

SPRINT NEXTEL CORP

Form S-3

October 11, 2005

As filed with the Securities and Exchange Commission on October 11, 2005  
Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-3  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

**Sprint Nextel Corporation**  
(Exact name of registrant as specified in its charter)

**Kansas**  
(State or other jurisdiction of  
incorporation or organization)

**48-0457967**  
(I.R.S. Employer  
Identification No.)

**2001 Edmund Halley Drive**  
**Reston, Virginia 20191**  
**(703) 433-4000**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Leonard J. Kennedy, Esq.**  
**General Counsel**  
**Sprint Nextel Corporation**  
**2001 Edmund Halley Drive**  
**Reston, Virginia 20191**  
**(703) 433-4000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copies to:*  
**Lisa A. Stater, Esq.**  
**Jones Day**  
**1420 Peachtree Street, N.E.**  
**Suite 800**  
**Atlanta, Georgia 30309-3053**  
**(404) 521-3939**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable following the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

## CALCULATION OF REGISTRATION FEE

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price per Unit(2)</b>	<b>Proposed Maximum Aggregate Offering Price(2)</b>	<b>Amount of Registration Fee(2)</b>
Guarantees of debt securities issued by US Unwired Inc.(1)	\$360,000,000(2)	100%(2)	\$360,000,000(2)	\$42,372(2)

- (1) This registration statement relates to the offer by Sprint Nextel Corporation to fully and unconditionally guarantee certain outstanding debt securities of US Unwired Inc. in return for the consent of the holders of the debt securities to amendments to the indentures under which the debt securities were issued.
- (2) The registration fee has been calculated in accordance with Rule 457 of the Securities Act of 1933, as amended. For purposes of this calculation, the maximum aggregate offering price, which is estimated solely for the purpose of calculating the registration fee, is the aggregate book value of the US Unwired Inc. debt securities that would be amended and receive the guarantees registered hereby.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not sell or offer these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion, Dated October 11, 2005**

**Prospectus**

**SPRINT NEXTEL CORPORATION**  
**Consent Solicitation and Offer to Guarantee**  
**Series B First Priority Senior Secured Floating Rate Notes due 2010**  
**(\$125,000,000 principal amount outstanding)**  
**(CUSIP No. 90338R AF 1)**  
**and**  
**10% Series B Second Priority Senior Secured Notes due 2012**  
**(\$235,000,000 principal amount outstanding)**  
**(CUSIP No. 90338R AG 9)**  
**of**  
**US UNWIRED INC.**

**The consent solicitation will expire at 5:00 p.m.,  
New York time, on \_\_\_\_\_, 2005, unless extended.**

We are offering to fully and unconditionally guarantee the above notes of our indirect subsidiary, US Unwired Inc., in return for your consent to proposed amendments to the indentures under which the notes were issued. The guarantees will be issued if the holders of a majority in aggregate principal amount of each of the classes of the above notes consent to the proposed amendments. These proposed amendments would amend certain covenants contained in the indentures governing the above notes to provide us with the operational flexibility to integrate more effectively US Unwired's business with ours and substitute certain reports we file with the Securities and Exchange Commission, or SEC, for those of US Unwired. If we receive the required consents, and the guarantees are issued, our guarantees of your notes will rank equal to all of our other existing and future senior unsecured indebtedness.

**For a discussion of factors you should consider before you decide whether to consent, see Risk Factors beginning on page 12.**

**The expiration date for the consent solicitation is 5:00 p.m., New York time, on \_\_\_\_\_, 2005 unless extended.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, nor have any of these organizations determined that this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.**

*The solicitation agent for the consent solicitation is:*  
Bear, Stearns & Co. Inc.

The date of this prospectus is \_\_\_\_\_, 2005

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**REFERENCES TO ADDITIONAL INFORMATION**

As used in this prospectus, we, us or our refers to Sprint Nextel Corporation (formerly known as Sprint Corporation), US Unwired refers to US Unwired Inc., our wholly owned subsidiary, and Nextel Communications or Nextel refers to Nextel Communications, Inc. prior to its merger with and into one of our wholly owned subsidiaries and, thereafter, to that subsidiary as the surviving corporation in that merger (which was renamed Nextel Communications, Inc.), in each case, together with such corporation's subsidiaries. This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. You may obtain documents that we filed with the SEC and incorporated by reference into this prospectus by requesting the documents, in writing or by telephone, from the SEC or from:

Sprint Nextel Corporation  
 2001 Edmund Halley Drive  
 Reston, Virginia 20191  
 Attention: Investor Relations  
 Telephone: (703) 433-4300

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## PROSPECTUS SUMMARY

*This summary highlights basic information about us, US Unwired, the consent solicitation and the guarantees, but does not contain all information important to you. You should read the more detailed information and consolidated financial statements and the related notes included in and incorporated by reference into this prospectus.*

### Overview

#### **Sprint Nextel**

2001 Edmund Halley Drive  
Reston, Virginia 20191  
(703) 433-4000

On August 12, 2005, Nextel Communications merged with one of our wholly owned subsidiaries. In connection with the merger, we changed our name from Sprint Corporation to Sprint Nextel Corporation. We offer a comprehensive range of wireless and wireline communications services to consumer, business and government customers. We are widely recognized for developing, engineering and deploying innovative technologies, including wireless networks offering mobile data services, instant national and international push-to-talk capabilities, and a global Tier 1 Internet backbone. In connection with the merger, we announced our intention to spin-off our local telecommunications business. We expect the spin-off to be completed in the first half of 2006.

#### **US Unwired**

901 Lakeshore Drive  
Lake Charles, Louisiana 70601  
(337) 436-9000

US Unwired is principally engaged in the ownership and operation of wireless communications. It is a personal communications services, or PCS, provider and has the exclusive right to provide wireless services under the Sprint® brand name within its service area. On August 12, 2005, we concluded our tender offer for and accepted for payment all of US Unwired's common stock validly tendered and, thereafter, completed the acquisition of US Unwired by merging one of our wholly owned subsidiaries with US Unwired.

#### **Use of Proceeds**

We will not receive any cash proceeds from the issuance of our guarantees.

#### **The Consent Solicitation**

The Notes	Series B First Priority Senior Secured Floating Rate Notes due 2010, or 2010 notes. 10% Series B Second Priority Senior Secured Notes due 2012, or 2012 notes.
The Consent Solicitation	We are soliciting consents from the holders of the 2010 notes and 2012 notes to the proposed amendments described below. See The Consent Solicitation. We will provide our guarantees if consents to the proposed amendments have been validly submitted and not withdrawn by holders of record of a majority in aggregate principal amount of each of the 2010 notes and 2012 notes, which together are referred to in this prospectus as the notes.

Record Date	October , 2005
Proposed Amendments	<p>We are making the consent solicitation to amend certain covenants contained in the indentures governing the notes to provide us with the operational flexibility to integrate more effectively our and US Unwired s businesses and substitute our financial reports that we file with the SEC for those of US Unwired. The proposed amendments would, among other things:</p> <ul style="list-style-type: none"><li>modify the definition of Asset Sale to exclude specifically any transfer or sale of assets from US Unwired to us or any of our direct or indirect subsidiaries;</li><li>modify the affiliate transactions covenant to permit US Unwired and its restricted subsidiaries to engage in transactions with us or any of our other subsidiaries, so long as such transactions are on terms that are no less favorable to US Unwired and its restricted subsidiaries than those that would have been obtained in comparable transactions by US Unwired and its restricted subsidiaries with an unrelated person, without having to obtain:<ul style="list-style-type: none"><li>an independent fairness opinion; or</li><li>except in transactions above a certain dollar threshold, the approval of US Unwired s board of directors; and</li><li>permit US Unwired to provide our periodic reports and other information filed with the SEC to the holders of the notes, in lieu of separate reports and information relating only to US Unwired.</li></ul></li></ul>
The Supplemental Indentures	<p>The proposed amendments to the indentures would be set forth in supplemental indentures to be executed by US Unwired, its subsidiary guarantors and the trustee immediately following the expiration date, if the required consents have been obtained. If the proposed amendments become effective, each indenture, as amended, will apply to each holder of the corresponding notes, regardless of whether that holder delivered a consent to the proposed amendments.</p>
Expiration Date; Waiver; Amendment; Termination	<p>The consent solicitation will expire at 5:00 p.m., New York City time, on , , 2005, unless extended. We expressly reserve the right to waive or modify any term of, or terminate, the consent solicitation.</p>
Required Consents	<p>The proposed amendments to the indentures require the consent of the holders of a majority in aggregate principal amount of each of the 2010 notes and 2012 notes for the proposed amendments to either indenture to become operative. We may waive this requirement, however, for either the 2010 notes or 2012 notes, if we receive the required consents from the holders of only the 2010 notes or 2012 notes.</p>
Revocation of Consents	<p>A holder of notes may revoke a previously submitted consent at any time prior to the expiration date by following the procedures set forth herein.</p>

