will properly accrue liability on the financial statements prior to the Distribution Date for the amount of any contributions (prorated to the Distribution Date) required to be made with respect to any Spinco Employees or Spinco Individuals under the terms of Alltel Corporation Profit Sharing Plan, disregarding any minimum hours, end of year employment or similar requirements thereunder.

4.03. Georgia Telephone Corporation Profit Sharing Plan. Prior to the Distribution Date, Alltel shall transfer, or cause to be transferred, the plan sponsorship, assets, liabilities and administration of the Georgia Telephone Corporation Profit Sharing Plan to Spinco.

4.04. Accucomm Telecommunications, Inc. 401(k) Plan. Prior to the Distribution Date, Alltel shall transfer, or cause to be transferred, the plan sponsorship, assets, liabilities and administration of the Accucomm Telecommunications, Inc. 401(k) Plan to Spinco.

ARTICLE 5

HEALTH AND WELFARE PLANS

5.01. Establishment of Mirror Comprehensive Plan of Group Insurance and Trust.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan for Spinco Employees and Spinco Individuals, the provisions of which shall be substantially identical to the provisions of the Alltel

Comprehensive Plan of Group Insurance, including provisions regarding qualified beneficiaries within the meaning of Section 607 of ERISA and retirees (the "Spinco Comprehensive Plan").

(b) Retention of Obligations/Assets. Spinco may, but is not required to establish, or cause to be established, a trust intended to be exempt from taxation under Section 501(c)(9) of the Code for Spinco Employees or Spinco Individuals. Alltel and the Alltel Comprehensive Plan of Group Insurance shall retain any and all liabilities with respect to claims incurred under such plan by the Spinco Employees and Spinco Individuals on or prior to the Distribution Date, regardless of whether such claims are reported before, on or after the Distribution Date. No assets of the trust related to the Alltel Comprehensive Plan of Group Insurance shall be transferred to Spinco or any trust established by Spinco.

(c) Elections. Spinco shall cause its Spinco Comprehensive Plan to recognize and maintain all coverage and contribution elections made with respect to the Spinco Employees and Spinco Individuals under the Alltel Comprehensive Plan of Group Insurance. Spinco shall apply such elections under the Spinco Comprehensive Plan for the remainder of the period or periods for which the elections are by their terms applicable.

(d) Maximums and Coverage Limits. Spinco shall cause the Spinco Comprehensive Plan to recognize and give credit for (1) all amounts applied by Spinco Individuals under the Alltel Comprehensive Plan of Group Insurance to deductibles, out-of-pocket maximums, and other applicable benefit coverage limits with respect to which such expenses have been incurred during the calendar year in which the Distribution Date occurs and (2) all benefits paid to, or received by, Spinco Employees and Spinco Individuals under the Alltel Comprehensive Plan of Group Insurance, in either case, for purposes of determining when such persons have received the maximum benefits, including lifetime maximum benefits, provided under the Spinco Comprehensive Plan.

5.02. Establishment of Mirror Long Term Disability Plan.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan for Spinco Employees, the provisions of which shall be substantially similar to the provisions of the Alltel Corporation Long Term Disability Plan (the "Spinco LTD Plan").

(b) Retention of Obligations/Liabilities. Effective as of the date of establishment of the Spinco LTD Plan, the obligations and liabilities incurred on or prior to such date with respect to Spinco Employees and Spinco Individuals under the Alltel Corporation Long Term Disability Plan shall be and remain the sole responsibility of Alltel Corporation Long Term Disability Plan.

5.03. Establishment of Mirror Flex Plan.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan for Spinco Individuals, the provisions of which shall be substantially similar to the provisions of the Income Advantage Plan (POP) (the "Spinco Flex Plan").

(b) Elections. Spinco shall cause its Spinco Flex Plan to recognize and maintain all coverage and contribution elections made with respect to the Spinco Individuals under the Income Advantage Plan (POP). Spinco shall apply such elections under the Spinco Flex Plan for the remainder of the period or periods for which the elections are by their terms applicable. With respect to any expense reimbursement account covered under Section 125 of the Code, Spinco shall cause the Spinco Flex Plan to recognize the account balances of the Spinco Individuals under the Income Advantage Plan (POP), regardless of whether the account balance is positive or negative, as if their participation in the Spinco Flex Plan had been since the beginning of the calendar year. Alltel shall transfer assets equal to the value of the account balances under the Spinco Flex Plan as of the Distribution Date to Spinco.

5.04. Establishment of Mirror Group Accident Plan.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan for Spinco Employees, the provisions of which shall be substantially similar to the provisions of the Group Accident Plan (the "Spinco Accident Plan").

(b) Retention of Obligations/Liabilities. Effective as of the date of establishment of the Spinco Accident Plan, the obligations and liabilities incurred on or prior to such date with respect to Spinco Employees and Spinco Individuals under the Group Accident Plan shall be and remain the sole responsibility of the Group Accident Plan.

5.05. Establishment of Mirror Special Insurance Plan.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan for Spinco Employees, the provisions of which shall be substantially similar to the provisions of the Special Insurance Plan for Former Allied Telephone Profit Sharing (the "Spinco Special Insurance Plan").

(b) Retention of Obligations/Liabilities. Effective as of the date of establishment of the Spinco Special Insurance Plan, the obligations and liabilities incurred on or prior to such date with respect to Spinco Employees and Spinco Individuals under the Special Insurance Plan for Former Allied Telephone Profit Sharing shall be and remain the sole responsibility of the Special Insurance Plan for Former Allied Telephone Profit Sharing.

ARTICLE 6

MISCELLANEOUS BENEFITS

6.01. Establishment of Mirror Educational Assistance Plan.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan for Spinco Employees, the provisions of which shall be substantially similar to the provisions of the Educational Assistance Plan (the "Spinco Educational Plan").

(b) Transfer of Obligations/Liabilities. Effective as of the date of establishment of the Spinco Educational Plan, the obligations and liabilities with respect to Spinco Employees under the Educational Assistance Plan shall be transferred to and assumed by the Spinco Educational Plan.

6.02. Establishment of Mirror Adoption Assistance Plan.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan for Spinco Employees, the provisions of which shall be substantially similar to the provisions of the Adoption Assistance Plan (the "Spinco Adoption Plan").

(b) Transfer of Obligations/Liabilities. Effective as of the date of establishment of the Spinco Adoption Plan, the obligations and liabilities with respect to Spinco Employees under the Adoption Assistance Plan shall be transferred to and assumed by the Spinco Adoption Plan.

6.03. Establishment of Mirror Severance Plan.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan for Spinco Employees, the provisions of which shall be substantially similar to the provisions of the Severance Pay Plan (the "Spinco Severance Plan").

(b) No Benefit Triggered. The Distribution, Merger or both shall not be an event that entitles a Spinco Employer or Spinco Individual to benefits under the Severance Pay Plan or Spinco Severance Plan.

(c) One-Year Preservation Period For a period of one year after the Distribution Date, the Spinco Severance Plan shall not be amended so as to provide benefits that are less than that which would have been provided on the day before the Distribution Date.

6.04. Leave of Absence Programs and FMLA. Prior to the Distribution Date, Spinco shall assume and thereafter honor all terms and conditions of leaves of absence which have been granted to any Spinco Employees under a leave of absence program or FMLA by the AT Co. Group. After the Distribution Date, unless otherwise provided in the Transition Services

Agreement, Spinco shall be solely responsible for administering leaves of absence and compliance with FMLA with respect to Spinco Employees. Spinco shall recognize all periods of service of Spinco Employees with the AT Co. Group, as applicable, to the extent such service is recognized by AT Co. Group for the purpose of eligibility for leave entitlement under an Alltel leave of absence program and FMLA.

6.05. Employee Stock Purchase Plan. For the period prior to the Distribution Date, Spinco Employees shall be eligible to participate in the Employee Stock Purchase Plan. On or after the Distribution Date, Spinco Individuals shall not be eligible to participate in the Employee Stock Purchase Plan.

6.06. People Practices. Prior to the Distribution Date, Spinco shall establish, or cause to be established, people practices for Spinco Employees, the provisions of which shall be substantially similar to the provisions of the Alltel People Practices (the "Spinco People Practices"). Effective as of the date of establishment of the Spinco People Practices, the obligations and liabilities with respect to Spinco Employees under the Alltel People Practices (including service bridging, employee assistance programs, bereavement, holidays, jury and witness duty, leave of absence, sick pay program, short term earnings protection program (STEPP), and vacation) shall be transferred to and assumed by Spinco and Spinco shall recognize all periods of service of Spinco Employees with the AT Co. Group, as applicable, under the Spinco People Practices to the extent such service is recognized by AT Co. Group for the purpose of eligibility for Alltel People Practices.

ARTICLE 7

INCENTIVE PLANS AND STOCK-BASED COMPENSATION

7.01. Incentive Awards.

(a) Alltel Corporation Performance Incentive Compensation Plan. For the 2006 performance period, awards held by Spinco Individuals under the Alltel Corporation Performance Incentive Compensation Plan as of the Distribution Date shall be paid as follows:

(1) The awards shall be deemed earned based on the Alltel Board of Directors' or appropriate committee thereof reasonable estimate, as of the Distribution Date, of the actual performance level during the period commencing on January 1, 2006 and ending on the Distribution Date. If earned, each such Spinco Individual shall be entitled to a pro rata award, the amount of which shall be calculated based on the number of days in the period commencing on January 1, 2006 and ending on the Distribution Date out of the total number of days in the performance measurement period. The amounts described in this Section 7.01(a)(1), if any, shall be paid by Alltel in cash (subject to applicable deferrals, deductions and tax withholdings) by the Distribution Date.

(2) Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan, the provisions of which shall be substantially identical to

provisions of the Alltel Corporation Performance Incentive Compensation Plan, which shall apply to the performance period beginning the day after the Distribution Date and ending on December 31, 2006. Spinco shall establish appropriate performance targets and award amounts that shall be in effect for such performance period and shall designate such Spinco Individuals as participants.

(b) Alltel Corporation Long-Term Performance Incentive Compensation Plan. Outstanding awards held by Spinco Individuals under the Alltel Corporation Long-Term Performance Incentive Compensation Plan as of the Distribution Date shall be paid as follows:

(1) The awards in effect as of the Distribution Date for the 2004 — 2006 performance measurement period shall be deemed earned based on the Alltel Board of Directors' or appropriate committee thereof reasonable estimate, as of the Distribution Date, of the actual performance level of such period. If earned, each such Spinco Individual shall be entitled to a pro rata award, the amount of which shall be calculated based on (i) the number of days in the period commencing on January 1, 2004 and ending on the Distribution Date out of the total number of days in the performance measurement period and (ii) his or her average base compensation during such period.

(2) The awards in effect as of the Distribution Date for the 2005 — 2007 performance measurement period shall be deemed earned at the target performance level. Each such Spinco Individual shall be entitled to a pro rata award, the amount of which shall be calculated based on (i) the number of days in the period commencing on January 1, 2005 and ending on the Distribution Date out of the total number of days in the performance measurement period and (ii) his or her average base compensation during such period.

(3) The Spinco Individuals shall not be eligible to receive any awards under the Alltel Corporation Long-Term Performance Incentive Compensation Plan with respect to performance measurement periods beginning on or after January 1, 2006.

(4) The amounts described in this Section 7.01(b) shall be paid by Alltel in cash (subject to applicable deferrals, deductions and tax withholdings) by the Distribution Date.

(c) Compliance with Section 409A of the Code. To the extent practicable, all incentive awards shall be paid in such a manner as to avoid the adverse consequences of section 409A of the Code.

7.02. Stock Options.

(a) Vested Options. To the extent that a Spinco Individual is holding an award consisting of an Alltel option that is vested and outstanding as of the Distribution Date, that Spinco Individual shall be treated as experiencing a separation

from service from, or otherwise terminating employment with, Alltel. Any such Alltel option shall expire unless it is exercised within the time provided in the option itself.

(b) Unvested Options. To the extent that a Spinco Individual is holding an award consisting of an Alltel option that is not vested as of the Distribution Date, that option shall be cancelled as of the Distribution Date and replaced by restricted shares of Company common stock in accordance with the terms of Section 8.10(e) of Spinco Disclosure Letter to the Merger Agreement.

7.03. Restricted Stock. Each Alltel Restricted Share award outstanding under the 1998 Equity Incentive Plan and held by a Spinco Individual as of the Distribution Date shall become fully vested on the Distribution Date.

7.04. Other Plans. Spinco shall not assume any obligations, liabilities, sponsorship, administration or assets of or with respect to the Alltel Corporation 1991 Stock Option Plan, Alltel Corporation 1994 Stock Option Plan, Alltel Corporation 1998 Equity Incentive Plan, Alltel Corporation 2001 Equity Incentive Plan, Alltel Corporation Performance Incentive Compensation Plan, Alltel Corporation Long-Term Performance Incentive Compensation Plan, Change in Control Agreements, Alltel Corporation Supplemental Executive Retirement Plan and Alltel Split Dollar Insurance Arrangement.

ARTICLE 8

EXECUTIVE BENEFITS

8.01. Establishment of Mirror Benefit Restoration Plan.

(a) Establishment. Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan for Spinco Employees, the provisions of which shall be substantially identical to the provisions of the Benefit Restoration Plan (the "Spinco Restoration Plan").

(b) Transfer of Obligations/Liabilities. Effective as of the date of establishment of the Spinco Restoration Plan, the obligations and liabilities with respect to Spinco Employees under the Benefit Restoration Plan shall be transferred to and assumed by the Spinco Restoration Plan.

8.02. Establishment of Mirror Supplemental Medical Reimbursement Plan.

(a) Prior to the Distribution Date, Spinco shall establish, or cause to be established, a plan for Spinco Employees and Spinco Individuals, the provisions of which shall be substantially similar to the provisions of the Supplemental Medical Reimbursement Plan (SMRP) (the "Spinco SMR Plan").

(b) Effective as of the date of establishment of the Spinco SMR Plan, the obligations and liabilities incurred on or prior to such date with respect to Spinco Employees and Spinco Individuals under the Supplemental Medical Reimbursement

Plan (SMRP) shall be and remain the sole responsibility of the Supplemental Medical Reimbursement Plan (SMRP).

8.03. Executive Deferred Compensation Sub-Plan. Prior to the Distribution Date, Alltel shall transfer, or cause to be transferred, the plan sponsorship, liabilities and administration of the Executive Deferred Compensation Sub-Plan to Spinco and shall transfer cash to the general funds of Spinco in an amount sufficient to provide for the payment of all benefits due under the sub-plan (assuming for purposes of calculating this amount only, that all benefits shall be payable in a single lump sum on the Distribution Date).