Guarantees	We are offering to fully and unconditionally guarantee US Unwired's payment obligations under both the 2010 notes and the indenture governing the 2010 notes, or the 2010 indenture, and the 2012 notes and the indenture governing the 2012 notes, or the 2012 indenture, on a senior, unsecured basis, if the proposed amendments to the indentures become effective. If the guarantees are issued and US Unwired cannot make any payment on either the 2010 notes or 2012 notes, we would be required to make the payment instead.
Material United States Federal Income Tax Considerations	Although the issue is not free from doubt, we believe that a holder of notes should not recognize any income, gain or loss as a result of the implementation of the proposed amendments to the indentures governing the notes and the provision of our guarantees. See Material United States Federal Income Tax Considerations.
Solicitation Agent	The solicitation agent for the consent solicitation is Bear Stearns & Co. Inc.
Consent Agent	The consent agent for the consent solicitation is U.S. Bank National Association.
Information Agent	The information agent for the consent solicitation is Georgeson Shareholder Communications, Inc. Additional copies of this prospectus, the letter of consent and other related materials may be obtained from the information agent.
Risk Factors	You should read the Risk Factors section beginning on page 12 of this prospectus, as well as other cautionary statements included or incorporated by reference into this prospectus, to ensure that you understand the risks associated with the consent solicitation and the guarantees.



**Selected Historical Financial Data of Sprint Nextel (formerly Sprint Corporation)**

The following table sets forth our selected historical financial data. The following data as of and for each of the five years ended December 31, 2004 have been derived from our audited consolidated financial statements. The consolidated financial statements for the year ended December 31, 2004 were audited by KPMG LLP and the consolidated financial statements for each of the four years ended December 31, 2003 were audited by Ernst & Young LLP. The statement of operations data for the six months ended June 30, 2005 and 2004, and the balance sheet data as of June 30, 2005, have been derived from our unaudited consolidated financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. The following information should be read together with our consolidated financial statements and the notes related to those financial statements, which are incorporated by reference into this prospectus. The information set forth below is not necessarily indicative of the results of future operations.

	As of or for the Six Months Ended June 30,		As of or for the Years Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
<b>(In millions, except per share amounts and ratios)</b>							
<b>Statement of Operations Data:</b>							
Net operating revenues	\$ 14,049	\$ 13,576	\$ 27,428	\$ 26,197	\$ 26,679	\$ 25,562	\$ 23,166
Operating income (loss)(1)(2)	2,232	1,442	(303)	1,007	2,096	(910)	280
Income (loss) from continuing operations(1)(2)(3)	1,072	461	(1,012)	(292)	451	(1,599)	(788)
Net income (loss)(1)(2)(3)(4)(5)	1,072	461	(1,012)	1,290	610	(1,447)	41
Diluted earnings (loss) per common share from continuing operations(6)(7)	\$ 0.71	\$ 0.31	\$ (0.71)	\$ (0.21)	\$ 0.32	\$ (1.16)	\$ (0.58)
Basic earnings (loss) per common share from continuing operations(6)(7)	\$ 0.72	\$ 0.32	\$ (0.71)	\$ (0.21)	\$ 0.32	\$ (1.16)	\$ (0.58)
Diluted earnings (loss) per common share(6)(7)	\$ 0.71	\$ 0.31	\$ (0.71)	\$ 0.91	\$ 0.43	\$ (1.05)	\$ 0.02
Basic earnings (loss) per common share(6)(7)	\$ 0.72	\$ 0.32	\$ (0.71)	\$ 0.91	\$ 0.43	\$ (1.05)	\$ 0.02
Diluted weighted average common shares outstanding(6)(7)	1,496.5	1,437.3	1,433.4	1,415.3	1,403.8	1,381.7	1,364.1
Basic weighted average common shares outstanding(6)(7)	1,479.0	1,425.4	1,433.4	1,415.3	1,400.0	1,381.7	1,364.1
Dividends per common share	0.125	Note(8)	Note(8)	Note(8)	Note(8)	Note(8)	Note(8)
<b>Balance Sheet Data:</b>							
Total assets	\$ 42,529		\$ 41,321	\$ 42,675	\$ 45,113	\$ 45,619	\$ 42,943

Property, plant and equipment, net(1)	22,145	22,628	27,101	28,565	28,786	25,166
Total debt (including short-term and long-term borrowings, equity unit notes and redeemable preferred stock)	16,321	17,451	19,407	22,273	22,883	18,975
Stockholders equity	14,478	13,521	13,113	12,108	12,450	13,596

- (1) During the six months ended June 30, 2005, we recorded net charges reducing operating income by \$60 million and income from continuing operations by \$37 million. These charges related to the impairment of various software applications, our organizational realignment initiatives and the termination of our web hosting service, as well as merger integration costs.

During the six months ended June 30, 2004, we recorded net charges reducing operating income by \$112 million and income from continuing operations by \$68 million. These charges related primarily to restructurings partially offset by recoveries of fully reserved MCI Communications Corporation (formerly WorldCom, Inc., or WorldCom) receivables.

In 2004, we recorded net charges reducing operating income by \$3.7 billion to an operating loss and reducing income from continuing operations by \$2.3 billion to an overall loss from continuing operations. The charges related primarily to the long distance network impairment and restructurings partially offset by recoveries of fully reserved MCI receivables. The impairment of our long distance network assets, which was determined in accordance with Statement of Financial Accounting Standards, or SFAS, No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, resulted in a pre-tax, non-cash charge of \$3.5 billion. This charge was the result of the analysis of long distance business trends and projections that considered current industry and competitive conditions, recent regulatory rulings, evolving technologies and our strategy to expand our position as a leader in the development and delivery of subscriber solutions requiring transparent wireless and wireline connectivity. This charge reduced the net book value of our long distance property, plant and equipment by about 60%, to \$2.3 billion.

In 2003, we recorded net charges reducing operating income by \$1.9 billion and reducing income from continuing operations by \$1.2 billion resulting in an overall loss from continuing operations. The charges related primarily to restructurings, asset impairments, and executive separation agreements, offset by recoveries of fully reserved MCI receivables.

In 2002, we recorded charges reducing operating income by \$402 million and reducing income from continuing operations by \$253 million. The charges related primarily to restructurings, asset impairments and expected loss on MCI receivables.

In 2001, we recorded charges reducing operating income by \$1.8 billion to an operating loss and increasing the loss from continuing operations by \$1.2 billion. The charges related primarily to restructuring and asset impairments.

In 2000, we recorded charges reducing operating income by \$425 million and increasing the loss from continuing operations by \$273 million. The charges related to the terminated WorldCom merger and asset impairments.

- (2) We adopted SFAS No. 142, *Goodwill and Other Intangibles*, on January 1, 2002. Accordingly, amortization of goodwill, spectrum licenses and trademarks ceased as of that date, because they are indefinite life intangibles.
- (3) In 2004, we recorded charges of \$72 million, net, for premiums paid on the early retirement of debt and the recognition of deferred debt costs. These charges increased loss from continuing operations by \$44 million. In 2003, we recorded charges of \$36 million, net, for premiums paid on the early retirement of debt and for the settlement of a securities class action lawsuit relating to the failed merger with WorldCom. Additionally, we recorded a \$49 million tax benefit for the recognition of certain income tax credits and adjustments for state tax apportionments. In total, these items reduced loss from continuing operations by \$27 million.

In 2002, we recorded charges of \$134 million related to a write-down of an investment due to declining market value offset by gains on the sales of subscriber contracts and our investment in Pegaso Telecomunicaciones, S.A. de C.V. Additionally, we recognized a tax benefit related to capital losses not previously recognizable of \$292 million. In total, these items reduced loss from continuing operations by \$143 million.

In 2001, we recorded charges of \$48 million, which increased the loss from continuing operations by \$81 million. These amounts primarily included a write-down of an equity investment offset by a curtailment gain on the

modification of certain retirement plan benefits and a gain on investment activities.

In 2000, we recorded charges of \$68 million, which increased the loss from continuing operations by \$74 million. The charges related primarily to write-downs of certain equity investments, offset by a gain from the sale of subscribers and network infrastructure to a PCS third party affiliate.