8.04. 1998 Management Deferred Compensation Sub-Plan. Prior to the Distribution Date, Alltel shall transfer, or cause to be transferred, the plan sponsorship, liabilities and administration of the 1998 Management Deferred Compensation Sub-Plan to Spinco and shall transfer cash to the general funds of Spinco in an amount sufficient to provide for the payment of all benefits due under the sub-plan (assuming for purposes of calculating this amount only, that all benefits shall be payable in a single lump sum on the Distribution Date).

ARTICLE 9

GENERAL AND ADMINISTRATIVE PROVISIONS

9.01. Sharing of Participant Information. Alltel and Spinco shall share, with each other and their respective agents and vendors (without obtaining releases) all participant information necessary for the efficient and accurate administration of each employee benefit plan of Alltel and Spinco, as permitted by applicable law and subject to applicable laws on confidentiality.

9.02. Cooperation. The AT Co. Group and Spinco Group shall cooperate fully with each other on any issue relating to the transactions contemplated by this Agreement.

9.03. Fiduciary Matters. AT Co. Group and Spinco each acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable law, and no party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination that to do so would violate such a fiduciary duty or standard.

9.04. Consent of Third Parties. If any provision of this Agreement is dependent on the consent of any third party (such as a vendor) and such consent is withheld, the AT Co. Group and Spinco Group shall use their reasonable best efforts to implement the applicable provisions of this Agreement to the full extent practicable. If any provision of this Agreement cannot be implemented due to the failure of such third party to consent, the AT Co. Group and Spinco Group shall negotiate in good faith to implement the provision in a mutually satisfactory manner.

9.05. Distribution Agreement. This Agreement shall be incorporated by reference into the Distribution Agreement and, in addition to Section 9.07, all provisions of the Distribution Agreement, including the survival and indemnification and miscellaneous provisions, shall apply with equal force to this Agreement except as specifically provided in this Agreement.

9.06. Service Provider Contracts.

(a) Service Provider Contracts. Alltel shall use its reasonable best efforts to cause each service provider (including third-party administrator, recordkeeper and trustee) with respect to any plan or program assumed or mirrored by Spinco (including the Alltel Comprehensive Plan of Group Insurance, Alltel Corporation Long Term Disability Plan, Income Advantage Plan (POP), Group Accident Plan or Special Insurance Plan for Former Allied Telephone Profit Sharing, Alltel Corporation Pension Plan, Alltel Corporation 401(k) Plan, Alltel Corporation Profit Sharing Plan, and Supplemental Medical Reimbursement Plan (SMRP)) in existence as of the Beginning Date to enter into an agreement with Spinco with substantially similar terms and conditions as provided to Alltel. Such terms and conditions shall include the financial and termination provisions, performance standards, methodology, auditing policies, quality measures, reporting requirements and target claims. The Spinco Group shall use its reasonable best efforts to cooperate with Alltel in such efforts, and the Spinco Group shall not perform any act, including discussing any alternative arrangements with any third party, that would prejudice Alltel's efforts. If it becomes reasonably likely that Alltel will not be successful in negotiating contract language with a third-party administrator that will permit compliance with the foregoing provisions of this Section 9.06(a), Alltel shall so notify Spinco promptly, and after such notification, the Spinco Group shall be released from the restriction contained in the immediately preceding sentence. In addition, notwithstanding any other provision of this Agreement, the Distribution Agreement or any other agreement between the parties hereto, Spinco shall not be required, or be deemed to be required, to establish a benefit plan, policy, program, practice or arrangement that it is not able to insure or administer or contract for insurance or administration on substantially similar terms and conditions as the Alltel benefit plans, policies, programs, practices or arrangements.

(b) Insurance and HMO/PPO Agreements. Alltel shall use its reasonable best efforts to cause each HMO, PPO, and insurance carrier that provides benefits under any plan or program assumed or mirrored by Spinco (including the Alltel Comprehensive Plan of Group Insurance, Alltel Corporation Long Term Disability Plan, Income Advantage Plan (POP), Group Accident Plan or Special Insurance Plan for Former Allied Telephone Profit Sharing) in existence as of the Beginning Date to provide coverage to Spinco Individuals on terms that are substantially similar to the terms and conditions provided to Alltel, in each case, through December 31, 2006, or such other date on which the parties may agree. Such terms and conditions shall include the financial and termination provisions. The Spinco Group shall use its reasonable best efforts to cooperate with Alltel in such efforts, and the Spinco Group shall not perform any act, including discussing any alternative arrangements with any third-party that would prejudice Alltel's efforts. If it becomes reasonably likely that Alltel will not be successful in negotiating contract language that will permit compliance with the foregoing provisions of this Section 9.06(b), Alltel shall so notify Spinco promptly, and after such notification, the Spinco Group shall be released from the restriction contained in the immediately preceding sentence. In addition, notwithstanding any other provision of this Agreement, the Distribution Agreement or

any other agreement between the parties hereto, Alltel shall not be required, or be deemed to be required, to maintain a benefit plan, policy, program, practice or arrangement that it is not able to insure or administer or contract for insurance or administration on substantially similar terms and conditions as the Alltel benefit plans, policies, programs, practices or arrangements prior to the Distribution Date.

9.07. Indemnification.

(a) By Spinco. In addition to any indemnity in any other Transaction Agreement, Spinco shall indemnify, defend and hold harmless the AT Co. Indemnitees from and against all Indemnifiable Losses arising out of or due to (i) the transfer of assets and liabilities as provided under this Agreement, (ii) any administrative errors or administrative failures of any member of the Spinco Group regarding the Spinco employee benefit plans, policies, and compensation programs or (iii) claims for benefits by any person under the Spinco employee benefit plans, policies, and compensation programs; provided, however, the forgoing indemnity shall not apply in any case or circumstance to the extent (i) involving a fiduciary violation under ERISA against any member of the AT Co. Group or any of its agents or fiduciaries or (ii) any member of the AT Co. Group or any of its agents or fiduciaries has been negligent, acted with willful misconduct, engaged in fraud or embezzlement or violated any applicable law.

(b) By Alltel. In addition to any indemnity in any other Transaction Agreement, Alltel shall indemnify, defend and hold harmless the Spinco Indemnitees from and against all Indemnifiable Losses arising out of or due to (i) the transfer of assets and liabilities as provided under this Agreement, (ii) any administrative errors or administrative failures of any member of the At. Co. Group regarding the Alltel employee benefit plans, policies, and compensation programs and which has an impact on the expected benefits under, or compliance with any law of, the Spinco employee benefit plans, policies, and compensation programs, (iii) claims for benefits by any person under the Spinco employee benefit plans, policies, and compensation programs attributable to any foregoing administrative errors or administrative failures of any member of the At. Co. Group, or (iv) any liabilities and obligations pertaining to any person or entity to the extent not expressly assumed by Spinco under this Agreement; provided, however, the forgoing indemnity shall not apply in any case or circumstance to the extent (i) involving a fiduciary violation under ERISA against any member of the Spinco Group or any of its agents or fiduciaries or (ii) any member of the Spinco Group or any of its agents or fiduciaries has been negligent, acted with willful misconduct, engaged in fraud or embezzlement or violated any applicable law.

The foregoing indemnities under subsections (a) and (b) shall apply to any claim formally presented in writing to the other party before the first anniversary of the Distribution Date.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the parties have caused this Employee Benefits Agreement to be duly executed as of the day and year first above written.

ALLTEL CORPORATION

By: /s/ Scott T. Ford

Name: Scott T. Ford

Title: CEO & President

ALLTEL HOLDING CORP.

Name: /s/ Jeffery R. Gardner

Title: President

TAX SHARING AGREEMENT

This Tax Sharing Agreement (this "Agreement") is entered into as of ____, 2006, by and among ALLTEL Corporation, a Delaware corporation ("AT Co."), ALLTEL Holding Corp., a newly formed Delaware corporation and a wholly owned subsidiary of AT Co. ("Spinco"), and Valor Communications Group, Inc., a Delaware corporation ("Valor"). Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings ascribed to such terms in the Distribution Agreement, dated as of December 8, 2005, by and between AT Co. and Spinco (the "Distribution Agreement").

RECITALS

Whereas, AT Co. is the common parent corporation of an affiliated group of corporations within the meaning of Section 1504(a) of the Internal Revenue Code of 1986, as amended (the "Code"), that has filed consolidated federal income tax returns.

Whereas Spinco is a newly-formed, wholly owned subsidiary of AT Co.

Whereas, pursuant to the Distribution Agreement, among other things, AT Co. will transfer or cause to be transferred to Spinco or one or more subsidiaries of Spinco (pursuant to certain preliminary restructuring transactions) all of the Spinco Assets, Spinco will assume or cause to be assumed all of the Spinco Liabilities, and Spinco will issue to AT Co. Spinco Common Stock and Spinco Exchange Notes and will pay the Special Dividend (the "Contribution").

Whereas, on the Distribution Date, AT Co. will distribute all of the issued and outstanding shares of Spinco Common Stock on a pro rata basis to holders of the AT Co. Common Stock (the "Distribution").

Whereas, pursuant to the Merger Agreement, dated as of December 8, 2005, by and among AT Co., Spinco and Valor (the "Merger Agreement"), following the Distribution, Spinco will merge with and into Valor pursuant to the Merger.

Whereas, the parties to this Agreement intend that the Contribution, together with the Debt Exchange, qualify as a tax-free reorganization under Section 368 of the Internal Revenue Code of 1986, as amended (the "Code"), that the Distribution qualify as a distribution of Spinco stock to AT Co. stockholders pursuant to Section 355 of the Code, that the Merger qualify as a tax-free reorganization pursuant to Section 368 of the Code, and that no gain or loss be recognized as a result of such transactions for federal income tax purposes by any of AT Co., Spinco, and their respective stockholders (except to the extent of cash received in lieu of fractional shares).

Whereas, AT Co., Spinco and Valor desire to set forth their rights and obligations

with respect to Taxes (as defined herein) due for periods before and after the Distribution Date.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

"Affiliate" shall mean any Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with a specified Person.

"Agreement" shall have the meaning set forth in the recitals.

"Applicable Federal Rate" shall have the meaning set forth in Section 1274(d) of the Code, compounded quarterly.

"AT Co." shall have the meaning set forth in the preamble to this Agreement.

"AT Co. Group" shall mean AT Co. and all Subsidiaries of AT Co. at any time preceding, at or following the Contribution, but shall not include any member of the Spinco Group.

"AT Consolidated Group" shall mean any consolidated, combined or unitary group (i) of which AT Co. is the common parent corporation at any time or (ii) that otherwise included Spinco or any Spinco Subsidiary for any Pre-Distribution Period.

"Code" shall have the meaning set forth in the recitals.

"Combined Return" shall have the meaning set forth in Section 2.01.

"Contribution" shall have the meaning set forth in the Recitals.

“Control” or “Controlled” shall mean, with respect to any Person, the presence of one of the following: (i) the legal, beneficial or equitable ownership, directly or indirectly, of more than 50% (by vote or value) of the capital or voting stock (or other ownership or voting interest, if not a corporation) of such Person or (ii) the ability, directly or indirectly, to direct the voting of a majority of the directors of such Person’s board of directors or, if the Person does not have a board of directors, a majority of the positions on any similar body, whether through appointment, voting agreement or otherwise.

“Controlling Party” shall have the meaning set forth in Section 5.01.

“Disqualifying Action” shall have the meaning set forth in Section 10.2 of the Merger Agreement.

“Distribution” shall have the meaning set forth in the Recitals.

“Distribution Agreement” shall have the meaning set forth in the preamble to this Agreement.

“Distribution Date” shall have the meaning set forth in the Distribution Agreement.

“Final Determination” shall have the meaning set forth in the Merger Agreement.

“Income Taxes” shall mean any and all Taxes based upon or measured by net or gross income (including alternative minimum tax under Section 55 of the Code and including any liability described in clauses (ii) or (iii) of the definition of “Taxes” that relates to any Income Tax).

“Other Taxes” shall mean any and all Taxes other than Income Taxes, including any liability described in clauses (ii) or (iii) of the definition of “Taxes” that relates to any Other Tax.

“Person” shall mean any individual, partnership, joint venture, corporation, limited liability company, trust, unincorporated organization, government or department or agency of a government.

“Post-Distribution Period” shall mean any taxable year or other taxable period beginning after the Distribution Date and, in the case of any taxable year or other taxable period that begins before and ends after the Distribution Date, that part of the taxable year or other taxable period that begins at the beginning of the day after the Distribution Date.

“Pre-Distribution Period” shall mean any taxable year or other taxable period that ends on or before the Distribution Date and, in the case of any taxable year or other taxable period that begins before and ends after the Distribution Date, that part of the taxable year or other taxable period through the close of the Distribution Date.

“Separate Return” shall have the meaning set forth in Section 2.01(b).

“Short Period Return” shall have the meaning set forth in Section 2.01(b).

“Spinco” shall have the meaning set forth in the Recitals.

“Spinco Group” shall mean Spinco and all entities that are Subsidiaries of Spinco immediately following the Contribution.

“Straddle Return” shall have the meaning set forth in Section 2.01.

“Straddle Period” shall mean any taxable period that includes but does not end on the Distribution Date.

“Subsidiary” shall mean a corporation, limited liability company, partnership, joint venture or other business entity if 50% or more of the outstanding equity or voting power of such entity is owned directly or indirectly by the corporation with respect to which such term is used.

“Tax” or “Taxes” shall have the meaning set forth in the Merger Agreement.

“Tax Attribute” shall mean any net operating loss carryover, net capital loss carryover, investment tax credit carryover, foreign tax credit carryover, charitable deduction carryover or other similar item that could reduce Income Tax for a past or future taxable period.

“Tax Benefit” shall mean, in the case of separate state, local or other Income Tax Return, the sum of the amount by which the Tax liability (after giving effect to any alternative minimum or similar Tax) of a corporation to the appropriate Taxing Authority is reduced (including by deduction, entitlement to refund, credit or otherwise, whether available in the current taxable year, as an adjustment to taxable income in any other taxable year or as a carryforward or carryback, as applicable) plus any interest from such government or jurisdiction relating to such Tax liability, and in the case of a consolidated federal Income Tax Return or combined, unitary or other similar state, local or other Income Tax Return, the sum of the amount by which the Tax liability of the affiliated group (within the meaning of Section 1504(a) of the Code) or other relevant group of corporations to the appropriate government or jurisdiction is reduced (including by deduction, entitlement to refund, credit or otherwise, whether available in the current taxable year, as an adjustment to taxable income in any other taxable year or as a carryforward or carryback, as applicable) plus any interest from such government or jurisdiction relating to such Tax liability.

“Tax Contest” shall have the meaning set forth in Section 5.01.