- (4) In 2003, we recorded an after-tax gain of \$1.3 billion associated with the sale of our directory publishing business. In 2000, we sold our interest in a joint venture, which provided international long distance telecommunications services.
- (5) We adopted SFAS No. 143, *Accounting for Asset Retirement Obligations*, on January 1, 2003. The local telecommunications division historically accrued costs of removal in its depreciation reserves consistent with industry practice. These costs of removal do not meet the SFAS No. 143 definition of an asset retirement obligation. Accordingly, we recorded a credit of \$420 million to remove the accumulated excess cost of removal resulting in a cumulative effect of change in accounting principle credit of \$258 million, net of tax.
- (6) All per share amounts have been restated, for all periods before 2004, to reflect the recombination of the FON common stock and PCS common stock as of the earliest period presented at an identical conversion ratio (0.50). The conversion ratio was also applied to dilutive PCS securities (mainly stock options, employees stock purchase plan shares, convertible preferred stock and restricted stock units) to determine diluted weighted average shares on a consolidated basis.
- (7) As the effects of including the incremental shares associated with options, restricted stock units and employees stock purchase plan shares are antidilutive, both basic loss per share and diluted loss per share reflect the same calculation for the years ended December 31, 2004, 2003, 2001 and 2000.
- (8) Before the recombination of the two tracking stocks, shares of PCS common stock did not receive dividends. For each of the five years ended December 31, 2004, shares of FON common stock (before the conversion of shares of PCS common stock) received dividends of \$0.50 per share. In the 2004 first quarter, shares of FON common stock (before the conversion of shares of PCS common stock) received a dividend of \$0.125 per share. In the second, third and fourth quarters of 2004, shares of FON common stock, which included shares resulting from the conversion of shares of PCS common stock, received quarterly dividends of \$0.125 per share.

**Selected Historical Financial Data of Nextel Communications**

The following table sets forth selected historical financial data for Nextel Communications. The following data at and for each of the five years ended December 31, 2004 have been derived from Nextel Communications' audited consolidated financial statements. The statement of operations data for the six months ended June 30, 2005 and 2004, and the balance sheet data as of June 30, 2005, have been derived from Nextel Communications' unaudited consolidated financial statements. In the opinion of management, Nextel Communications' unaudited condensed consolidated financial statements reflect all adjustments that are necessary for a fair presentation of the results for interim periods. All adjustments made were of a normal recurring nature, except as described in the notes included in Nextel Communications' financial statements for the six months ended June 30, 2005. The following information should be read together with Nextel Communications' consolidated financial statements and the notes related to those financial statements, which are included in this prospectus. See Index to Financial Statements. The information set forth below is not necessarily indicative of the results of future operations.

	<b>For the Six Months Ended June 30,</b>		<b>For the Years Ended December 31,</b>				
	<b>2005</b>	<b>2004</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b>(In millions, except per share amounts)</b>							
<b>Statement of Operations</b>							
<b>Data:</b>							
Operating revenues	\$ 7,427	\$ 6,392	\$ 13,368	\$ 10,820	\$ 8,721	\$ 7,689	\$ 5,714
Cost of revenues (exclusive of depreciation and amortization included below)	2,243	1,876	4,003	3,169	2,535	2,888	2,188
Selling, general and administrative	2,451	2,049	4,241	3,453	3,039	3,020	2,278
Restructuring and impairment charges					35	1,769	
Depreciation and amortization	1,026	896	1,841	1,694	1,595	1,746	1,265
Operating income (loss)	1,707	1,571	3,283	2,504	1,517	(1,734)	(17)
Interest expense, net	(225)	(294)	(565)	(802)	(990)	(1,196)	(849)
(Loss) gain on retirement of debt, net of debt conversion costs	(37)	(51)	(117)	(245)	354	469	(127)
Gain on deconsolidation of NII Holdings, Inc.					1,218		
Equity in earnings (losses) of unconsolidated affiliates, net	39	(2)	15	(58)	(309)	(95)	(152)
Other (expense) income, net	6	29	29	225	(39)	(223)	281
Income tax benefit (provision)	(361)	684	355	(113)	(391)	135	33
Net (loss) income	1,129	1,937	3,000	1,511	1,360	(2,644)	(831)
Gain (loss) on retirement of mandatorily redeemable preferred stock	(16)	(4)	(9)	(7)	485	(233)	(209)
				(58)	(211)		

Mandatorily redeemable  
preferred stock dividends and  
accretion

Income (loss) available to common stockholders	\$ 1,113	\$ 1,933	\$ 2,991	\$ 1,446	\$ 1,634	\$ (2,877)	\$ (1,040)
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Earnings (loss) per common  
share

Basic	\$ 0.99	\$ 1.74	\$ 2.69	\$ 1.38	\$ 1.85	\$ (3.70)	\$ (1.38)
Diluted	\$ 0.97	\$ 1.67	\$ 2.62	\$ 1.34	\$ 1.75	\$ (3.70)	\$ (1.38)

Weighted average number of  
common shares outstanding

Basic	1,125	1,108	1,111	1,047	884	778	756
Diluted	1,143	1,168	1,152	1,089	966	778	756

	As of December 31,					
	As of June 30, 2005	2004	2003	2002	2001	2000
	(In millions)					
<b>Balance Sheet Data:</b>						
Total assets	\$ 25,426	\$ 22,744	\$ 20,510	\$ 21,477	\$ 22,064	\$ 22,686
Domestic long-term debt, capital lease and finance obligations, including current portion	\$ 8,576	\$ 8,549	\$ 10,212	\$ 12,550	\$ 14,865	\$ 12,212
Mandatorily redeemable preferred stock	\$ 7	\$ 108	\$ 99	\$ 1,015	\$ 2,114	\$ 1,881

Highlighted below are certain transactions and factors that may be significant to an understanding of Nextel Communications' financial condition and comparability of results of operations.

*NII Holdings.* The information presented above that is derived from Nextel Communications' consolidated financial statements includes the consolidated results of NII Holdings, Inc., or NII Holdings, through December 31, 2001. During 2001, NII Holdings recorded a non-cash pre-tax restructuring and impairment charge of \$1,747 million in connection with its decision to discontinue funding one of its operating companies and the implementation of its revised business plan.

In November 2002, NII Holdings, which before that time had been Nextel Communications' substantially wholly owned subsidiary, completed its reorganization under Chapter 11 of the U.S. Bankruptcy Code, having filed a voluntary petition for reorganization in May 2002 in the U.S. Bankruptcy Court for the District of Delaware after it and one of its subsidiaries defaulted on credit and vendor finance facilities. Before its bankruptcy filing, NII Holdings was accounted for as one of Nextel Communications' consolidated subsidiaries. As a result of NII Holdings' bankruptcy filing in May 2002, Nextel Communications began accounting for its investment in NII Holdings using the equity method. In accordance with the equity method of accounting, Nextel Communications did not recognize equity losses of NII Holdings after May 2002, as it had already recognized \$1,408 million of losses in excess of its investment in NII Holdings through that date. NII Holdings' net operating results through May 2002 have been presented as equity in losses of unconsolidated affiliates, as permitted under the accounting rules governing a mid-year change from consolidating a subsidiary to accounting for the investment using the equity method. However, the presentation of NII Holdings in the financial statements as a consolidated subsidiary in 2001 has not changed from prior presentation. The following table provides the operating revenues and net loss of NII Holdings included in Nextel Communications' consolidated results for 2001 and prior periods, excluding the impact of intercompany eliminations:

	2001	2000
Operating revenues	\$ 680	\$ 330
Net loss	2,497	417

Upon NII Holdings' emergence from bankruptcy in November 2002, Nextel Communications recognized a non-cash pre-tax gain on deconsolidation of NII Holdings in the amount of \$1,218 million consisting primarily of the reversal of equity losses it had recorded in excess of its investment in NII Holdings, partially offset by charges recorded when it consolidated NII Holdings, including, among other items, \$185 million of cumulative foreign currency translation losses. At the same time, Nextel Communications began accounting for its new ownership



interest in NII Holdings using the equity method, under which Nextel Communications recorded its proportionate share of NII Holdings' results of operations. In November 2003, Nextel Communications sold 3.0 million shares of NII Holdings common stock, which generated \$209 million in net proceeds and a gain of \$184 million.