“Tax Return” shall have the meaning set forth in the Merger Agreement.

“Taxing Authority” shall have the meaning set forth in the Merger Agreement.

“USF Payments” shall have the meaning set forth in Section 2.04(a).

“USF Tax Amount” shall have the meaning set forth in Section 2.04(a).

“Valor” shall have the meaning set forth in the recitals

“Valor Group” shall mean Valor and all entities that are Subsidiaries of Valor immediately following the Merger.

ARTICLE II.
TAX RETURNS AND TAX PAYMENTS

2.01 OBLIGATIONS TO FILE TAX RETURNS.

(a) AT Co. shall file or cause to be filed any Income Tax Return that is required to be filed after the Distribution Date by or with respect to any member of the Spinco Group that (i) is filed on a consolidated, combined or unitary basis, (ii) includes both one or more members of the AT Co. Group and one or more members of the Spinco Group, and (iii) is for a taxable period that includes a Pre-Distribution Period (a "Combined Return"). Each member of the Spinco Group hereby irrevocably authorizes and designates AT Co. as its agent, coordinator and administrator for the purpose of taking any and all actions necessary or incidental to the filing of any such Combined Tax Return and, except as otherwise provided herein, for the purpose of making payments to, or collecting refunds from, any Taxing Authority in respect of a Combined Return. Except as otherwise provided herein, AT Co. shall have the exclusive right to file, prosecute, compromise or settle any claim for refund for Income Taxes in respect of a Combined Return for which AT Co. bears responsibility hereunder and to determine whether any refunds of such Income Taxes to which the AT Consolidated Group may be entitled shall be received by way of refund or credit against the Tax liability of the AT Consolidated Group.

(b) Valor shall file or cause to be filed any other Income Tax Return required to be filed after the Distribution Date by or with respect to one or more members of the Spinco Group, including any such Tax Return (i) with respect to any taxable period that includes but does not end on the Distribution Date (a "Straddle Return"), (ii) with respect to a taxable period ending on the Distribution Date (a "Short Period Return"), and (iii) with respect to a taxable period beginning after the Distribution Date (a "Separate Return"). AT Co. shall remit to Valor in immediately available funds the amount of any Income Taxes (including estimated Income Taxes) related to a Straddle Return or Short Period Return for which AT Co. is responsible hereunder, at least two Business Days before payment of the relevant amount is due to a Taxing Authority. Valor shall file or cause to be filed any Other Tax Return required to be filed after the Distribution Date by one or more members of the Spinco Group.

2.02 APPROVAL OF STRADDLE RETURNS AND SHORT PERIOD RETURNS. No later than thirty (30) days prior to the date on which any Straddle Return or Short Period Return is required to be filed (taking into account any valid extensions) (the "Due Date"), Valor shall submit or cause to be submitted to AT Co. the Straddle Return or Short Period Return and shall make or cause to be made any and all changes to such return reasonably requested by AT Co., to the extent that such changes relate to items for which AT Co. has responsibility hereunder (and for which at least substantial authority exists within the meaning of Section 6662 of the Code and the Treasury Regulations thereunder). Valor shall not file or allow to be filed any such Straddle Return or Short Period Return prior to receiving written approval of the return from AT Co., which approval shall not be

unreasonably withheld, delayed or conditioned.

2.03 OBLIGATION TO REMIT TAXES. Subject to Section 2.01 and subject always to the ultimate division of responsibility for Taxes set out in Section 2.04, AT Co. and Valor shall each remit or cause to be remitted to the applicable Taxing Authority any Taxes due in respect of any Tax Return that such party is required to file (or, in the case of a Tax for which no Tax Return is required to be filed, which is otherwise payable by such party or a member of such party's group (the AT Co. Group or the Spinco Group) to any Taxing Authority) and shall be entitled to reimbursement for such payments to the extent provided herein or in the Merger Agreement.

2.04 TAX SHARING OBLIGATIONS AND PRIOR AGREEMENTS.

(a) From and after the Merger, Valor shall be liable for and shall indemnify and hold the AT Co. Group harmless against (i) any net liability for Income Taxes of a member of the Spinco Group (and Valor and the Spinco Group shall be entitled to receive and retain any net refund of Income Taxes or other net Tax Benefit) attributable to the treatment of payments received from a federal or state universal services fund ("USF Payments") in respect of the Spinco Business for the period from January 1, 1997, to the Distribution Date, taking into account (x) any refund of Income Taxes with respect to USF Payments previously not treated as contributions to capital within the meaning of Section 118(a) of the Code, (y) cost recovery deductions arising from property acquired with USF Payments and (z) Income Taxes payable as a result of a failure of a USF Payment to be treated as a contribution to capital within the meaning of Section 118(a) of the Code, in each case with respect to such period (a "USF Tax Amount"), (ii) any Other Taxes arising in the Pre-Distribution Period and attributable to a member of the Spinco Group or to the employees, assets or transactions of the Spinco Business, except for Other Taxes arising in respect of the Contribution (including the Preliminary Restructuring) or the Distribution and (iii) any liability for Taxes arising in the Post-Distribution Period and attributable to a member of the Spinco Group or to the assets, employees, or transactions of the Spinco Business. Except with respect to indemnification pursuant to clause (i), all indemnification pursuant to this Section 2.04(a) shall be on a net after-Tax basis.

(b) Except for Taxes specifically allocated to Valor under this Agreement or for which Valor has indemnified AT Co. pursuant to the Merger Agreement, AT Co. shall be liable for and shall indemnify and hold Valor and its Subsidiaries and the Spinco Group harmless against, on a net after-Tax basis, any Tax liability (i) of the AT Co. Group or any AT Consolidated Group or any member thereof or attributable to the employees, assets or transactions of the AT Co. Business or (ii) of the Spinco Group or any member thereof, including Taxes arising from any Distribution Disqualification other than Taxes for which Valor is responsible pursuant to Article X of the Merger Agreement.

(c) Except as set forth in this Agreement and in consideration of the mutual indemnities and other obligations of this Agreement, any and all prior Tax sharing or allocation agreements or practices between any member of the AT Co. Group and any member of the Spinco Group (including the ALLTEL Corporation and Subsidiaries Tax

Sharing Policy in effect for taxable years ending on or after December 31, 1991) shall be terminated with respect to the Spinco Group as of the Distribution Date, and no member of the Spinco Group shall have any continuing rights or obligations thereunder.

(d) Valor shall be entitled to any refund of or credit for Taxes for which Valor is responsible under this Agreement, and AT Co. shall be entitled to any refund of or credit for Taxes for which AT Co. is responsible under this Agreement. Refunds for any Straddle Period shall be equitably apportioned between the AT Co. Group and the Spinco Group in accordance with the provisions of this Agreement governing such periods. A party receiving a refund to which another party is entitled pursuant to this Agreement shall pay the amount to which such other party is entitled within five days after the receipt of the refund.

2.06 PERIOD THAT INCLUDES THE DISTRIBUTION DATE.

(a) To the extent permitted by law or administrative practice, the taxable year of each member of the Spinco Group with respect to any Tax shall be treated as closing at the close of the Distribution Date.

(b) If it is necessary for purposes of this Agreement to determine the Tax liability of any member of the Spinco Group for a taxable year or period that begins on or before and ends after the Distribution Date and that is not treated under Section 2.05(a) as closing at the close of the Distribution Date, the determination shall be made, in the case of Taxes that are based upon income or receipts, by assuming that the relevant taxable period ended at the close of the Distribution Date, except that any exemptions, allowances or deductions that are calculated on an annual basis shall be apportioned on a time basis. In the case of Taxes that are imposed on a periodic basis, are payable for a taxable period that includes (but does not end on) the Distribution Date, and are not based upon or related to income or receipts, the portion of such Tax that relates to the Pre-Distribution Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Distribution Date and the denominator of which is the number of days in the entire taxable period.

(c) For the avoidance of doubt, Taxes allocated to the Pre-Distribution Period shall include (i) any Tax resulting from the departure of any corporation from any AT Consolidated Group (resulting from the triggering into income of deferred intercompany transactions under Section 1.1502-13 of the Treasury Regulations or excess loss accounts under Section 1.1502-19 of the Treasury Regulations or otherwise) other than any such Tax that would not have arisen in the absence of a Disqualifying Action, and (ii) any Tax related to items of income or gain arising with respect to any interest in an entity treated as a partnership for United States federal income tax purposes, held by a member of the Spinco Group in the Pre-Distribution Period, in accordance with the principles of Section 1.1502-76(b)(2)(vi) of the Treasury Regulations.

ARTICLE III.

CARRYBACKS; AMENDED RETURNS; TIMING ADJUSTMENTS

3.01 CARRYBACKS. Without the consent of AT Co., no member of the Spinco Group shall carry back any Tax Attribute (unless required to carry back such Tax Attribute by law) from a Post-Distribution Period to a Pre-Distribution Period. Provided that AT Co. consents to the carryback or if the carryback is required by law, AT Co. (or any other member of the AT Co. Group receiving such refund) shall promptly remit to Valor any Tax Benefit it realizes with respect to any such carryback.

3.02 AMENDED RETURNS. Valor shall not, and shall not permit any member of the Spinco Group to, file any amended Income Tax Return of a member of the Spinco Group or a Tax Return with respect to Other Taxes of a member of the Spinco Group that is filed on a combined basis with a member of the AT Co. Group, in each case with respect to a Pre-Distribution Period, without first obtaining the consent of AT Co., which shall not be unreasonably withheld, delayed or conditioned.

3.03 TIMING ADJUSTMENTS.

(a) If an audit or other examination by any Taxing Authority with respect to any Income Tax Return shall result (by settlement or otherwise) in any adjustment that (A) decreases deductions, losses or Tax credits or increases income, gains or recapture of Tax credits of a member of the AT Consolidated Group for a Pre-Distribution Period in respect of an item for which AT Co. is responsible hereunder and (B) will permit the Spinco Group to increase deductions, losses or tax credits or decrease income, gains or recapture of tax credits that would otherwise (but for such adjustment) have been taken or reported with respect to the Spinco Group for one or more Post-Distribution Periods, Valor shall, and shall cause the Spinco Group to, pay to AT Co. the amounts of any Tax Benefits that result therefrom within ten (10) days of the date on which such Tax Benefits are realized, provided, however, that this Section 3.02(a) shall not apply to any such adjustment relating to the subject matter of 2.04(a)(i) and the last sentence of Section 4.01.

(b) If an audit or other examination by any Taxing Authority with respect to any Income Tax Return shall result (by settlement or otherwise) in any adjustment that (A) decreases deductions, losses or Tax credits or increases income, gains or recapture of Tax credits of a member of the Valor Group for a Post-Distribution Period and (B) will permit any member of the AT Co. Group or any AT Consolidated Group to increase deductions, losses or tax credits or decrease income, gains or recapture of tax credits in respect of an item for which AT Co. would be responsible hereunder, AT Co. shall, and shall cause the AT Co. Group to, pay to Valor the amounts of any Tax Benefits that result therefrom within ten (10) days of the date on which such Tax Benefits are realized.

(c) The party in control of the audit or other examination to which any such adjustment described in 3.02(a) or (b) above relates shall notify the other party and provide it with adequate information so that it may reflect such adjustment on its applicable Tax Returns.

3.04 (TAX BENEFIT REALIZED. For purposes of this Agreement, a Tax Benefit shall be deemed to have been realized at the time any refund of Taxes is received or applied against other Taxes due, or at the time of filing of a Tax Return (including any relating to estimated Taxes) on which a loss, deduction or credit is applied in reduction of Taxes which would otherwise be payable; provided, however, that, where a party has other losses, deductions, credits or similar items available to it, deductions, credits or items for which the other party would be entitled to a payment under this Agreement shall be treated as the last items utilized to produce a Tax Benefit.

ARTICLE IV.

PAYMENTS

4.01 PAYMENTS. Except as provided in Section 2.01 and Section 3.03, payments due under this Agreement shall be made no later than thirty (30) days after the receipt or crediting of a refund, the realization of a Tax Benefit for which the other party is entitled to reimbursement, the delivery of notice of payment of a Tax for which the other party is responsible under this Agreement, or the delivery of notice of a Final Determination which results in such other party becoming obligated to make a payment hereunder to the other party hereto. Payments due hereunder, but not made within such 30-day period, shall be accompanied with interest at a rate equal to the Applicable Federal Rate from the due date of such payment. Notwithstanding the foregoing, in the case of any payment required to be made to AT Co. by Valor as the result of a Final Determination with respect to a USF Amount, such USF Amount may be paid in ten (10) equal, annual installments, commencing on a date which is not less than thirty (30) days after the date of such Final Determination, and on each of the nine succeeding anniversaries of such date.

4.02 NOTICE. AT Co. and Valor shall give each other prompt written notice of any payment that may be due to the provider of such notice under this Agreement.

ARTICLE V.

TAX CONTESTS

5.01 NOTICE. Valor shall promptly notify AT Co. in writing upon receipt by Valor or any member of the Valor Group of a written communication from any Taxing Authority with respect to any pending or threatened audit, dispute, suit, action, proposed assessment or other proceeding (a "Tax Contest") concerning any Combined Return, Straddle Return or Short Period Return or otherwise concerning Taxes for which AT Co. may be liable under this Agreement. AT Co. shall promptly notify Valor in writing upon receipt by AT Co. or any member of the AT Co. Group of a written communication from any Taxing Authority with respect to any Tax Contest concerning any Separate Return or otherwise concerning Taxes for which Valor may be liable under this Agreement.

5.02 CONTROL OF CONTESTS BY AT. CO. Except as provided in Section 5.03, AT Co. shall have sole control of any Tax Contest of a member of the Spinco Group related to any Combined Return, Straddle Return or Short Period Return, including the exclusive right to communicate with agents of the Taxing Authority and to control, resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Tax Contest, provided, however, that (i) AT Co. shall provide Valor an opportunity to review and comment upon AT Co.'s communications with such Taxing Authorities to the extent such communications relate to Spinco or any member of the Spinco Group, (ii) AT Co. shall act in good faith in connection with its control of such Tax Contest and (iii) in the case of any such Tax Contest that relates to Income Taxes for which Valor has responsibility hereunder, Valor may participate in the Tax Contest at its own expense, and AT Co. shall not settle or concede any such Tax Contest without the prior written consent of Valor, which consent shall not be unreasonably withheld, delayed or conditioned.

5.03 CONTROL OF CONTESTS BY VALOR. Valor shall have sole control of any Tax Contest related to any Separate Return and any Tax Contest relating to Other Taxes for which Valor is responsible hereunder, including the exclusive right to control, resolve, settle or agree to any deficiency, claim or adjustment proposed, asserted or assessed in connection with or as a result of any such Tax Contest.

ARTICLE VI. COOPERATION

6.01 GENERAL. AT Co. and Valor shall cooperate with each other in the filing of any Tax Returns and the conduct of any audit or other proceeding and each shall execute and deliver such powers of attorney and make available such other documents as are reasonably necessary to carry out the intent of this Agreement. Each party agrees to notify the other party in writing of any audit adjustments which do not result in Tax liability but can be reasonably expected to affect Tax Returns of the other party, or any of its Subsidiaries, for a Post-Distribution Period.

6.02 CONSISTENT TREATMENT.

(a) Unless and until there has been a Final Determination to the contrary, each party agrees to treat the Contribution, together with the Debt Exchange, as a reorganization qualifying under Section 368(a)(1)(D) of the Code, the Distribution as a transaction qualifying under Sections 355 and 361 of the Code and the Merger as a reorganization qualifying under Section 368(a) of the Code, pursuant to which no gain or loss is recognized by any of AT Co., Spinco, Valor and their respective shareholders (except to the extent of cash received in lieu of fractional shares).

(b) Unless and until there has been a Final Determination to the contrary or unless there is not at least substantial authority for a particular position within the meaning of Section 6662 of the Code and the Treasury Regulations thereunder, Valor shall file or

cause to be filed all Tax Returns of a member of the Spinco Group or relating to the Spinco Business and shall conduct any Tax Contests in respect of a member of the Spinco Group or the Spinco Business in a manner consistent with AT Co.'s determination of the adjusted Tax basis of any asset and the amount of any Tax Attribute or any similar item held by the Spinco Group at the time of the Distribution, and, without the consent of AT Co., in the case of a past practice of the AT Co. Consolidated Group that is subject to a Tax Contest at the time of the Distribution, Valor shall not permit any of the Spinco Subsidiaries to take any position on any Tax Return, in any Tax Contest or otherwise that is inconsistent with such past practice. For the avoidance of doubt, this Section shall not apply to reporting under GAAP.

ARTICLE VII.

RETENTION OF RECORDS; ACCESS

The AT Co. Group and the Valor Group shall (a) in accordance with their then current record retention policy, 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 any member of either the AT Co. Group or the Spinco Group for any Pre-Distribution Period or any Post-Distribution Period or for the audit of such Tax Returns; and (b) give to the other 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 the Valor Group proposes to destroy such material or information, it shall first notify the AT Co. Group in writing and the AT Co. Group shall be entitled to receive such materials or information proposed to be destroyed. At any time after the Distribution Date that the AT Co. Group proposes to destroy such material or information, it shall first notify the Valor Group in writing and the Valor Group shall be entitled to receive such materials or information proposed to be destroyed.

ARTICLE VIII.

TERMINATION OF LIABILITIES

Notwithstanding any other provision in this Agreement, any liabilities determined under this Agreement shall not terminate any earlier than the expiration of the applicable statute of limitation for such liability. All other covenants under this Agreement shall survive indefinitely.

ARTICLE IX.
DISPUTE RESOLUTION

AT Co. and Valor shall attempt in good faith to resolve any disagreement arising with respect to this Agreement, including, but not limited to, 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. If the parties cannot agree by the tenth Business Day following the date on which one party gives such notice (the "Dispute Date"), then the Dispute shall be determined as follows: Within 20 days of the Dispute Date, AT Co. and Valor shall each appoint one arbitrator. The two arbitrators so appointed shall appoint a third arbitrator within 30 days of the Dispute Date. If either party shall fail to appoint an arbitrator within such 20-day period, the arbitration shall be conducted by the sole arbitrator appointed by the other party. Whether selected by AT Co., Valor or otherwise, each arbitrator selected to resolve such dispute shall be a tax lawyer who is generally recognized in the tax community as a qualified and competent tax practitioner with experience in the tax area involved. Such arbitrators shall be empowered to resolve the Dispute, including by engaging nationally recognized accounting and other experts. Each of AT Co. and Valor shall bear 50% of the aggregate expenses of the arbitrators (or the sole arbitrator). The decision of the arbitrators shall be rendered no later than 90 days from the Dispute Date and shall be final.

ARTICLE X.
MERGER AGREEMENT CONTROLS

None of the provisions of this Agreement are intended to supersede any provision in Article X of the Merger Agreement. In the event of any conflict between this Agreement and Article X of the Merger Agreement, Article X of the Merger Agreement shall control.

ARTICLE XI.
MISCELLANEOUS PROVISIONS

To the extent not inconsistent with any specific term of this Agreement, the following sections of the Distribution Agreement shall apply in relevant part to this Agreement: 12.3 (Governing Law), 12.4 (Notice), 12.5 (Amendment and Modification), 12.6 (Successors and Assigns; No Third-Party Beneficiaries), 12.7 (Counterparts), 12.8 (Interpretation), 12.9 (Severability), 12.10 (References; Construction), and 12.11 (Terminability).

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

ALLTEL CORPORATION

By:

Name:

Title:

ALLTEL HOLDING CORP.

By:

Name:

Title:

VALOR COMMUNICATIONS GROUP,
INC.

By:

Name:

Title:

TRANSITION SERVICES AGREEMENT

This Transition Services Agreement (this "Agreement"), dated as of ____, 2006 (the "Signing Date"), is entered between ALLTEL Corporation., a Delaware corporation ("AT Co."), and Alltel Holding Corp, a Delaware corporation and wholly-owned subsidiary of AT Co. ("Spinco").

RECITALS

WHEREAS, AT Co. and Spinco are parties to that certain Distribution Agreement dated as of ____, 2005 (the "Distribution Agreement"; capitalized terms used herein but not defined herein shall have the meanings set forth in the Distribution Agreement), pursuant to which, among other things, AT Co. will distribute to its stockholders all of the outstanding shares of common stock of Spinco (the "Distribution"); and

WHEREAS, in connection with the Distribution, the parties desire that AT Co. and its Affiliates provide certain services to Spinco and its Affiliates on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained in this Agreement, the parties agree as follows:

ARTICLE 1 TRANSITION SERVICES

1.1 Transition Services. This Agreement sets forth the terms and conditions for the provision by AT Co. to Spinco of various transition services described herein and in the service attachment (the "Service Attachment") attached hereto as Exhibit A (collectively, the "Transition Services"), pursuant to the terms hereof.

1.2 Provision of Transition Services. Commencing on the date hereof and continuing through the Term (as defined in Article 2 of this Agreement), AT Co. will provide the Transition Services to Spinco, unless (a) otherwise indicated on the Service Attachment, (b) automatically modified by termination of a Transition Service by Spinco in accordance with the terms and conditions hereof, (c) otherwise mutually agreed to by the parties in writing, or (d) this Agreement is terminated in accordance with the terms and conditions hereof.

1.3 Purchase of Additional or Modified Transition Services. From time to time, Spinco may request that AT Co. provide additional or modified services that relate to the transition of ownership and operation of the Spinco Business but are not described in the Service Attachment. AT Co. will use, and will cause each of its Affiliates to use, its reasonable best efforts to accommodate any reasonable requests by Spinco to provide additional or modified services relating to the transition of ownership and operations of the Spinco Business. In order to initiate a request for such additional or modified services, Spinco shall submit a written

request to AT Co. specifying the nature of the requested additional or modified services and requesting an estimate of the Transition Services Costs (as defined in Section 3.1) applicable to such additional or modified services. AT Co. shall respond to such request within 10 Business Days following AT Co.'s receipt of such request; provided that, subject to the second sentence of Section 1.3, such 10 Business Day period shall be subject to a reasonable extension if, due to the volume, frequency or type of requests submitted by Spinco, AT Co.'s preparation of responses to such requests is materially interfering with, or is likely to materially interfere with, AT Co.'s normal business activities. If AT Co. can, subject to the second sentence of this Section 1.3, accommodate Spinco's request to provide such additional or modified services, and if Spinco accepts the terms and conditions set forth in AT Co.'s response to such request, then such additional or modified services shall be provided hereunder subject to the terms and conditions of AT Co.'s response and such other terms and conditions as may be agreed to by the parties in a written amendment to this Agreement. If AT Co. agrees to any modification to the physical facilities that is requested by Spinco in accordance with the terms and conditions of this Section, such modification shall be done solely at Spinco's cost and expense and shall be coordinated by the parties to minimize interference with AT Co.'s normal business activities. No representative of Spinco shall have authority to make decisions with respect to AT Co. and its responsibilities under this Agreement; and no representative of AT Co. shall have authority to make decisions with respect to Spinco and its responsibilities under this Agreement.

1.4 Appointment of Transition Teams. Each party shall designate one or more persons who have practical knowledge and experience in each area of AT Co.'s operations that relate to the Transition Services and are authorized to make decisions with respect to the Transition Services (each a "Transition Team"); provided that any such decisions that individually or in the aggregate, would materially and adversely affect the economic benefits as a whole to be derived by the Company in the Merger shall require the affirmative consent of a person designated by the Company (the "Company Designee"). Without limiting the generality of the foregoing, and subject to the foregoing proviso each Transition Team will include persons from such party and its Affiliates whose experience includes the following areas: (a) information technology systems, (b) billing, (c) human resources, (d) customer service,

(e) accounting and finance, (f) engineering and network, (g) sales and marketing, (h) operations, (i) real estate, (j) branding, and (k) capital asset management. Each party shall designate a member of its Transition Team as the leader of its Transition Team (each a "Team Leader"). Each Team Leader shall coordinate the assignment of persons to its Transition Team and shall assess and monitor the performance of the Transition Services. Prior to the initial joint meeting described in Section 1.5 of this Agreement, each party shall submit to the other party a written list identifying its initial Team Leader and the initial members of its Transition Team including each person's title, areas of expertise and relevant telephone, fax and email information, and the Company shall provide such information to each party with respect to the Company Designee. If a Transition Team member or Team Leader shall be unavailable to work on the Transition Services for more than five (5) Business Days, then he or she shall appoint a temporary or permanent replacement. The Transition Teams shall provide updates from time to time as reasonable requested by the Company Designee.

1.5 Transition Team Meetings. Within 30 Business Days after the Signing Date, the appropriate representatives of the Transition Teams shall conduct an initial joint meeting for the

purpose of defining roles, responsibilities, scope and timelines related to the Transition Services. Thereafter, the Transition Teams shall convene meetings on a mutually agreed upon periodic basis as required. It is the expectation of the parties that the Transition Team members shall communicate directly with one another and work directly with one another to ensure that all Transition Services are completed on a timely and complete basis; provided that, except for AT Co.'s Team Leader, the members of AT Co.'s Transition Team shall not have the legal authority to make or to modify any obligation or to waive any right on behalf of AT Co. The Team Leaders shall meet, at least weekly, or on such other mutually agreed upon periodic basis as required, to discuss the status of the Transition Services, as well as to answer questions, gather information and resolve disputes that may occur from time-to-time. All meetings pursuant to this Section 1.5 may be face-to-face, video or telephonic meetings as may be agreed upon by the parties. Each party and the Company Designee shall bear its own costs of attending or participating in Transition Team meetings.

1.6 Oversee Completion of Transition Services. The Transition Teams will be accountable for overseeing the completion of the Transition Services in accordance with the terms and conditions hereof. Unless otherwise provided in the Service Attachment, the parties will use their reasonable best efforts to respond to requests for information within 5 Business Days after receipt of each such request.

1.7 Availability of Subject Matter Experts. From time to time, Spinco may request that AT Co. make available to Spinco a resource of AT Co. that has expertise in the subject matter (which must be directly related to the systems and procedures utilized by AT Co. and its Affiliates in connection with the Spinco Business) specified by Spinco in such request. Within 5 Business Days after receipt by AT Co. of a reasonable request by Spinco that a specified subject matter expert be made available, AT Co. shall make, and shall cause its Affiliates to make, such subject matter experts (including, without limitation, technical and operational personnel) available to Spinco's Transition Team or other subject matter experts during AT Co.'s normal business hours. For purposes of determining the reasonableness of any such request by Spinco, AT Co. shall consider the specified subject matter expert's other duties and then-current schedule as well as the availability of other individuals with the same skills as the specified subject matter expert.

1.8 Equipment and Software. AT Co. shall keep the equipment and software used to provide the Transition Services in working order with sufficient capacity to perform the Transition Services concurrent with the equipment's and software's other use for AT Co., if any; provided, however, if AT Co. is required to increase the capacity of its equipment or software (for example, because previously shared hardware capacity must be duplicated) to perform the Transition Services, then AT Co. shall obtain Spinco's prior written approval of any additional cost or expense that AT Co. expects to incur in connection with such increase in capacity, and Spinco shall pay any such additional cost or expense incurred by AT Co. to provide such increased capacity to the extent so approved by Spinco.

1.9 General Cooperation. Subject to the terms and conditions set forth in this Agreement, AT Co. and Spinco shall each use reasonable best efforts to provide information and documentation sufficient for each party to perform the Transition Services as they were

performed before the date of this Agreement, and make available, as reasonably requested by the other party, sufficient resources and timely decisions, approvals and acceptances in order that each party may accomplish its obligations under this Agreement in a timely and efficient manner.

1.10 Modifications. Unless otherwise provided for in this Agreement, if Spinco makes any change in the processes, procedures, practices, networks, equipment, configurations, or systems pertaining to the Spinco Business, and such change has an adverse impact on AT Co.'s ability to provide any of the Transition Services, then AT Co. shall be excused from performance of any such affected Transition Services until Spinco mitigates the adverse impact of such change, and Spinco shall be responsible for all direct expenses incurred by AT Co. in connection with the cessation and, if applicable, the resumption of the affected Transition Services.

ARTICLE 2 TERM

Unless terminated earlier in accordance with Article 8 of this Agreement, the term of this Agreement shall expire on the one-year anniversary of the Signing Date (the "Term"), except Spinco shall have the right to extend the Term for an additional 30 days by providing written notice to AT Co. at least 60 days prior to the expiration of the Term indicating Spinco's election to extend the Term.

ARTICLE 3 COMPENSATION AND PAYMENT ARRANGEMENTS FOR TRANSITION SERVICES

3.1 Compensation for Transition Services. Subject to the terms and conditions of this Agreement, the total compensation payable by Spinco to AT Co. for each and every Transition Service provided pursuant to the Service Attachment shall be set forth in the Services Attachment (the "Transition Services Costs").