*Operating Revenues and Cost of Revenues.* Effective July 1, 2003, Nextel Communications adopted the provisions of Emerging Issues Task Force, or EITF, Issue No. 00-21, *Accounting for Revenue Arrangements with Multiple Deliverables*. EITF Issue No. 00-21 provides guidance on when and how an arrangement involving multiple deliverables should be divided into separate units of accounting. Accordingly, for all handset sale arrangements entered into beginning in the third quarter 2003, Nextel

Communications recognizes revenue and the related cost of revenue when title to the handset passes to the subscriber. Before July 1, 2003, in accordance with Staff Accounting Bulletin, or SAB, No. 101, *Revenue Recognition in Financial Statements*, Nextel Communications recognized revenue from handset sales and an equal amount of the related cost of revenue on a straight-line basis over the expected subscriber relationship period of 3.5 years, beginning when title to the handset passed to the subscriber. Therefore, the adoption of EITF Issue No. 00-21 resulted in increased handset revenues and cost of handset revenues in 2003 as compared to 2002.

Nextel Communications elected to apply the provisions of EITF Issue No. 00-21 to its existing subscriber arrangements. Accordingly, on July 1, 2003, Nextel Communications reduced its current assets and liabilities by about \$563 million and its noncurrent assets and liabilities by about \$783 million, representing substantially all of the revenues and costs associated with the original sale of handsets that were deferred under SAB No. 101. Additional information regarding Nextel Communications' adoption of EITF Issue No. 00-21 can be found in note 1 to the consolidated financial statements included in this prospectus. See *Index to Financial Statements*.

*Adoption of SFAS No. 142.* Effective January 1, 2002, Nextel Communications adopted the provisions of SFAS No. 142, *Goodwill and Other Intangible Assets*. Under SFAS No. 142, Nextel Communications is no longer required to amortize goodwill and intangible assets with indefinite useful lives, which consist of Federal Communications Commission, or FCC, licenses. In the first quarter 2002, Nextel Communications incurred a one-time cumulative non-cash charge to the income tax provision of \$335 million to increase the valuation allowance related to its net operating losses. This cumulative charge was required since Nextel Communications has significant deferred tax liabilities related to its FCC licenses that have a significantly lower tax basis than book basis. Additional information regarding the adoption of SFAS No. 142 can be found in note 5 to the consolidated financial statements included in this prospectus. See *Index to Financial Statements*.

*Long-Term Debt, Preferred Stock and Finance Obligation.* During the second quarter 2002 and continuing throughout 2003, 2004 and into 2005, Nextel Communications reduced its outstanding debt obligations through the redemption, purchase and retirement of some of its long-term debt and preferred stock. Nextel Communications used some of the proceeds from newly issued senior notes and a new term loan under the bank credit facility, together with its existing cash resources, to redeem and retire certain senior notes, then-existing term loans under the facility and preferred stock. These newly issued senior notes and the new term loan have lower interest rates and longer maturity periods than the notes and loans that were retired. Nextel Communications also issued shares of its class A common stock in exchange for some of its outstanding debt securities. Additional information can be found in note 6 to Nextel Communications' consolidated financial statements included in this prospectus and note 3 to Nextel Communications' condensed consolidated financial statements included in this prospectus. See *Index to Financial Statements*.

*Income Tax Benefit (Provision).* Nextel Communications maintains a valuation allowance that includes reserves against certain of its deferred tax asset amounts in instances where it determines that it is more likely than not that a tax benefit will not be realized. Nextel Communications' valuation allowance has historically included reserves primarily for the tax benefit of net operating loss carryforwards, as well as for capital loss carryforwards, separate return net operating loss carryforwards and the tax benefit of stock option deductions relating to employee compensation. Before June 30, 2004, Nextel Communications had recorded a full reserve against the tax benefits relating to its net operating loss carryforwards because, at that time, Nextel Communications did not have a sufficient history of taxable income to conclude that it was more likely than not that it would be able to realize the tax benefits of the net operating loss carryforwards. Accordingly, Nextel Communications recorded in its income statement only a small provision for income taxes, as its net operating loss carryforwards resulting from losses generated in prior years offset virtually all of the taxes that Nextel Communications would have otherwise incurred.

During 2004, based on Nextel Communications' cumulative operating results and an assessment of its expected future operations, Nextel Communications concluded that it was more likely than not that it

would be able to realize the tax benefits of its net operating loss carryforwards. Therefore, Nextel Communications decreased the valuation allowance attributable to its net operating loss carryforwards by \$901 million as a credit to tax expense. Additionally, Nextel Communications decreased the valuation allowance attributable to the tax benefit of stock option deductions related to employee compensation and credited paid-in capital by \$389 million. Also during 2004, Nextel Communications determined that it was more likely than not that it would utilize a portion of its capital loss carryforwards before their expiration. Accordingly, Nextel Communications decreased the valuation allowance primarily attributable to capital loss carryforwards by \$212 million as a credit to tax expense. Additional information can be found in note 9 to Nextel Communications consolidated financial statements included in this prospectus. See Index to Financial Statements.

For the six months ended June 30, 2005, Nextel Communications determined that it was more likely than not that it would utilize a portion of its capital loss carryforwards before their expiration. Accordingly, Nextel Communications decreased the valuation allowance attributable to capital loss carryforwards by \$203 million. Additional information can be found in note 4 to Nextel Communications condensed consolidated financial statements included in this prospectus. See Index to Financial Statements.

*Other Income (Expense), Net.* As discussed in note 3 to Nextel Communications consolidated financial statements, other income (expense), net in 2003 includes a \$184 million gain on Nextel Communications sale of common stock of NII Holdings and a \$39 million gain related to the redemption of the redeemable preferred stock that Nextel Communications held in Nextel Partners, which provides services under the Nextel brand name in certain areas of the U.S. Other income (expense), net in 2001 includes a \$188 million other-than-temporary reduction in the fair value of NII Holdings investment in TELUS Mobility, Inc., or TELUS Mobility. Other income (expense), net in 2000 includes a \$275 million gain realized when NII Holdings exchanged its stock in Clearnet Communications, Inc., or Clearnet, for stock in TELUS Mobility as a result of the acquisition of Clearnet by TELUS Mobility. See Index to Financial Statements.

### Summary Unaudited Pro Forma Condensed Combined Financial Information

The following summary unaudited pro forma condensed combined financial information is designed to show how the merger of Sprint and Nextel might have affected historical financial statements if the merger had been completed at an earlier time. The following summary unaudited pro forma condensed combined financial information was prepared based on the historical financial results reported by Sprint and Nextel in their filings with the SEC. The following should be read in connection with the information under the caption "Unaudited Pro Forma Condensed Combined Financial Statements" and the Sprint and Nextel financial statements, which are incorporated by reference into or included in this prospectus.

The unaudited pro forma balance sheet assumes that the merger took place on June 30, 2005 and combines Sprint's June 30, 2005 condensed consolidated balance sheet with Nextel's June 30, 2005 condensed consolidated balance sheet. The unaudited pro forma statements of operations for the six months ended June 30, 2005 and for the year ended December 31, 2004 give effect to the merger as if it occurred on January 1, 2004.

The summary unaudited pro forma condensed combined financial information is presented for illustrative purposes only and is not necessarily indicative of the financial condition or results of operations of future periods or the financial condition or results of operations that actually would have been realized had the entities been a single entity during these periods.

### Sprint Nextel Pro Forma

	As of or for the Six Months Ended June 30, 2005	For the Year Ended December 31, 2004
	(In millions, except per share amounts)	
<b>Statement of Operations Data:</b>		
Net revenue	\$ 21,476	\$ 40,796
Income (loss) from continuing operations	1,237	(1,282)
Diluted average number of shares of common stock outstanding(1)	2,944.5	2,857.4
Basic average number of shares of common stock outstanding(1)	2,904.4	2,857.4
Diluted income (loss) per share from continuing operations(1)	\$ 0.42	\$ (0.45)
Basic income (loss) per share from continuing operations(1)	\$ 0.42	\$ (0.45)
<b>Balance Sheet Data:</b>		
Cash and equivalents	\$ 7,482	
Working capital	7,645	
Total assets	100,245	
Long term debt and capital lease obligations (net of current portion and including redeemable preferred stock)	24,349	
Total stockholders' equity	50,795	

- (1) As the effects of including the incremental shares associated with options, restricted stock units and employees stock purchase plan shares are anti-dilutive for the year ended December 31, 2004, they are not included in the weighted average shares outstanding, and both diluted and basic earnings per share reflect the same calculation.