3.2 Payment Terms. Within 30 days after the end of each calendar month during the Term, or extension thereof, AT Co. shall bill Spinco in arrears for the Transition Services Costs that apply to the Transition Services performed by AT Co. Each of AT Co.'s invoices shall describe in reasonable detail the Transition Services upon which the applicable Transition Services Costs are based. Within 30 days after Spinco's receipt of each of AT Co.'s invoices, Spinco shall pay AT Co. the amount of such invoice. If such payment is not received by AT Co. within such 30-day period, Spinco shall also pay AT Co. interest from and after the last date of the calendar month in respect of such invoice, but excluding the date of payment by Spinco, at a rate per annum equal to the Prime Rate on the last day of the calendar month in respect of such invoice. If Spinco disputes in good faith any portion of the amount due on any invoice, Spinco shall notify AT Co. in writing of the nature and basis of the dispute within 10 Business Days after Spinco's receipt of such invoice. Otherwise the invoiced amount shall be deemed to be accurate and correct and shall not be subject to dispute or contest by Spinco or any Affiliate thereof. The parties shall use their reasonable best efforts to resolve the dispute prior to the payment due date. AT Co. shall reimburse Spinco within 30 days following, as applicable (a)

agreement by the parties of any excess payment made by Spinco in respect of Transition Services, or (b) resolution of any disputed amounts paid in excess of the amount of Transition Services Costs, in either case, with interest from and after the date payment was made by Spinco through, but excluding, the date of reimbursement by AT Co., at the rate per annum equal to the Prime Rate on the date payment was made by Spinco.

ARTICLE 4 RELATIONSHIP TO OTHER DOCUMENTS

4.1 Controlling Provisions. If there is any conflict or inconsistency between the terms and conditions set forth in the main body of this Agreement and any of the Exhibits to this Agreement, the provisions of the Exhibits shall control with respect to the rights and obligations of the parties regarding the Transition Services. If there is any conflict or inconsistency between the terms and conditions of this Agreement and the Distribution Agreement, the provisions of this Agreement shall control solely with respect to the rights and obligations of the parties regarding the Transition Services.

ARTICLE 5 DISPUTE RESOLUTION

5.1 Dispute Resolution Procedures. If a dispute arises between the parties with respect to the terms and conditions of this Agreement, or any subject matter governed by this Agreement (excluding disputes regarding a party's compliance with the applicable confidentiality provisions or in the case of suit to compel compliance with this dispute resolution process or with the provisions of this Article) (a "Dispute") the parties agree to use and follow this dispute resolution procedure before initiating any judicial action. At such time as the Dispute is resolved under this Article, interest (at the Prime Rate) shall be paid to the party receiving any disputed monies to compensate for the lapsed time between the date such disputed amount originally was paid or should have been paid through the date monies are paid in settlement of the Dispute.

5.2 Claims Procedures. The Transition Teams shall escalate any Dispute to the Team Leaders for resolution (and, to the extent applicable in accordance with Section 1.4 hereof, the Company Designee). Upon receipt of any such escalated matter, the Team Leaders (and, to the extent applicable in accordance with Section 1.4 hereof, the Company Designee) shall discuss and attempt to resolve the matter within 15 Business Days immediately following the escalation. If by the end of the fifteenth Business Day, the matter has not been resolved to the satisfaction of both Team Leaders (and, to the extent applicable in accordance with Section 1.4 hereof, the Company Designee), then the party that initiated the claim shall provide written notification to the other party in accordance with Section 10.3 of this Agreement, in the form of a claim identifying the issue or amount disputed and including a detailed reason for the claim. The party against whom the claim is made shall respond in writing to the claim within 15 Business Days from the date of receipt of the claim document. The party filing the claim shall have an additional 15 Business Days after the receipt of the response to either accept any resolution offered by the other party or request implementation of the procedures set forth in Section 5.3

(the "Escalation Procedures"). Failure to meet the time limitations set forth in this Section may result in the implementation of the Escalation Procedures.

5.3 Escalation Procedure. Upon receipt of the written notice of a party involved in the Dispute and in compliance with Section 5.2, each party shall appoint a knowledgeable, responsible representative to negotiate in good faith to resolve any unresolved disputes or claims arising under this Agreement. The parties intend that these negotiations be conducted by experienced business representatives empowered to decide the issues. The business representatives shall meet and attempt to resolve the Dispute within 15 Business Days of receiving the written request. If they can resolve the Dispute within that time period, it will be memorialized in a written settlement and release agreement, executed within five Business Days thereafter. If they can not resolve the Dispute within that time period, then the parties may resort to judicial action or other remedies. The parties may vary the duration and form of these Escalation Procedures by mutual written agreement.

ARTICLE 6 INDEMNIFICATION

6.1 Indemnification by AT Co.

(a) AT Co. shall indemnify, defend and hold harmless each Spinco Indemnitee (as defined in the Distribution Agreement), against and in respect of any and all Indemnifiable Losses incurred or suffered by any Spinco Indemnitee that result from, relate to or arise out of any default by AT Co. in the performance of its obligations under this Agreement or any third party claim against any Spinco Indemnitee based upon the negligence, gross negligence or willful misconduct of any of the AT Co. Indemnitees that arise out of or result from any default by AT Co. in the performance of its obligations under this Agreement, except to the extent that any such Indemnifiable Losses arise out of or result from the negligence, gross negligence or willful misconduct of any Spinco Indemnitee.

(b) In the case of Indemnifiable Losses incurred by Spinco Indemnitees that arise out of or result from any default by AT Co. in the performance of its obligations under this Agreement based upon the negligence of any of the AT Co. Indemnitees, indemnification shall be limited to actual damages which in no event shall exceed the total amount of compensation payable to AT Co. hereunder. For the avoidance of doubt, in the case of Indemnifiable Losses incurred by the Spinco Indemnitees that arise out of or result from any default by AT Co. in the performance of its obligations under this Agreement based upon the gross negligence or willful misconduct of any of the AT Co. Indemnitees, indemnification shall be limited to actual damages without regard to the total amount of compensation payable to AT Co. hereunder.

6.2 Indemnification by Spinco.

(a) Spinco shall indemnify, defend and hold harmless each AT Co. Indemnitee (as defined in the Distribution Agreement), against and in respect of any and all Indemnifiable Losses incurred or suffered by any AT Co. Indemnitee that result from, relate to or arise out of any default by Spinco in the performance of its obligations under this Agreement or

any third party claim against any AT Co. Indemnitee based upon the negligence, gross negligence or willful misconduct of any of the Spinco Indemnitees that arise out of or result from any default by Spinco in the performance of its obligations under this Agreement, except to the extent that any such Indemnifiable Losses arise out of or result from the negligence, gross negligence or willful misconduct of any AT Co. Indemnitee.

(b) In the case of Indemnifiable Losses incurred by AT Co. Indemnitees that arise out of or result from any default by Spinco in the performance of its obligations under this Agreement based upon the negligence of any of the Spinco Indemnitees, indemnification shall be limited to actual damages which in no event shall exceed the total amount of compensation payable to AT Co. hereunder. For the avoidance of doubt, in the case of Indemnifiable Losses incurred by the AT Co. Indemnitees that arise out of or result from any default by Spinco in the performance of its obligations under this Agreement based upon the gross negligence or willful misconduct of any of the Spinco Indemnitees, indemnification shall be limited to actual damages without regard to the total amount of compensation payable to AT Co. hereunder.

6.3 Limitations.

(a) In no event shall either party hereto be liable for indirect, special, consequential or punitive damages arising out of this Agreement, regardless of the form of action, whether in contract, warranty, strict liability or tort, including negligence of any kind, whether active or passive, and regardless of whether the other party knew of or was advised at the time of breach of the possibility of such damages.

(b) Except as otherwise provided in this Article 6, AT Co.'s sole responsibility to Spinco for errors or omissions in providing the Transition Services shall be to re-perform such Transition Services properly in a diligent manner, at no additional cost or expense; provided, however, that each party shall use reasonable best efforts to detect any such errors or omissions and promptly advise the other party or parties of any such error or omission of which it becomes aware.

6.4 A party that is seeking indemnification pursuant to Section 6.1 or 6.2 shall notify the other party thereof and shall specify in reasonable detail the event(s) giving rise to such claim for indemnification within 15 Business Days after the indemnified party has actual knowledge of such event(s), except that any failure to give such notice will not waive any rights of the indemnified party unless the rights of the indemnifying party are actually and materially prejudiced thereby. The indemnifying party shall have the right to undertake the defense of any claim upon delivery of notice to the indemnified party with respect to such claim. Such defense shall be made with counsel reasonably acceptable to the indemnified party. If the indemnifying party fails to undertake the defense of the indemnified party within such time period, the indemnified party may retain its own counsel for such defense (which shall be reasonably acceptable to the indemnifying party), and the indemnified party's reasonable attorney's fees and expenses related to such claim shall be paid by the indemnifying party. Neither party shall, without the consent of the other party, agree to any non-monetary settlement of the indemnified claim.

(a) Upon a determination of liability by final and non-appealable court judgment or order in respect of Section 6.1 or 6.2, the appropriate party shall pay the other party the amount so determined (subject to the limitations of Section 6.3) within 15 Business Days after the date of determination of liability by Final Judgment (such fifteenth Business Day, the "Due Date"). If there should be a dispute as to the amount or manner of determination of any indemnity obligation owed under Section 6.1 or 6.2, the indemnifying party shall nevertheless pay when due such portion, if any, of the obligation as shall not be subject to dispute. The difference, if any, between the amount of the obligation ultimately determined as properly payable under this Agreement and the portion, if any, theretofore paid shall bear interest as provided below in Section 6.4(b). Upon the payment in full of any claim, the indemnifying party or other Person making payment shall be subrogated to the rights of the indemnified party against any Person with respect to the subject matter of such claim. For purposes of this Section 6.4, "Final Judgment" means a judicial or other determination as to which no appeal or other review is pending or in effect and any deadline for filing any such appeal or review that may be designated by statute, rule, stipulation or other agreement has passed.

(b) If all or part of any indemnification obligation under Section 6.1 or 6.2 of this Agreement is not paid on the Due Date, then the indemnifying party shall pay the indemnified party interest on the unpaid amount of the obligation for each calendar day from the Due Date until payment in full, payable on demand, at a rate per annum equal to the Prime Rate on the Due Date.

ARTICLE 7 FORCE MAJEURE

Except for payment of amounts due, neither party shall be held liable for any delay or failure in performance of any part of this Agreement, including the Service Attachment, from any cause beyond its reasonable control and not primarily attributable to its fault or negligence, including, but not limited to, acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, or disruptions in Internet and other telecommunication networks and backbones, power and other utilities. Upon the occurrence of a condition described in this Article, the party whose performance is prevented shall provide written notice to the other party, and the parties shall promptly confer, in good faith, on what action may be taken to minimize the impact, on both parties, of such condition.

ARTICLE 8 TERMINATION

8.1 Termination of Transition Services and Agreement for Convenience. Subject to the limitations set forth in the Services Attachment, Spinco shall have the right to terminate any Transition Service, in whole or in part, upon 30 days prior written notice to AT Co. If all Transition Services shall have been migrated or terminated under this provision prior to the expiration of this Agreement, then Spinco shall have the right to terminate this Agreement upon written notice to AT Co.

8.2 Termination for Default. In the event: (i) Spinco shall fail to pay for Transition Services in accordance with the terms of this Agreement (and such payment is not disputed by Spinco in good faith in accordance with Section 3.2); (ii) either party shall default, in any material respect, in the due performance or observance by it of any of the other terms, covenants or agreements contained in this Agreement; or (iii) either party shall become or be adjudicated insolvent and/or bankrupt, or a receiver or trustee shall be appointed for either party or its property or a petition for reorganization or arrangement under any bankruptcy or insolvency law shall be approved, or either party shall file a voluntary petition in bankruptcy or shall consent to the appointment of a receiver or trustee, any non-defaulting party shall have the right, at its sole discretion, (A) in the case of a default under clause (iii), to immediately terminate its participation with the defaulting party under this Agreement, and (B) in the case of a default under clause (i) or (ii), to terminate its participation with the defaulting party under this Agreement if the defaulting Party has failed to (x) cure the default within 30 days of written notice of default or if the default (except for defaults as a result of failure to make payment) is such that it will take more than 30 days to cure, within an extended time period which shall be not longer than what is reasonably necessary to effect performance or compliance or (y) diligently pursue the curing of the default.

8.2 Termination of Distribution Agreement. This Agreement shall automatically terminate upon termination of the Distribution Agreement.

8.3 Transitional Cooperation. Each of AT Co. and Spinco will, and will cause their respective Affiliates to cooperate with the other party and its Affiliates to assure an orderly transition from the systems and procedures utilized by AT Co. and its Affiliates in connection with the Spinco Business to those systems and procedures to be utilized by Spinco and its Affiliates in connection with the Spinco Business after Closing.

8.4 Return of Material. As a Transition Service is migrated or terminated, whichever is earlier, each of AT Co. and Spinco will, and will cause their respective Affiliates to, return all material and property owned by the other party and its Affiliates, including, without limitation, any and all material and property of a proprietary nature involving the other party and its Affiliates relevant to the provision of that Transition Service and no longer needed regarding the performance of other Transition Services under this Agreement within 30 days after the applicable migration or termination. Upon termination of this Agreement, each of AT Co. and Spinco will, and will cause their respective Affiliates to, return any and all material and property of a proprietary nature involving the other party and its Affiliates, in its possession or control within 30 days after the termination of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, upon the termination or expiration of this Agreement, Spinco shall cease all access to AT Co.'s information, data, systems and other assets that are not Spinco Assets.

8.5 Effect of Termination. The provisions of Articles 3, 4, 5, 6, 7, 8 and 10 shall survive the termination or expiration of this Agreement.

**ARTICLE 9
OTHER REPRESENTATIONS, WARRANTIES AND COVENANTS**

9.1 Compliance with Laws. Each party shall comply, at its own expense, with the provisions of all Laws applicable to the performance of its obligations under this Agreement. Notwithstanding the description of the Transition Services in this Agreement, neither AT Co. nor any of its Affiliates shall provide any services that would involve the rendering of legal, regulatory or tax advice or counsel.

9.2 Performance. AT Co. represents and warrants that AT Co. and its Affiliates, as the case may be, will provide the Transition Services in a timely and professional manner generally consistent with the past practices of AT Co. and its Affiliates in providing the same or similar services to the Spinco Business prior to the execution of the Distribution Agreement.

9.3 Books and Records. AT Co. or its Affiliates will maintain complete and accurate books and records pertaining to its provision of the Transition Services. AT Co. or its Affiliates will provide Spinco, upon reasonable notice and during normal business hours, with access to such books and records. All such information shall be subject to the terms of the confidentiality provisions set forth in Section 10.16 hereof.

9.4 No Other Representations or Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY NOR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY ON BEHALF OF EITHER PARTY WITH RESPECT TO THE TRANSITION SERVICES, AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND ANY SUCH OTHER REPRESENTATIONS OR WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.