## RISK FACTORS

*You should carefully consider the risk factors discussed below, as well as other information included and incorporated by reference into this prospectus, in connection with participation in the consent solicitation.*

### **Risk Factors Relating to the Proposed Amendments to the Indentures**

***The proposed amendments to the indentures would result in fewer restrictions on US Unwired's conduct than currently exist.***

If the proposed amendments to the indentures become effective, the covenants in the amended indentures would generally impose fewer restrictions on US Unwired's conduct than the covenants currently in the indentures governing the notes. The proposed amendments would allow US Unwired to take actions that would otherwise have been restricted or conditioned, including certain transactions with affiliates, and with which you may not agree. See "The Consent Solicitation - Description of the Proposed Amendments" and Annex A to this prospectus for more information about the differences between what actions are currently restricted by the covenants currently applicable to the notes and what actions would be restricted by the covenants following the effectiveness of the proposed amendments.

***Holders of the notes may be adversely affected if we do not issue our guarantees because, in that case, holders will have a claim only against US Unwired or its subsidiary guarantors and not us.***

US Unwired has a substantial amount of debt, including its obligations under the 2010 and 2012 notes, \$364.2 million of which was outstanding as of June 30, 2005. The indentures governing the notes limit US Unwired's ability to, among other things, borrow more money, which limits US Unwired's ability to raise additional capital that may be necessary to pay its debts, including the notes. If we do not receive the required consents, in which case we would not issue the guarantees, and US Unwired is unable to satisfy its payment obligations on the notes, holders of the notes would have no direct claim against us for these payment obligations.

### **Risk Factors Relating to Sprint Nextel**

***We may not be able to successfully integrate the businesses of Nextel with ours and realize the anticipated benefits of the merger.***

Significant management attention and resources are being devoted to integrating the Nextel® wireless network and other wireless technologies with ours, as well as the business practices, operations and support functions of the two companies. The challenges we are facing and/or may face in the future include the following:

integrating our and Nextel's wireless networks, which operate on different technology platforms and use different spectrum bands, and developing wireless devices and other products and services that operate seamlessly on both technology platforms;

developing and deploying next generation wireless technologies;

combining diverse product and service offerings, subscriber plans and sales and marketing approaches;

preserving subscriber, supplier and other important relationships and resolving conflicts arising as a result of the merger;

consolidating and integrating duplicative facilities and operations, including back-office systems;

addressing differences in business cultures, preserving employee morale and retaining key employees, while maintaining focus on providing consistent, high quality customer service and meeting our operational and financial goals; and

adequately addressing business integration issues while also addressing the contemplated spin-off of our local telecommunications business.

The process of integrating Nextel's operations with ours could cause an interruption of, or loss of momentum in, our business and financial performance. The diversion of management's attention and any delays or difficulties encountered in connection with the integration of the two companies' operations could have an adverse effect on our business, financial results, financial condition and/or stock price. We may also incur additional and unforeseen expenses. There can be no assurance that the expense savings and synergies that we anticipate from the merger will be realized fully or within our expected timeframe.

***The completion of the contemplated spin-off of our local telecommunications business cannot be assured, and the specific assets and liabilities of the spun-off company have not yet been determined.***

We intend to spin off the local telecommunications business as a separate entity to our stockholders since we believe that the contemplated spin-off will provide us with greater growth opportunities than other major U.S. telecommunications companies whose businesses include a substantial portion of wireline-based services. If the contemplated spin-off is not completed, we may have slower rates of growth than currently expected because the number of local access lines served and switched access minutes used have been declining and are projected to continue to decline in the future. These declines can be attributed in part to industry-wide trends, such as increased competition and product substitution, that are affecting the local telephone business. Moreover, our strategy of developing our higher growth wireless business may increasingly conflict with the strategy and interests of our local telecommunications business, particularly as customers are increasingly choosing between wireline and wireless services. Net operating revenues from the local telecommunications business fell from \$6,130 million in 2003 to \$6,021 million in 2004 and operating income from the local telecommunications business fell from \$1,862 million to \$1,766 million over the same period. Revenues and operating income have continued to decline in 2005.

There are significant operational and technical challenges that need to be addressed in order to successfully separate the assets and operations of the local telecommunications business from the rest of our business. The spin-off will also require the creation of a new publicly traded company with a capital structure appropriate for that company, the creation and staffing of operational and corporate functional groups and the creation of transition services arrangements between us and the spun-off company. The spin-off may result in additional and unforeseen expenses, and completion of the spin-off cannot be assured. Completion of the spin-off will be conditioned upon, among other things, receipt of required consents and approvals from various federal and state regulatory agencies, including state public utility or service commissions. These consents and approvals, if received, may impose conditions and limitations on the business and operations of the company resulting from the spin-off. These conditions and limitations could jeopardize or delay completion of the spin-off and could reduce the anticipated benefits of the merger and the spin-off.

The U.S. Treasury and the staff of the Joint Committee on Taxation have suggested certain changes to Section 355 of the Internal Revenue Code of 1986, as amended. It is unclear whether any legislation will be introduced to implement these proposals, and if so, whether any legislation will be enacted. After consultation with our tax advisors, we believe that even if legislation is enacted, it is unlikely that it would apply to the contemplated spin-off of the local telecommunications business. However, it is possible that any such legislation could prevent us from completing the contemplated spin-off on a tax-free basis, in which case the contemplated spin-off would not occur. We will not complete the spin-off unless we obtain satisfactory opinions from counsel regarding the tax-free qualification of the spin-off.

In addition, the company to be spun-off is expected to have total indebtedness of about \$7.25 billion when the spin-off is completed. A portion of this debt is currently outstanding. The remainder will be issued to us and to one or more third parties. We will receive the new debt securities and the cash proceeds from the new third party borrowings in partial exchange for the assets contributed to the company to be spun-off. We will sell or exchange the debt securities issued to us and intend to use the proceeds from any such sale and the proceeds paid to us by the spun-off company to repay various

obligations. There can be no assurance of the final amount of indebtedness to be incurred by the spun-off company or the proceeds to be received by us.

***We will be subject to restrictions on acquisitions involving our stock and other stock issuances and possibly other corporate opportunities in order to enable the contemplated spin-off of the local telecommunications business to qualify for tax-free treatment.***

The contemplated spin-off of the local telecommunications business cannot qualify for tax-free treatment if 50% or more (by vote or value) of our stock or the stock of the spun-off entity is acquired or issued as part of a plan or series of related transactions that includes the contemplated spin-off. Because the Nextel merger generally is treated as involving the acquisition of 49.9% of our stock (and the spun-off entity) for purposes of this analysis, until the completion of the spin-off (and for some period thereafter), we will be subject to restrictions on certain acquisitions involving stock, stock issuances and possibly other corporate opportunities in order to enable the spin-off to qualify for tax-free treatment. At this time, it is not possible to determine how long these restrictions will apply. In addition, it is not possible to determine whether these limitations will have a material impact on us.

***We may be required to purchase the outstanding shares of Nextel Partners common stock that we do not already own and assume Nextel Partners' outstanding indebtedness. If we are not required to purchase the outstanding shares of Nextel Partners common stock, exclusivity and other provisions will remain in effect that could limit our ability to achieve synergies and fully integrate Nextel's operations.***

Under the terms of the certificate of incorporation of Nextel Partners, during the 18 month period following completion of the merger, the holders of a majority of the Nextel Partners class A common stock can vote to require us to purchase all of the Nextel Partners class A shares for the appraised fair market value of those shares. Nextel Partners has called a special meeting of stockholders for October 24, 2005 to vote on whether to require us to purchase the Nextel Partners class A shares. Based on the closing stock market price on October 7, 2005, the aggregate market value of the outstanding Nextel Partners class A shares, which represent approximately 68.7% of the total outstanding shares of Nextel Partners, was approximately \$4.65 billion. The appraised fair market value of the Nextel Partners class A shares, as determined in accordance with the Nextel Partners certificate of incorporation, that could be payable by us could be significantly higher or lower than that amount.

If we are not required to purchase the Nextel Partners class A shares, the agreements between Nextel Partners and Nextel contain exclusivity and other provisions that will remain in place. Continued compliance with those provisions may limit our ability to achieve synergies and fully integrate the operations of Nextel, which could have a negative impact on our results of operations. In addition, under the terms of these agreements, we may not transfer our interest in Nextel Partners to a third party before 2011.

***We are subject to exclusivity provisions and other restrictions under our arrangements with the Sprint PCS Affiliates. Continued compliance with those restrictions may limit our ability to achieve synergies and fully integrate the operations of Nextel, and we could incur significant costs to resolve issues related to the merger under these arrangements. The manner in which these restrictions will be addressed is not currently known.***

We historically supplemented our PCS wireless network through arrangements with third party network operators, which are referred to in this prospectus as Sprint PCS Affiliates. Their subscribers purchase services under the Sprint brand name that are provided on code division multiple access, or CDMA, networks built and operated at the Sprint PCS Affiliates' own expense.