**ARTICLE 10
MISCELLANEOUS**

10.1 Relationship of the Parties. The parties declare and agree that each party is engaged in a business that is independent from that of the other party and each party shall perform its obligations as an independent contractor. It is expressly understood and agreed that Spinco and AT Co. are not partners or joint ventures, and nothing contained herein is intended to create an agency relationship or a partnership or joint venture. Neither AT Co. nor any of its Affiliates is an agent of Spinco or any of its Affiliates and has no authority to represent Spinco or any of its Affiliates as to any matters, except as authorized in this Agreement or in writing by Spinco from time to time. Neither Spinco nor any of its Affiliates is an agent of AT Co. or any of its Affiliates and has no authority to represent AT Co. or any of its Affiliates as to any matters, except as authorized in this Agreement or in writing by AT Co. from time to time.

10.2 Employees of the Parties. AT Co. shall be solely responsible for payment of compensation to its employees and for any injury to them in the course of their employment. AT Co. shall assume full responsibility for payment of all federal, state and local taxes or

contributions imposed or required under unemployment insurance, social security and income tax laws with respect to such persons. Spinco shall be solely responsible for payment of compensation to its employees and for any injury to them in the course of their employment. Spinco shall assume full responsibility for payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security and income tax laws with respect to such persons.

10.3 Notices. All notices and other communications required or permitted hereunder may be telephonic, by electronic mail or in writing and will be deemed to have been given when provided to the appropriate party in accordance with the contact information specified below:

If to AT Co., to:

ALLTEL Corporation
One Allied Drive
Little Rock, AR 72202
Attention: Chief Legal Officer

If to Spinco, to:

Attention: _____

or to such other Person or contact information as either party may from time to time designate for itself by like notice.

10.4 Governing Law.

(a) This Agreement shall be construed in accordance with, and governed by, the internal Laws of the State of Delaware without giving effect to principles of conflicts of law.

(b) The parties hereby irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement.

10.5 Assignment.

(a) Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned or delegated by Spinco or AT Co. (whether by operation of law or otherwise) without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that no such consent shall be required for an assignment or delegation by any party hereto to a successor to all or a substantial portion of the assets or the business of such party so long as such assignee or delegee executes a written assumption of such party's obligations hereunder with respect to the rights or obligations assigned or delegated, and delivers such written assumption to the other party within a reasonable period of time after the effective date of such assignment or delegation. Subject to the

preceding sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by Spinco and AT Co. and their respective successors and permitted assigns

10.6 Entire Agreement. This Agreement (including the Schedules and Exhibits attached hereto) constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, arrangements and understandings of the parties with respect to such subject matter.

10.7 Amendments and Waivers. Any provision of this Agreement may be amended if, and only if, such amendment is in writing and signed by both parties. Any provision of this Agreement may be waived to the extent permitted by applicable Law if, and only if, such waiver is in writing and signed by the party granting the waiver. No failure or delay by any party in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

10.8 Headings. The headings of the Articles and Sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

10.9 Severability. Each term or provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent but only to the extent of such invalidity, illegality or unenforceability, without rendering invalid or unenforceable the remainder of such provision or provisions of this Agreement; provided, however, that if the removal of such offending provision materially alters the burdens or benefits of either of the parties under this Agreement, the parties agree to negotiate in good faith such modifications to this Agreement, if any, as are appropriate to ensure that the burdens and benefits of each party under such modified Agreement are reasonably comparable to the burdens and benefits originally contemplated herein.

10.10 No Third-Party Beneficiaries. With the exception of the parties to this Agreement and their respective successors and permitted assigns, and there shall exist no right of any person to claim a beneficial interest in this Agreement or any rights arising out of this Agreement; provided, however, that with respect to Section 1.4 and Section 5.2 only, the Company is and shall be a stated and intended third party beneficiary; provided, however, that with respect to Section 1.4 and Section 5.2 only, the Company is and shall be a stated and intended third party beneficiary.

10.11 Remedies Cumulative. Except as otherwise provided herein, all rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any right, power or remedy by a party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

10.12 Expenses. Except as otherwise provided in this Agreement, the parties shall bear their own expenses (including all time and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement.

10.13 Counterparts. This Agreement may be executed in one or more counterparts, which may be delivered by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.14 Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or any covenant set forth in this Agreement is otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to enforce specifically the performance of this Agreement in accordance with its terms and provisions and to prevent breaches of covenants set forth in this Agreement. The foregoing right is in addition to, and not in lieu of, any other rights a party hereto may have in respect of a breach of this Agreement, whether at law or in equity.

10.15 No Set-Off. The obligations under this Agreement shall not be subject to set-off for non-performance or any monetary or non-monetary claim by any party or any of their respective Affiliates under any other agreement between the parties or any of their respective Affiliates.

10.16 Confidentiality.

(a) AT Co. and its Affiliates and their respective officers, directors, partners, managers, shareholders, employees, agents and representatives will not disclose any confidential information about Spinco or any of its Affiliates obtained as a result of the exercise of its rights or performance of its obligations under this Agreement unless disclosure is compelled by judicial or administrative process or, based on advice of such Person's counsel, by other requirements of law. The obligations of AT Co. under this Section 10.16(a) will survive the termination or expiration of this Agreement.

(b) Spinco and its Affiliates and their respective officers, directors, partners, managers, shareholders, employees, agents and representatives will not disclose any confidential information about AT Co. or any of its Affiliates obtained as a result of the exercise of its rights or performance of its obligations under this Agreement unless disclosure is compelled by judicial or administrative process or, based on advice of such Person's counsel, by other requirements of law. The obligations of Spinco under this Section 10.16(b) will survive the termination or expiration of this Agreement.

10.17 Facilities and Systems Security. If either party or its personnel will be given access to the other party's facilities, premises, equipment or systems, such party will comply with all such other party's written security policies, procedures and requirements made available by each party to the other, and will not tamper with, compromise, or circumvent any security or audit measures employed by such other party. Each party shall use its reasonable best efforts to ensure that only those of its personnel who are specifically authorized to have access to the

facilities, premises, equipment or systems of the other party gain such access, and to prevent unauthorized access, use, destruction, alteration or loss in connection with such access.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

ALLTEL CORPORATION

By: _____
Name:
Title:

ALLTEL HOLDING CORP.

By: _____
Name:
Title:

REVERSE TRANSITION SERVICES AGREEMENT

This Reverse Transition Services Agreement (this "Agreement"), dated as of ___, 2006 (the "Signing Date"), is entered between ALLTEL Corporation., a Delaware corporation ("AT Co."), and Alltel Holding Corp, a Delaware corporation and wholly-owned subsidiary of AT Co. ("Spinco").

RECITALS

WHEREAS, AT Co. and Spinco are parties to that certain Distribution Agreement dated as of ___, 2005 (the "Distribution Agreement"; capitalized terms used herein but not defined herein shall have the meanings set forth in the Distribution Agreement), pursuant to which, among other things, AT Co. will distribute to its stockholders all of the outstanding shares of common stock of Spinco (the "Distribution"); and

WHEREAS, in connection with the Distribution, the parties desire that Spinco and its Affiliates provide certain services to AT Co. and its Affiliates on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, warranties, covenants and agreements contained in this Agreement, the parties agree as follows:

ARTICLE 1 TRANSITION SERVICES

1.1 Transition Services. This Agreement sets forth the terms and conditions for the provision by Spinco to AT Co. of various transition services described herein and in the service attachment (the "Service Attachment") attached hereto as Exhibit A (collectively, the "Transition Services"), pursuant to the terms hereof.

1.2 Provision of Transition Services. Commencing on the date hereof and continuing through the Term (as defined in Article 2 of this Agreement), Spinco will provide the Transition Services to AT Co., unless (a) otherwise indicated on the Service Attachment, (b) automatically modified by termination of a Transition Service by AT Co. in accordance with the terms and conditions hereof, (c) otherwise mutually agreed to by the parties in writing, or (d) this Agreement is terminated in accordance with the terms and conditions hereof.

1.3 Purchase of Additional or Modified Transition Services. From time to time, AT Co. may request that Spinco provide additional or modified services that relate to the transition of ownership and operation of the AT Co. Business but are not described in the Service Attachment. Spinco will use, and will cause each of its Affiliates to use, its reasonable best efforts to accommodate any reasonable requests by AT Co. to provide additional or modified services relating to the transition of ownership and operations of the AT Co. Business. In order to initiate a request for such additional or modified services, AT Co. shall submit a written

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request to Spinco specifying the nature of the requested additional or modified services and requesting an estimate of the Transition Services Costs (as defined in Section 3.1) applicable to such additional or modified services. Spinco shall respond to such request within 10 Business Days following Spinco's receipt of such request; provided that, subject to the second sentence of Section 1.3, such 10 Business Day period shall be subject to a reasonable extension if, due to the volume, frequency or type of requests submitted by AT Co., Spinco's preparation of responses to such requests is materially interfering with, or is likely to materially interfere with, Spinco's normal business activities. If Spinco can, subject to the second sentence of this Section 1.3, accommodate AT Co.'s request to provide such additional or modified services, and if AT Co. accepts the terms and conditions set forth in Spinco's response to such request, then such additional or modified services shall be provided hereunder subject to the terms and conditions of Spinco's response and such other terms and conditions as may be agreed to by the parties in a written amendment to this Agreement. If Spinco agrees to any modification to the physical facilities that is requested by AT Co. in accordance with the terms and conditions of this Section, such modification shall be done solely at AT Co.'s cost and expense and shall be coordinated by the parties to minimize interference with Spinco's normal business activities. No representative of AT Co. shall have authority to make decisions with respect to Spinco and its responsibilities under this Agreement; and no representative of Spinco shall have authority to make decisions with respect to AT Co. and its responsibilities under this Agreement.

1.4 Appointment of Transition Teams. Each party shall designate one or more persons who have practical knowledge and experience in each area of Spinco's operations that relate to the Transition Services and are authorized to make decisions with respect to the Transition Services (each a "Transition Team"); provided that any such decisions that individually or in the aggregate, would materially and adversely affect the economic benefits as a whole to be derived by the Company in the Merger shall require the affirmative consent of a person designated by the Company (the "Company Designee"). Without limiting the generality of the foregoing, and subject to the foregoing proviso each Transition Team will include persons from such party and its Affiliates whose experience includes the following areas: (a) information technology systems, (b) billing, (c) human resources, (d) customer service,

(e) accounting and finance, (f) engineering and network, (g) sales and marketing, (h) operations, (i) real estate, (j) branding, and (k) capital asset management. Each party shall designate a member of its Transition Team as the leader of its Transition Team (each a "Team Leader"). Each Team Leader shall coordinate the assignment of persons to its Transition Team and shall assess and monitor the performance of the Transition Services. Prior to the initial joint meeting described in Section 1.5 of this Agreement, each party shall submit to the other party a written list identifying its initial Team Leader and the initial members of its Transition Team including each person's title, areas of expertise and relevant telephone, fax and email information, and the Company shall provide such information to each party with respect to the Company Designee. If a Transition Team member or Team Leader shall be unavailable to work on the Transition Services for more than five (5) Business Days, then he or she shall appoint a temporary or permanent replacement. The Transition Teams shall provide updates from time to time as reasonable requested by the Company Designee.

1.5 Transition Team Meetings. Within 30 Business Days after the Signing Date, the appropriate representatives of the Transition Teams shall conduct an initial joint meeting for the

purpose of defining roles, responsibilities, scope and timelines related to the Transition Services. Thereafter, the Transition Teams shall convene meetings on a mutually agreed upon periodic basis as required. It is the expectation of the parties that the Transition Team members shall communicate directly with one another and work directly with one another to ensure that all Transition Services are completed on a timely and complete basis; provided that, except for Spinco's Team Leader, the members of Spinco's Transition Team shall not have the legal authority to make or to modify any obligation or to waive any right on behalf of Spinco. The Team Leaders shall meet, at least weekly, or on such other mutually agreed upon periodic basis as required, to discuss the status of the Transition Services, as well as to answer questions, gather information and resolve disputes that may occur from time-to-time. All meetings pursuant to this Section 1.5 may be face-to-face, video or telephonic meetings as may be agreed upon by the parties. Each party and the Company Designee shall bear its own costs of attending or participating in Transition Team meetings.

1.6 Oversee Completion of Transition Services. The Transition Teams will be accountable for overseeing the completion of the Transition Services in accordance with the terms and conditions hereof. Unless otherwise provided in the Service Attachment, the parties will use their reasonable best efforts to respond to requests for information within 5 Business Days after receipt of each such request.

1.7 Availability of Subject Matter Experts. From time to time, AT Co. may request that Spinco make available to AT Co. a resource of Spinco that has expertise in the subject matter (which must be directly related to the systems and procedures utilized by Spinco and its Affiliates in connection with the AT Co. Business) specified by AT Co. in such request. Within 5 Business Days after receipt by Spinco of a reasonable request by AT Co. that a specified subject matter expert be made available, Spinco shall make, and shall cause its Affiliates to make, such subject matter experts (including, without limitation, technical and operational personnel) available to AT Co.'s Transition Team or other subject matter experts during Spinco's normal business hours. For purposes of determining the reasonableness of any such request by AT Co., Spinco shall consider the specified subject matter expert's other duties and then-current schedule as well as the availability of other individuals with the same skills as the specified subject matter expert.

1.8 Equipment and Software. Spinco shall keep the equipment and software used to provide the Transition Services in working order with sufficient capacity to perform the Transition Services concurrent with the equipment's and software's other use for Spinco, if any; provided, however, if Spinco is required to increase the capacity of its equipment or software (for example, because previously shared hardware capacity must be duplicated) to perform the Transition Services, then Spinco shall obtain AT Co.'s prior written approval of any additional cost or expense that Spinco expects to incur in connection with such increase in capacity, and AT Co. shall pay any such additional cost or expense incurred by Spinco to provide such increased capacity to the extent so approved by AT Co.

1.9 General Cooperation. Subject to the terms and conditions set forth in this Agreement, Spinco and AT Co. shall each use reasonable best efforts to provide information and documentation sufficient for each party to perform the Transition Services as they were

performed before the date of this Agreement, and make available, as reasonably requested by the other party, sufficient resources and timely decisions, approvals and acceptances in order that each party may accomplish its obligations under this Agreement in a timely and efficient manner.

1.10 Modifications. Unless otherwise provided for in this Agreement, if AT Co. makes any change in the processes, procedures, practices, networks, equipment, configurations, or systems pertaining to the AT Co. Business, and such change has an adverse impact on Spinco's ability to provide any of the Transition Services, then Spinco shall be excused from performance of any such affected Transition Services until AT Co. mitigates the adverse impact of such change, and AT Co. shall be responsible for all direct expenses incurred by Spinco in connection with the cessation and, if applicable, the resumption of the affected Transition Services.