All of these arrangements restrict our and our affiliates' ability to own, operate, build or manage wireless communication networks or to sell certain wireless services within specified geographic areas.



Continued compliance with those restrictions may limit our ability to achieve synergies and fully integrate the operations of Nextel, which could have a negative impact on our results of operations.

In case of a material breach of any of these arrangements that is not cured within a specified cure period, the affected Sprint PCS Affiliate can pursue the following mutually exclusive remedies: (1) the sale to us of the Sprint PCS Affiliate's operating assets at 80% or 88% (depending on the Sprint PCS Affiliate) of the appraised fair market value of the Sprint PCS Affiliate's wireless business in the affected territory, (2) for certain Sprint PCS Affiliates, the purchase from us of certain spectrum rights in its territory at a price equal to the greater of (a) our original spectrum costs plus microwave relocation costs and (b) 9% of the appraised fair market value of the Sprint PCS Affiliate's wireless business in the affected territory, or (3) the pursuit against us of a claim for damages or other appropriate relief. If it is determined that a material breach has occurred, and the affected Sprint PCS Affiliate elects to pursue either of the remedies described in (1) or (2) above, the Sprint PCS Affiliate's wireless business in the affected territory will be appraised at the fair market value using the appraisal process prescribed in the arrangement between us and the affected Sprint PCS Affiliate. The prescribed appraisal process is complex and will involve numerous judgments by the appraisers. Although we may from time to time engage in discussions with Sprint PCS Affiliates regarding these matters, there is no assurance that these arrangements can be renegotiated with them on favorable terms or that waivers of the restrictions under those arrangements can be obtained. The outcome of any possible claims, and the associated costs that could be incurred by us, cannot currently be determined but could represent a significant cost.

***Failure to satisfy our capital requirements could cause us to delay or abandon our business growth plans. If we incur significant additional indebtedness, it could cause a decline in our credit rating and could limit our ability to raise additional capital.***

We continue to have substantial indebtedness and we will continue to require additional capital to grow our businesses and satisfy other obligations, such as the potential obligation to purchase shares of Nextel Partners common stock. To the extent we do not generate sufficient cash flow from operations to fund these requirements, we may need to rely on additional financing to expand our businesses and meet our other obligations. In connection with the execution of our business strategies, we are continually evaluating acquisition opportunities, and we may elect to finance acquisitions by incurring additional indebtedness. Certain of our indentures and credit facilities contain covenants that restrict our ability to incur, assume or pre-pay indebtedness, sell assets or make investments. We may not be able to arrange additional financing to fund our requirements on terms acceptable to us. Our ability to arrange additional financing will depend on, among other factors, our financial performance, general economic conditions and prevailing market conditions. Many of these factors are beyond our control. Failure to obtain suitable financing could, among other things, result in the inability to continue to expand our businesses and meet competitive challenges. If we incur significant additional indebtedness, our credit rating could be adversely affected. As a result, our future borrowing costs would likely increase and our access to capital could be adversely affected.

***Any failure to improve wireless subscriber service and continue to enhance the quality of our wireless networks and meet capacity requirements of our subscriber growth will likely impair our financial performance and adversely affect our results of operations.***

We must continually improve our wireless subscriber service, even though our costs increase, or our subscribers may switch to other wireless providers.

In connection with our continuing enhancement of the quality of our wireless networks, we must:  
maintain and expand the capacity and coverage of our network;

obtain additional spectrum in some or all of our markets, if and when necessary;

secure sufficient transmitter and receiver sites and obtain zoning and construction approvals or permits at appropriate locations; and

obtain adequate quantities of system infrastructure equipment and handsets and related accessories to meet subscriber demand.

Network enhancements may not occur as scheduled or at the cost that we have estimated. Delays or failure to add network capacity, or increased costs of adding capacity, could limit our ability to satisfy our wireless subscribers while maintaining or increasing our revenues.

***If our wireless operations do not continue to grow and improve profitability or if our long distance and local operations do not achieve expected revenues, we may not be able to make capital expenditures necessary to implement our plans for these businesses and our credit rating will likely be adversely affected.***

If our wireless operations do not continue to grow and improve profitability, we may be unable to make the capital expenditures necessary to implement our business plan, meet our debt service requirements, or otherwise conduct our business in an effective manner. This would require us to divert cash from other uses, which may not be possible or may detract from operations in our other businesses. These events could limit our ability to increase revenues and net income or cause these amounts to decline.

Our long distance and local operations have experienced declining operating revenues. If these operations cannot achieve expected revenues, we may be unable to make the capital expenditures necessary to implement our business plans for these operations or otherwise conduct these businesses in an effective manner. This could inhibit our ability to maintain or increase our revenues.

If our wireless operations do not continue to grow and improve profitability, or if our long distance and local operations cannot achieve expected revenues, our credit rating will likely be adversely affected. If our credit rating is adversely affected, our future borrowing costs would likely increase and our access to capital could be adversely affected.

***We face intense competition that may reduce our market share and harm our financial performance.***

There is intense competition in the telecommunications industry. Regulatory initiatives allowing subscribers to switch service providers while retaining their telephone numbers have further fueled competition. At the same time, the traditional dividing lines between long distance, local, wireless, cable and Internet services are increasingly becoming blurred. We expect competition to intensify across all of our business segments as a result of the entrance of new competitors and the rapid development of new technologies, products, and services. We cannot predict which of many possible future technologies, products, or services will be important to maintain our competitive position or what expenditures will be required to develop and provide these technologies, products or services. Our ability to compete successfully will depend on marketing and sales and service delivery, and on our ability to anticipate and respond to various competitive factors affecting the industry, including new services that may be introduced, changes in consumer preferences, demographic trends, economic conditions, and discount pricing and other strategies by competitors. To the extent we do not keep pace with technological advances or fail to timely respond to changes in competitive factors in our industry, we could lose market share or experience a decline in revenue and net income. As a result of the financial strength and benefits of scale of some of our competitors, they may be able to offer services at lower prices than we can, thereby adversely affecting our revenues and growth.

***Wireless Operations.*** Each of our markets, including each of the top 50 metropolitan markets, have several other wireless service providers. Competition may continue to increase to the extent that there are mergers or other combinations involving our competitors or licenses are transferred from smaller stand-alone operators to larger, more experienced and more financially stable wireless operators. These wireless operators may be able to offer subscribers network features or products not offered by us. Certain competitors may be able to offer coverage in areas not served by either of our wireless networks or may be able to offer roaming rates that are lower than those offered by us. The actions of our competitors could

negatively affect our subscriber churn, ability to attract new subscribers, average revenue per user and operating costs.

As the intensity of competition among wireless communications providers has increased, we and our competitors have decreased prices and increased service and product offerings, resulting in both declining average monthly revenue per subscriber in the wireless industry overall and in declining average revenue per minute of use, and we expect these trends will continue. Competition in pricing and service and product offerings may also adversely impact customer retention, which would adversely affect our results of operations. All of these developments may lead to greater choices for subscribers, possible consumer confusion, and increased customer churn.

One of the primary differentiating features of our Nextel service is the two-way walkie-talkie feature. A number of wireless equipment vendors, including Motorola Inc., or Motorola, which supplies equipment for our Nextel service, have begun to offer, or announced plans to offer, wireless equipment that is capable of providing walkie-talkie features that are designed to compete with our walkie-talkie feature. Several of our competitors have introduced, or have announced plans to introduce, these walkie-talkie features. If these competitors' features are perceived to be or become, or if any such services introduced in the future are, comparable to our walkie-talkie feature, our competitive advantage in our Nextel service would be reduced, which in turn could adversely affect our business.

*Wireline Operations.* Our long distance operations compete with AT&T, MCI, Level 3, the following Regional Bell Operating Companies, or RBOCs: Verizon, BellSouth, SBC Communications and Qwest, and cable operators, as well as a host of smaller competitors, in the provision of these services. Some of these companies have built high-capacity, IP-based fiber-optic networks capable of supporting large amounts of voice and data traffic. These companies claim certain cost structure advantages which, among other factors, may position them well for the future. Increased competition and the significant increase in capacity resulting from new networks may drive already low prices down further. Both AT&T, which has agreed to be acquired by SBC Communications, and MCI, which has agreed to be acquired by Verizon, continue to be the two largest competitors in the domestic long distance communications market. We and other long distance carriers depend heavily on local access facilities obtained from RBOCs to serve our long distance customers. The proposed acquisitions of AT&T and MCI by two RBOCs, if approved, could give those carriers' long distance operations cost and operational advantages with respect to these access facilities.