ARTICLE 2 TERM

Unless terminated earlier in accordance with Article 8 of this Agreement, the term of this Agreement shall expire on the one-year anniversary of the Signing Date (the "Term"), except AT Co. shall have the right to extend the Term for an additional 30 days by providing written notice to Spinco at least 60 days prior to the expiration of the Term indicating AT Co.'s election to extend the Term.

ARTICLE 3 COMPENSATION AND PAYMENT ARRANGEMENTS FOR TRANSITION SERVICES

3.1 Compensation for Transition Services. Subject to the terms and conditions of this Agreement, the total compensation payable by AT Co. to Spinco for each and every Transition Service provided pursuant to the Service Attachment shall be set forth in the Services Attachment (the "Transition Services Costs").

3.2 Payment Terms. Within 30 days after the end of each calendar month during the Term, or extension thereof, Spinco shall bill AT Co. in arrears for the Transition Services Costs that apply to the Transition Services performed by Spinco. Each of Spinco's invoices shall describe in reasonable detail the Transition Services upon which the applicable Transition Services Costs are based. Within 30 days after AT Co.'s receipt of each of Spinco's invoices, AT Co. shall pay Spinco the amount of such invoice. If such payment is not received by Spinco within such 30-day period, AT Co. shall also pay Spinco interest from and after the last date of the calendar month in respect of such invoice, but excluding the date of payment by AT Co., at a rate per annum equal to the Prime Rate on the last day of the calendar month in respect of such invoice. If AT Co. disputes in good faith any portion of the amount due on any invoice, AT Co. shall notify Spinco in writing of the nature and basis of the dispute within 10 Business Days after AT Co.'s receipt of such invoice. Otherwise the invoiced amount shall be deemed to be accurate and correct and shall not be subject to dispute or contest by AT Co. or any Affiliate thereof. The parties shall use their reasonable best efforts to resolve the dispute prior to the payment due date.

Spinco shall reimburse AT Co. within 30 days following, as applicable (a) agreement by the parties of any excess payment made by AT Co. in respect of Transition Services, or (b) resolution of any disputed amounts paid in excess of the amount of Transition Services Costs, in either case, with interest from and after the date payment was made by AT Co. through, but excluding, the date of reimbursement by Spinco, at the rate per annum equal to the Prime Rate on the date payment was made by AT Co.

**ARTICLE 4
RELATIONSHIP TO OTHER DOCUMENTS**

4.1 Controlling Provisions. If there is any conflict or inconsistency between the terms and conditions set forth in the main body of this Agreement and any of the Exhibits to this Agreement, the provisions of the Exhibits shall control with respect to the rights and obligations of the parties regarding the Transition Services. If there is any conflict or inconsistency between the terms and conditions of this Agreement and the Distribution Agreement, the provisions of this Agreement shall control solely with respect to the rights and obligations of the parties regarding the Transition Services.

**ARTICLE 5
DISPUTE RESOLUTION**

5.1 Dispute Resolution Procedures. If a dispute arises between the parties with respect to the terms and conditions of this Agreement, or any subject matter governed by this Agreement (excluding disputes regarding a party's compliance with the applicable confidentiality provisions or in the case of suit to compel compliance with this dispute resolution process or with the provisions of this Article) (a "Dispute") the parties agree to use and follow this dispute resolution procedure before initiating any judicial action. At such time as the Dispute is resolved under this Article, interest (at the Prime Rate) shall be paid to the party receiving any disputed monies to compensate for the lapsed time between the date such disputed amount originally was paid or should have been paid through the date monies are paid in settlement of the Dispute.

5.2 Claims Procedures. The Transition Teams shall escalate any Dispute to the Team Leaders for resolution (and, to the extent applicable in accordance with Section 1.4 hereof, the Company Designee). Upon receipt of any such escalated matter, the Team Leaders (and, to the extent applicable in accordance with Section 1.4 hereof, the Company Designee) shall discuss and attempt to resolve the matter within 15 Business Days immediately following the escalation. If by the end of the fifteenth Business Day, the matter has not been resolved to the satisfaction of both Team Leaders (and, to the extent applicable in accordance with Section 1.4 hereof, the Company Designee), then the party that initiated the claim shall provide written notification to the other party in accordance with Section 10.3 of this Agreement, in the form of a claim identifying the issue or amount disputed and including a detailed reason for the claim. The party against whom the claim is made shall respond in writing to the claim within 15 Business Days from the date of receipt of the claim document. The party filing the claim shall have an additional 15 Business Days after the receipt of the response to either accept any resolution offered by the other party or request implementation of the procedures set forth in Section 5.3

(the "Escalation Procedures"). Failure to meet the time limitations set forth in this Section may result in the implementation of the Escalation Procedures.

5.3 Escalation Procedure. Upon receipt of the written notice of a party involved in the Dispute and in compliance with Section 5.2, each party shall appoint a knowledgeable, responsible representative to negotiate in good faith to resolve any unresolved disputes or claims arising under this Agreement. The parties intend that these negotiations be conducted by experienced business representatives empowered to decide the issues. The business representatives shall meet and attempt to resolve the Dispute within 15 Business Days of receiving the written request. If they can resolve the Dispute within that time period, it will be memorialized in a written settlement and release agreement, executed within five Business Days thereafter. If they can not resolve the Dispute within that time period, then the parties may resort to judicial action or other remedies. The parties may vary the duration and form of these Escalation Procedures by mutual written agreement.

ARTICLE 6 INDEMNIFICATION

6.1 Indemnification by Spinco

(a) Spinco shall indemnify, defend and hold harmless each AT Co. Indemnitee (as defined in the Distribution Agreement), against and in respect of any and all Indemnifiable Losses incurred or suffered by any AT Co. Indemnitee that result from, relate to or arise out of any default by Spinco in the performance of its obligations under this Agreement or any third party claim against any AT Co. Indemnitee based upon the negligence, gross negligence or willful misconduct of any of the Spinco Indemnitees that arise out of or result from any default by Spinco in the performance of its obligations under this Agreement, except to the extent that any such Indemnifiable Losses arise out of or result from the negligence, gross negligence or willful misconduct of any AT Co. Indemnitee.

(b) In the case of Indemnifiable Losses incurred by AT Co. Indemnitees that arise out of or result from any default by Spinco in the performance of its obligations under this Agreement based upon the negligence of any of the Spinco Indemnitees, indemnification shall be limited to actual damages which in no event shall exceed the total amount of compensation payable to Spinco hereunder. For the avoidance of doubt, in the case of Indemnifiable Losses incurred by the AT Co. Indemnitees that arise out of or result from any default by Spinco in the performance of its obligations under this Agreement based upon the gross negligence or willful misconduct of any of the Spinco Indemnitees, indemnification shall be limited to actual damages without regard to the total amount of compensation payable to Spinco hereunder.

6.2 Indemnification by AT Co.

(a) AT Co. shall indemnify, defend and hold harmless each Spinco Indemnitee (as defined in the Distribution Agreement), against and in respect of any and all Indemnifiable Losses incurred or suffered by any Spinco Indemnitee that result from, relate to or arise out of any default by AT Co. in the performance of its obligations under this Agreement or

any third party claim against any Spinco Indemnitee based upon the negligence, gross negligence or willful misconduct of any of the AT Co. Indemnitees that arise out of or result from any default by AT Co. in the performance of its obligations under this Agreement, except to the extent that any such Indemnifiable Losses arise out of or result from the negligence, gross negligence or willful misconduct of any Spinco Indemnitee.

(b) In the case of Indemnifiable Losses incurred by Spinco Indemnitees that arise out of or result from any default by AT Co. in the performance of its obligations under this Agreement based upon the negligence of any of the AT Co. Indemnitees, indemnification shall be limited to actual damages which in no event shall exceed the total amount of compensation payable to Spinco hereunder. For the avoidance of doubt, in the case of Indemnifiable Losses incurred by the Spinco Indemnitees that arise out of or result from any default by AT Co. in the performance of its obligations under this Agreement based upon the gross negligence or willful misconduct of any of the AT Co. Indemnitees, indemnification shall be limited to actual damages without regard to the total amount of compensation payable to Spinco hereunder.

6.3 Limitations.

(a) In no event shall either party hereto be liable for indirect, special, consequential or punitive damages arising out of this Agreement, regardless of the form of action, whether in contract, warranty, strict liability or tort, including negligence of any kind, whether active or passive, and regardless of whether the other party knew of or was advised at the time of breach of the possibility of such damages.

(b) Except as otherwise provided in this Article 6, Spinco's sole responsibility to AT Co. for errors or omissions in providing the Transition Services shall be to re-perform such Transition Services properly in a diligent manner, at no additional cost or expense; provided, however, that each party shall use reasonable best efforts to detect any such errors or omissions and promptly advise the other party or parties of any such error or omission of which it becomes aware.

6.4 A party that is seeking indemnification pursuant to Section 6.1 or 6.2 shall notify the other party thereof and shall specify in reasonable detail the event(s) giving rise to such claim for indemnification within 15 Business Days after the indemnified party has actual knowledge of such event(s), except that any failure to give such notice will not waive any rights of the indemnified party unless the rights of the indemnifying party are actually and materially prejudiced thereby. The indemnifying party shall have the right to undertake the defense of any claim upon delivery of notice to the indemnified party with respect to such claim. Such defense shall be made with counsel reasonably acceptable to the indemnified party. If the indemnifying party fails to undertake the defense of the indemnified party within such time period, the indemnified party may retain its own counsel for such defense (which shall be reasonably acceptable to the indemnifying party), and the indemnified party's reasonable attorney's fees and expenses related to such claim shall be paid by the indemnifying party. Neither party shall, without the consent of the other party, agree to any non-monetary settlement of the indemnified claim.

(a) Upon a determination of liability by final and non-appealable court judgment or order in respect of Section 6.1 or 6.2, the appropriate party shall pay the other party the amount so determined (subject to the limitations of Section 6.3) within 15 Business Days after the date of determination of liability by Final Judgment (such fifteenth Business Day, the "Due Date"). If there should be a dispute as to the amount or manner of determination of any indemnity obligation owed under Section 6.1 or 6.2, the indemnifying party shall nevertheless pay when due such portion, if any, of the obligation as shall not be subject to dispute. The difference, if any, between the amount of the obligation ultimately determined as properly payable under this Agreement and the portion, if any, theretofore paid shall bear interest as provided below in Section 6.4(b). Upon the payment in full of any claim, the indemnifying party or other Person making payment shall be subrogated to the rights of the indemnified party against any Person with respect to the subject matter of such claim. For purposes of this Section 6.4, "Final Judgment" means a judicial or other determination as to which no appeal or other review is pending or in effect and any deadline for filing any such appeal or review that may be designated by statute, rule, stipulation or other agreement has passed.

(b) If all or part of any indemnification obligation under Section 6.1 or 6.2 of this Agreement is not paid on the Due Date, then the indemnifying party shall pay the indemnified party interest on the unpaid amount of the obligation for each calendar day from the Due Date until payment in full, payable on demand, at a rate per annum equal to the Prime Rate on the Due Date.

ARTICLE 7 FORCE MAJEURE

Except for payment of amounts due, neither party shall be held liable for any delay or failure in performance of any part of this Agreement, including the Service Attachment, from any cause beyond its reasonable control and not primarily attributable to its fault or negligence, including, but not limited to, acts of God, acts of civil or military authority, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, or disruptions in Internet and other telecommunication networks and backbones, power and other utilities. Upon the occurrence of a condition described in this Article, the party whose performance is prevented shall provide written notice to the other party, and the parties shall promptly confer, in good faith, on what action may be taken to minimize the impact, on both parties, of such condition.

ARTICLE 8 TERMINATION

8.1 Termination of Transition Services and Agreement for Convenience. Subject to the limitations set forth in the Services Attachment, AT Co. shall have the right to terminate any Transition Service, in whole or in part, upon 30 days prior written notice to Spinco. If all Transition Services shall have been migrated or terminated under this provision prior to the expiration of this Agreement, then AT Co. shall have the right to terminate this Agreement upon written notice to Spinco.

8.2 Termination for Default. In the event: (i) AT Co. shall fail to pay for Transition Services in accordance with the terms of this Agreement (and such payment is not disputed by AT Co. in good faith in accordance with Section 3.2); (ii) either party shall default, in any material respect, in the due performance or observance by it of any of the other terms, covenants or agreements contained in this Agreement; or (iii) either party shall become or be adjudicated insolvent and/or bankrupt, or a receiver or trustee shall be appointed for either party or its property or a petition for reorganization or arrangement under any bankruptcy or insolvency law shall be approved, or either party shall file a voluntary petition in bankruptcy or shall consent to the appointment of a receiver or trustee, any non-defaulting party shall have the right, at its sole discretion, (A) in the case of a default under clause (iii), to immediately terminate its participation with the defaulting party under this Agreement, and (B) in the case of a default under clause (i) or (ii), to terminate its participation with the defaulting party under this Agreement if the defaulting Party has failed to (x) cure the default within 30 days of written notice of default or if the default (except for defaults as a result of failure to make payment) is such that it will take more than 30 days to cure, within an extended time period which shall be not longer than what is reasonably necessary to effect performance or compliance or (y) diligently pursue the curing of the default.

8.2 Termination of Distribution Agreement. This Agreement shall automatically terminate upon termination of the Distribution Agreement.

8.3 Transitional Cooperation. Each of Spinco and AT Co. will, and will cause their respective Affiliates to cooperate with the other party and its Affiliates to assure an orderly transition from the systems and procedures utilized by Spinco and its Affiliates in connection with the AT Co. Business to those systems and procedures to be utilized by AT Co. and its Affiliates in connection with the AT Co. Business after Closing.

8.4 Return of Material. As a Transition Service is migrated or terminated, whichever is earlier, each of Spinco and AT Co. will, and will cause their respective Affiliates to, return all material and property owned by the other party and its Affiliates, including, without limitation, any and all material and property of a proprietary nature involving the other party and its Affiliates relevant to the provision of that Transition Service and no longer needed regarding the performance of other Transition Services under this Agreement within 30 days after the applicable migration or termination. Upon termination of this Agreement, each of Spinco and AT Co. will, and will cause their respective Affiliates to, return any and all material and property of a proprietary nature involving the other party and its Affiliates, in its possession or control within 30 days after the termination of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, upon the termination or expiration of this Agreement, AT Co. shall cease all access to Spinco's information, data, systems and other assets that are not AT Co. Assets.

8.5 Effect of Termination. The provisions of Articles 3, 4, 5, 6, 7, 8 and 10 shall survive the termination or expiration of this Agreement.