Our local telecommunications business operates principally in suburban and rural markets. As a result, competition in these markets is occurring more gradually than for the RBOCs. In urban areas where our local telecommunications business operates, there is substantial competition by competitive local exchange carriers, or CLECs, and there is increasing competition in less urban areas. Cable companies selling cable modems continue to provide competition for high-speed data services for residential customers and are beginning to offer voice telephone service using their cable facilities. E-mail and wireless services will continue to grow as an alternative to wireline services.

***A high rate of subscriber churn would likely impair our financial performance.***

A key element in the economic success of telecommunications carriers is the rate of subscriber churn. Our efforts to reduce churn may not be successful. A high rate of churn could impair our ability to increase the revenues of, or cause a deterioration in the operating margin of, our wireless operations or our operations as a whole.

***Failure to complete development, testing and deployment of new technology could affect our ability to compete in the industry and the technology we use could place us at a competitive disadvantage.***

On an ongoing basis, we develop, test and deploy various new technologies and support systems intended to help us compete in the industry by increasing revenues and/or reducing costs. Successful implementation of technology upgrades depends, in part, on the willingness of third parties to develop new applications in a timely manner. We may not successfully complete the development and rollout of new

technology in a timely manner, and any new technology and related services may not be widely accepted by our customers or may not be profitable, which would make it difficult or impossible to recover the investment in the development of the technology. New service offerings may also adversely affect the performance or reliability of our networks. Any resulting customer dissatisfaction could have an adverse effect on our results of operations and growth prospects.

We use CDMA 2000 technology as our wireless air interface standard for our PCS wireless network operations because we believe the technology is superior to the global system for mobile communications, or GSM, family of air interface technologies. CDMA 2000 PCS wireless network operations has a smaller market share of global wireless subscribers compared to GSM. As a result, we have a risk of higher costs for handsets and network infrastructure than competitors who use GSM. Similarly, because we are one of a limited number of wireless carriers that have deployed Motorola's integrated Digital Enhanced Network, or iDEN®, technology, we bear a substantially greater portion of the costs associated with the development of new equipment and features than would be the case if our Nextel network utilized a more widely adopted technology platform.

***We have entered into outsourcing agreements related to certain business operations. Any difficulties experienced in these arrangements could result in additional expense, loss of customers and revenue, interruption of our services or a delay in the roll-out of new technology.***

We have entered into outsourcing agreements for the development and maintenance of certain software systems necessary for the operation of our business. We have also entered into agreements with third parties to provide service support to direct wireless subscribers and outsourced many aspects of our customer care and billing functions to third parties. Finally, we have entered into an agreement whereby a third party will lease or operate a significant number of our communications towers, and we will sublease space on these towers. As a result, we must rely on third parties to execute our operational priorities and interface with our customers. In some cases, the policies of the United States, individual states and foreign countries could affect the provision of these services. If these third parties are unable to perform to our requirements, we would have to pursue alternative strategies to provide these services and that could result in delays, interruptions, additional expenses and loss of customers.

***The reconfiguration process contemplated by the Report and Order of the FCC may adversely affect our business and operations, which could adversely affect our future growth and operating results.***

As part of an ongoing FCC proceeding to eliminate interference with public safety operations in the 800 megahertz, or MHz, band, in August 2004 the FCC released a Report and Order, as supplemented, which provides for the exchange of a portion of our FCC licenses for other licenses, including 10 MHz of spectrum in the 1.9 gigahertz, or GHz, band. In order to accomplish the reconfiguration of the 800 MHz spectrum band of the Nextel network that is contemplated by the Report and Order, in most cases we will need to cease our use of a portion of the 800 MHz spectrum in a particular market before we are able to commence use of replacement 800 MHz spectrum in that market. To mitigate the temporary loss of the use of this spectrum, in many markets we will need to construct additional transmitter and receiver sites or acquire additional spectrum in the 800 MHz or 900 MHz bands. This spectrum may not be available to us on acceptable terms. In markets where we are unable to construct additional sites or acquire additional spectrum as needed, the decrease in capacity may adversely affect the performance of our Nextel network, require us to curtail subscriber additions in those markets until the capacity limitation can be corrected, or a combination of the two. Degradation in network performance in any market could result in subscriber churn in that market, the effect of which could be exacerbated if we are forced to curtail subscriber additions in that market. A resulting loss of a significant number of subscribers could adversely affect our results of operations. Because we are just beginning the reconfiguration process, we currently are not able to assess the potential impact that this process will have on our Nextel network capacity. In addition, the Report and Order gives the FCC the authority to suspend our use of the 1.9 GHz spectrum that we received under the Report and Order if we do not comply with our obligations under the Report and Order.

***If any of our Sprint PCS Affiliates or Nextel Partners or our iDEN roaming affiliates experience financial or operational difficulties, we could be forced to incur additional expenses and/or lose customers, which could adversely affect our financial performance.***

If any of the Sprint PCS Affiliates cease operations in all or part of their service area, we may incur roaming charges in areas where service was previously provided by the Sprint PCS Affiliates. We may also incur costs to meet FCC renewal requirements, as well as experience lower revenues. Failure to meet FCC renewal requirements could result in the loss of a PCS license or licenses, depending on the service area.

Nextel Partners operates a network compatible with our iDEN network in numerous mid-sized and tertiary markets in the United States. We offer cellular and walkie-talkie services on our iDEN network internationally in Canada, Latin America and Mexico through agreements with TELUS Mobility and NII Holdings. If Nextel Partners, NII Holdings or TELUS Mobility experiences financial or operational difficulties, the ability of our iDEN customers to roam on their respective networks may be impaired. In that event, our ability to attract and retain customers who want to access those networks may be adversely affected.

***Significant changes in the industry could cause a decline in demand for our services.***

The wireless telecommunications industry is experiencing significant technological change, including improvements in the capacity and quality of digital technology such as the move to third generation, or 3G, wireless technology and the deployment of unlicensed spectrum devices. This causes uncertainty about future subscriber demand for our wireless services and the prices that we will be able to charge for these services. The rapid change in technology may lead to the development of wireless telecommunications technologies or alternative services that exceed our levels of service or that consumers prefer over our services. If we are unable to meet future advances in competing technologies on a timely basis, or at an acceptable cost, we may not be able to compete effectively and could lose customers to our competitors.

The wireline industry is also experiencing significant technological change. Cable companies are providing telecommunications services to the home. Some carriers are providing local and long distance voice services over Internet Protocol, or VoIP, in the process avoiding access charges on long distance calls.

As a result of these changes, the future prospects of the wireless and wireline industry and the success of our services remain uncertain.

***Government regulation could adversely affect our prospects and results of operations; the FCC and state regulatory commissions may adopt new regulations or take other actions that could adversely affect our business prospects or results of operations.***

***Wireless Operations.*** The licensing, construction, operation, sale and interconnection arrangements of wireless telecommunications systems are regulated by the FCC and, depending on the jurisdiction, state and local regulatory agencies. The Communications Act of 1934 preempts state and local regulation of market entry by, and the rates charged by, commercial mobile radio service, or CMRS, providers, except in limited circumstances. States may regulate such things as billing practices and consumer-related issues. California imposed, then suspended, rules designed to impose consumer protections. Several other states are considering similar initiatives. If imposed, these regulations could increase the costs of our wireless operations. The Federal Trade Commission also regulates how wireless services are marketed.

The FCC, together with the Federal Aviation Administration, or FAA, also regulates tower marking and lighting. In addition, tower construction is affected by federal, state and local statutes addressing zoning, environmental protection and historic preservation. The FCC recently adopted significant changes to its rules governing historic preservation review of projects, which make it more difficult to deploy antenna facilities. The FCC is also considering changes to its rules regarding environmental protection as related to tower construction, which, if adopted, could make it more difficult to deploy facilities. The FCC,

the FAA, or other governmental authorities having jurisdiction over our business could adopt regulations or take other actions that would adversely affect our business prospects or results of operations.

The FCC grants wireless licenses for terms of generally ten years that are subject to renewal and revocation. FCC rules require all wireless licensees to meet certain buildout requirements and substantially comply with applicable FCC rules and policies and the Communications Act of 1934 in order to retain their licenses. Failure to comply with FCC requirements in a given license area could result in revocation of the PCS license for that license area. There is no guarantee that our licenses will be renewed.