**ARTICLE 9
OTHER REPRESENTATIONS, WARRANTIES AND COVENANTS**

9.1 Compliance with Laws. Each party shall comply, at its own expense, with the provisions of all Laws applicable to the performance of its obligations under this Agreement. Notwithstanding the description of the Transition Services in this Agreement, neither Spinco nor any of its Affiliates shall provide any services that would involve the rendering of legal, regulatory or tax advice or counsel.

9.2 Performance. Spinco represents and warrants that Spinco and its Affiliates, as the case may be, will provide the Transition Services in a timely and professional manner generally consistent with the past practices of Spinco and its Affiliates in providing the same or similar services to the AT Co. Business prior to the execution of the Distribution Agreement.

9.3 Books and Records. Spinco or its Affiliates will maintain complete and accurate books and records pertaining to its provision of the Transition Services. Spinco or its Affiliates will provide AT Co., upon reasonable notice and during normal business hours, with access to such books and records. All such information shall be subject to the terms of the confidentiality provisions set forth in Section 10.16 hereof.

9.4 No Other Representations or Warranties. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY NOR ANY OTHER PERSON MAKES ANY OTHER EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY ON BEHALF OF EITHER PARTY WITH RESPECT TO THE TRANSITION SERVICES, AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND ANY SUCH OTHER REPRESENTATIONS OR WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.

**ARTICLE 10
MISCELLANEOUS**

10.1 Relationship of the Parties. The parties declare and agree that each party is engaged in a business that is independent from that of the other party and each party shall perform its obligations as an independent contractor. It is expressly understood and agreed that AT Co. and Spinco are not partners or joint ventures, and nothing contained herein is intended to create an agency relationship or a partnership or joint venture. Neither Spinco nor any of its Affiliates is an agent of AT Co. or any of its Affiliates and has no authority to represent AT Co. or any of its Affiliates as to any matters, except as authorized in this Agreement or in writing by AT Co. from time to time. Neither AT Co. nor any of its Affiliates is an agent of Spinco or any of its Affiliates and has no authority to represent Spinco or any of its Affiliates as to any matters, except as authorized in this Agreement or in writing by Spinco from time to time.

10.2 Employees of the Parties. Spinco shall be solely responsible for payment of compensation to its employees and for any injury to them in the course of their employment. Spinco shall assume full responsibility for payment of all federal, state and local taxes or

contributions imposed or required under unemployment insurance, social security and income tax laws with respect to such persons. AT Co. shall be solely responsible for payment of compensation to its employees and for any injury to them in the course of their employment. AT Co. shall assume full responsibility for payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security and income tax laws with respect to such persons.

10.3 Notices. All notices and other communications required or permitted hereunder may be telephonic, by electronic mail or in writing and will be deemed to have been given when provided to the appropriate party in accordance with the contact information specified below:

If to Spinco, to:

Attention: _____

If to AT Co., to:

ALLTEL Corporation
One Allied Drive
Little Rock, AR 72202
Attention: Chief Legal Officer

or to such other Person or contact information as either party may from time to time designate for itself by like notice.

10.4 Governing Law.

(a) This Agreement shall be construed in accordance with, and governed by, the internal Laws of the State of Delaware without giving effect to principles of conflicts of law.

(b) The parties hereby irrevocably waive any and all right to trial by jury in any legal proceeding arising out of or related to this Agreement.

10.5 Assignment.

(a) Neither this Agreement nor any of the rights, benefits or obligations hereunder may be assigned or delegated by AT Co. or Spinco (whether by operation of law or otherwise) without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that no such consent shall be required for an assignment or delegation by any party hereto to a successor to all or a substantial portion of the assets or the business of such party so long as such assignee or delegee executes a written assumption of such party's obligations hereunder with respect to the rights or obligations assigned or delegated, and delivers such written assumption to the other party within a reasonable period of time after the effective date of such assignment or delegation. Subject to the

preceding sentences, this Agreement will be binding upon, inure to the benefit of and be enforceable by AT Co. and Spinco and their respective successors and permitted assigns

10.6 Entire Agreement. This Agreement (including the Schedules and Exhibits attached hereto) constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, arrangements and understandings of the parties with respect to such subject matter.

10.7 Amendments and Waivers. Any provision of this Agreement may be amended if, and only if, such amendment is in writing and signed by both parties. Any provision of this Agreement may be waived to the extent permitted by applicable Law if, and only if, such waiver is in writing and signed by the party granting the waiver. No failure or delay by any party in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

10.8 Headings. The headings of the Articles and Sections of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof.

10.9 Severability. Each term or provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent but only to the extent of such invalidity, illegality or unenforceability, without rendering invalid or unenforceable the remainder of such provision or provisions of this Agreement; provided, however, that if the removal of such offending provision materially alters the burdens or benefits of either of the parties under this Agreement, the parties agree to negotiate in good faith such modifications to this Agreement, if any, as are appropriate to ensure that the burdens and benefits of each party under such modified Agreement are reasonably comparable to the burdens and benefits originally contemplated herein.

10.10 No Third-Party Beneficiaries. With the exception of the parties to this Agreement and their respective successors and permitted assigns, and there shall exist no right of any person to claim a beneficial interest in this Agreement or any rights arising out of this Agreement; provided, however, that with respect to Section 1.4 and Section 5.2 only, the Company is and shall be a stated and intended third party beneficiary.

10.11 Remedies Cumulative. Except as otherwise provided herein, all rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any right, power or remedy by a party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

10.12 Expenses. Except as otherwise provided in this Agreement, the parties shall bear their own expenses (including all time and expenses of counsel, financial advisors, consultants, actuaries and independent accountants) incurred in connection with this Agreement.

10.13 Counterparts. This Agreement may be executed in one or more counterparts, which may be delivered by facsimile, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.14 Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or any covenant set forth in this Agreement is otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to enforce specifically the performance of this Agreement in accordance with its terms and provisions and to prevent breaches of covenants set forth in this Agreement. The foregoing right is in addition to, and not in lieu of, any other rights a party hereto may have in respect of a breach of this Agreement, whether at law or in equity.

10.15 No Set-Off. The obligations under this Agreement shall not be subject to set-off for non-performance or any monetary or non-monetary claim by any party or any of their respective Affiliates under any other agreement between the parties or any of their respective Affiliates.

10.16 Confidentiality.

(a) Spinco and its Affiliates and their respective officers, directors, partners, managers, shareholders, employees, agents and representatives will not disclose any confidential information about AT Co. or any of its Affiliates obtained as a result of the exercise of its rights or performance of its obligations under this Agreement unless disclosure is compelled by judicial or administrative process or, based on advice of such Person's counsel, by other requirements of law. The obligations of Spinco under this Section 10.16(a) will survive the termination or expiration of this Agreement.

(b) AT Co. and its Affiliates and their respective officers, directors, partners, managers, shareholders, employees, agents and representatives will not disclose any confidential information about Spinco or any of its Affiliates obtained as a result of the exercise of its rights or performance of its obligations under this Agreement unless disclosure is compelled by judicial or administrative process or, based on advice of such Person's counsel, by other requirements of law. The obligations of AT Co. under this Section 10.16(b) will survive the termination or expiration of this Agreement.

10.17 Facilities and Systems Security. If either party or its personnel will be given access to the other party's facilities, premises, equipment or systems, such party will comply with all such other party's written security policies, procedures and requirements made available by each party to the other, and will not tamper with, compromise, or circumvent any security or audit measures employed by such other party. Each party shall use its reasonable best efforts to ensure that only those of its personnel who are specifically authorized to have access to the facilities, premises, equipment or systems of the other party gain such access, and to prevent unauthorized access, use, destruction, alteration or loss in connection with such access.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first above written.

ALLTEL CORPORATION

By: _____

Name:

Title:

ALLTEL HOLDING CORP.

By: _____

Name:

Title:

SUBSIDIARIES OF REGISTRANT

NAME:	STATE OF INCORPORATION OR ORGANIZATION:
Southwest Enhanced Network Services, LP	Delaware
Valor Telecommunications Corporate Group, LP	Texas
Valor Telecommunications Equipment, LP	Texas
Valor Telecommunications Investments, LLC	Delaware
Valor Telecommunications LD, LP	Delaware
Valor Telecommunications of Texas, LP	Texas
Valor Telecommunications Services, LP	Texas
Western Access Services, LLC	Delaware
Western Access Services of Arizona, LLC	Delaware
Western Access Services of Arkansas, LLC	Delaware
Western Access Services of Colorado, LLC	Delaware
Western Access Services of New Mexico, LLC	Delaware
Western Access Services of Oklahoma, LLC	Delaware
western Access Services of Texas, LP	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form S-4 of Valor Communications Group, Inc. of our report dated February 27, 2006 relating to the financial statements of The Wireline Division of Alltel Corporation, which appears in such Registration Statement. We also consent to the references to us under the headings "Experts" and "Selected Financial Data" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP

Little Rock, Arkansas

February 27, 2006

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to use in this prospectus on Form S-4 of our report dated February 24, 2006 relating to the consolidated financial statements and financial statement schedule of Valor Communications Group, Inc. (which report expresses an unqualified opinion on the financial statements and financial statement schedule and includes an explanatory paragraph referring to a change in the Company's method of accounting for conditional asset retirement obligations to conform to Financial Accounting Standards Board Interpretation No. 47), appearing in the Annual Report on Form 10-K of Valor Communications Group, Inc. for the year ended December 31, 2005 and to the reference to us under the heading "Experts" in the Prospectus.

/s/ DELOITTE & TOUCHE LLP

Dallas, Texas
February 24, 2006

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the undersigned, a director of Valor Communications Group, Inc. ("Valor"), acting pursuant to authorization of the Board of Directors of Valor, hereby appoints John J. Mueller and William M. Ojile, Jr., or any of them, attorneys-in-fact and agents for me and in my name and on my behalf, individually and as a director or officer, or both, of Valor, to sign a Registration Statement on Form S-4 (or any successor form), together with all necessary exhibits, and any amendments (including post effective amendments) and supplements thereto, to be filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, with respect to the registration of shares of Valor common stock in connection with the merger of Alltel Holding Corp. with and into Valor, and generally to do and perform all things necessary to be done in connection with the foregoing as fully in all respects as I could do personally.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of February, 2006.

Signature	Title
<u>/s/ Anthony J. de Nicola</u>	Chairman and Director
Anthony J. de Nicola	
<u>/s/ Kenneth R. Cole</u>	Vice Chairman and Director
Kenneth R. Cole	
<u>/s/ Sanjay Swani</u>	Director
Sanjay Swani	
<u>/s/ Norman W. Alpert</u>	Director
Norman W. Alpert	
<u>/s/ Stephen Brodeur</u>	Director
Stephen Brodeur	
<u>/s/ Edward L. Lujan</u>	Director
Edward L. Lujan	
<u>/s/ M. Ann Padilla</u>	Director
M. Ann Padilla	
<u>/s/ Frederico Pena</u>	Director
Frederico Pena	
<u>/s/ Edward J. Heffernan</u>	Director
Edward J. Heffernan	
<u>/s/ Michael Donovan</u>	Director
Michael Donovan	

Wachovia Capital Markets, LLC
301 South College
Charlotte, NC 28288

February 27, 2006

STRICTLY CONFIDENTIAL
VIA DHL EXPRESS

Valor Communications Group, Inc.
Board of Directors
201 B, John Carpenter Freeway, Suite 200
Irving, Texas 75062

Re: Preliminary Proxy Statement of Valor Communications Group, Inc., a Delaware Corporation (the "Company"), filed with the Securities and Exchange Commission on February 23, 2006

Dear Gentlemen:

Reference is made to our opinion letter dated December 8, 2005 with respect to the fairness, from a financial point of view, to the Company and the holders of its common stock, par value \$0.0001 per share, of the Aggregate Merger Consideration (as defined in the opinion) to be paid by the Company pursuant to that certain Agreement and Plan of Merger, dated as of December 8, 2005, by and among the Company, Alltel Corporation, a Delaware corporation, and Alltel Holding Corp., a newly formed Delaware corporation and a wholly owned subsidiary of Alltel Corporation.

The foregoing opinion was provided for the information and use of the Board of Directors of the Company in connection with its consideration of the Merger (as defined in the opinion) and is not to be used, quoted, circulated, summarized, excerpted from or otherwise publicly referred to for any purpose, nor is to be filed with, included in or referred to in whole or in part in any registration statement, proxy statement or any other document except in accordance with our prior written consent. We understand that the Company has determined to include our opinion in the above-referenced Preliminary Proxy Statement.

In that regard, we hereby consent to the reference to the opinion of our Firm under the captions "Opinion of Financial Advisors," "Background of the Merger," and "Opinion of Valor's Financial Advisor—Wachovia Securities" and to the inclusion of the foregoing opinion in the above-mentioned Preliminary Proxy Statement. In giving such consent, we do not admit and we hereby disclaim that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder, nor do we hereby admit that we are experts with respect to any part of such Registration Statement within the meaning of the term "experts" as used in the Securities Act of 1933, as amended or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Wachovia Capital Markets, LLC

CONSENT OF BEAR, STEARNS & CO. INC.

We hereby consent to (i) the inclusion of our opinion letter, dated December 8, 2006, to the Board of Directors of Valor Communications Group, Inc. (the "Company") as Annex D-2 to the proxy statement/prospectus-information statement included in the initially filed Registration Statement on Form S-4 of the Company filed on February 27, 2006 (the "Registration Statement") relating to the merger of Alltel Holding Corp. with and into the Company, and (ii) all references to Bear, Stearns & Co. Inc. in the sections captioned "Summary — Opinion of Financial Advisors", "The Transactions — Background of the Merger" and "The Transactions — Opinion of Valor's Financial Advisor — Bear Stearns" of the proxy statement/prospectus-information statement which forms a part of the Registration Statement.

Notwithstanding the foregoing, it is understood that our consent is being delivered solely in connection with the filing of the above-mentioned version of the Registration Statement and that our opinion is not to be used, circulated, quoted or otherwise referred to in whole or in part in any registration statement (including any subsequent amendments to the above-mentioned Registration Statement), proxy statement/prospectus-information statement or any other document, except in accordance with our prior written consent. In giving such consent, we do not admit that we come within the category of persons whose consent is required under, and we do not admit that we are "experts" for purposes of, the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

BEAR, STEARNS & CO. INC.

By: /s/ Fred J. Turpin Jr.
Senior Managing Director

New York, New York
February 27, 2006

2. Provide a copy(ies) of the SEC filings pertaining to the separation of the wireline business and the merger with Valor.

Response:

Attached hereto are the SEC filings pertaining to the separation and merger.