The FCC has initiated a number of proceedings to evaluate its rules and policies regarding spectrum licensing and usage. It is considering new harmful interference concepts that might permit unlicensed users to share licensed spectrum. These new uses could impact our utilization of our licensed spectrum.

CMRS providers must implement enhanced 911 capabilities in accordance with FCC rules. Failure to deploy 911 service consistent with FCC requirements could subject us to significant fines. We have notified the FCC that we may be unable to satisfy the requirement that 95% of our iDEN subscriber base have assisted global positioning system, or A-GPS, capable handsets by December 31, 2005. We have filed a request for a waiver with the FCC seeking an extension of the December 31, 2005 handset penetration deadline to December 31, 2007.

Failure by various regulatory bodies to make telephone numbers available in a timely fashion could result in our wireless operations not having enough local numbers to assign to new subscribers in certain markets. The FCC has adopted rules to promote the efficient use of numbering resources, including restrictions on the assignment of telephone numbers to carriers, including wireless carriers. The FCC has delegated to states the authority to assign, administer, and conserve telephone numbers. The FCC lifted its prohibition on area codes designated only for customers using a specific technology, such as an area code for only those using wireless technology, and now considers proposals submitted by state commissions seeking to implement this change on a case-by-case basis. Depending on the rules adopted by the states, the supply of available numbers could be adversely restricted. As a result, we may:

- be required to assign subscribers non-local telephone numbers, which may be a disincentive for potential subscribers to use our wireless service;

- incur significant costs to either acquire new numbers or reassign subscribers to new numbers; and

- be unable to enroll new subscribers at projected rates.

*Wireline Operations.* The FCC order adopted in December 2004 on unbundled network elements, or UNEs, will virtually eliminate the ability of our wireline operations to use the unbundled element platform to offer competing local services to small business and residential customers in areas outside the local telecommunications business franchise territories, and the FCC's pending reexamination of pricing guidelines for unbundled network elements could limit our future ability to use high-capacity loop and transport UNEs to offer competing local services to medium and large business customers.

The regulatory uncertainty surrounding VoIP and the apparent use of VoIP by some long distance carriers as a strategy to minimize access charges may adversely affect both our local telecommunications business access revenues and the competitive position of our long distance business to the extent it makes less use of VoIP than competitors. Adoption by the FCC of intercarrier compensation reform could reduce or eliminate other opportunities for access charge arbitrage, but could also reduce our local telecommunications business revenues unless the plan provides a mechanism to replace those revenues with revenues from other sources.

Depending upon its outcome, the FCC's recently instituted proceedings regarding regulation of special access rates could affect our local telecommunications business charges for that service in the future.

***If Motorola is unable or unwilling to provide us with equipment and handsets, as well as anticipated handset and infrastructure improvements, our iDEN operations will be adversely affected.***

Motorola is currently our sole source for most of the network equipment and all of the handsets we offer under the Nextel brand except BlackBerry® devices. Accordingly, we must rely on Motorola to develop handsets and equipment capable of supporting the features and services we plan to offer to our Nextel customers. Although our handset supply agreement with Motorola is structured to provide competitively priced handsets, the cost of our Nextel handsets may nonetheless be higher than analog handsets and digital handsets that do not incorporate a similar multi-function capability, which may make it more difficult or less profitable for us to attract customers. In addition, the higher cost of our Nextel handsets requires us to absorb part of the cost of offering handsets to new and existing customers. These increased costs and handset subsidy expenses may reduce our growth and profitability. In addition, our arrangements with Motorola, together with the fact that our existing Nextel customer base is utilizing iDEN technology, may delay or prevent us from employing new or different technologies that perform better or are available at a lower cost because of the additional economic costs and other impediments to change generally as well as those that arise under the Motorola agreements. A decision by Motorola to discontinue manufacturing, supporting or enhancing our iDEN-based infrastructure and handsets would have a material adverse effect on us. Further, because iDEN technology is not as widely adopted and currently has fewer subscribers on a worldwide basis than other wireless technologies, it is less likely that manufacturers other than Motorola will be willing to make the significant financial commitment required to license, develop and manufacture iDEN infrastructure equipment and handsets.

***Concerns about health risks associated with wireless equipment may reduce the demand for our services.***

Portable communications devices have been alleged to pose health risks, including cancer, due to radio frequency emissions from these devices. Purported class actions and other lawsuits have been filed against numerous wireless carriers, including us, seeking not only damages but also remedies that could increase our cost of doing business. We cannot be sure of the outcome of those cases or that our business and financial condition will not be adversely affected by litigation of this nature or public perception about health risks. The actual or perceived risk of mobile communications devices could adversely affect us through a reduction in subscribers, reduced network usage per subscriber or reduced financing available to the mobile communications industry. Further research and studies are ongoing, and we cannot be sure that additional studies will not demonstrate a link between radio frequency emissions and health concerns.

***Our forward-looking statements are subject to a variety of factors that could cause actual results to differ materially from current beliefs.***

*Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:* A number of the statements made in this prospectus are not historical or current facts, but deal with potential future circumstances and developments. They can be identified by the use of forward-looking words such as believes, expects, plans, intends, targets, may, will, would, could, should or anticipates or other comparable words, or by discussions of strategy that may involve risks and uncertainties. We caution you that these forward-looking statements are only predictions, which are subject to risks and uncertainties in addition to those outlined in the above Risk Factors section and elsewhere in this prospectus including, but not limited to:

the uncertainties related to the benefits of the Nextel merger, including anticipated synergies and cost savings and the timing thereof;

the uncertainties related to the contemplated spin-off of our local telecommunications business;

the effects of vigorous competition and the overall demand for our service offerings in the markets in which we operate;

the costs and business risks associated with providing new services;

adverse changes in the ratings afforded our debt securities by ratings agencies;





the uncertainties related to our investments in networks, systems and other businesses;

the impact of new, emerging and competing technologies on our business;

the effects of mergers and consolidations in the telecommunications industry and unexpected announcements or developments from others in the telecommunications industry;

no significant adverse change in Motorola's ability or willingness to provide handsets and related equipment and software applications or to develop new technologies or features for our Nextel network;

our network performance, including any performance issues resulting from the reconfiguration of the 800 MHz band that is contemplated by the FCC's Report and Order;

future legislation or regulatory actions relating to our services, other wireless communications services or telecommunications generally;

the costs of compliance with regulatory mandates, particularly requirements related to the FCC's Report and Order and deployment of A-GPS capable handsets on our iDEN network;

the risk of equipment failure, natural disasters, terrorist acts, or other breaches of network or information technology security;

the risk that third parties are unable to perform to our requirements under agreements related to our business operations; and

other risks referenced from time to time in our filings with the SEC.

**RATIOS OF COMBINED EARNINGS TO FIXED CHARGES  
AND PREFERRED STOCK DIVIDENDS**

	For the Six Months Ended June 30,		For the Years Ended December 31,				
	2005	2004	2004	2003	2002	2001	2000
Sprint Nextel(1)	3.14	1.84	(a)	(b)	1.21	(c)	(d)

(1) For purposes of calculating the ratio,

(i) earnings include:

income (loss) from continuing operations before taxes, plus

equity in the net losses of less-than-50% owned entities, less

capitalized interest; and

(ii) fixed charges include:

interest on all debt of continuing operations;

amortization of debt issuance costs; and

the interest component of operating rents.

For purposes of calculating the ratio of earnings to combined fixed charges and preferred stock dividends, preferred stock dividends include the amount of pre-tax earnings required to pay the dividends on outstanding preferred stock.

The ratio of earnings to combined fixed charges and preferred stock dividends is calculated as follows:  
(earnings + fixed charges)

(fixed charges) + (pretax earnings required to cover preferred stock dividends)

Pretax earnings required to cover preferred stock dividends are calculated as follows:

preferred stock dividends, as adjusted for the tax benefits related to unallocated shares

1 - (Sprint's effective income tax rate)

(a) Earnings, as adjusted, were inadequate to cover fixed charges and preferred stock dividends by \$1.6 billion in 2004.

(b) Earnings, as adjusted, were inadequate to cover fixed charges and preferred stock dividends by \$491 million in 2003.

(c) Earnings, as adjusted, were inadequate to cover fixed charges and preferred stock dividends by \$2.3 billion in 2001.

(d)

Earnings, as adjusted, were inadequate to cover fixed charges and preferred stock dividends by \$910 million in 2000.

## USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of our guarantees.

## THE CONSENT SOLICITATION

### Introduction

We are seeking valid and unrevoked consents of registered holders of a majority in aggregate principal amount of each of the 2010 notes and 2012 notes outstanding at the close of business on \_\_\_\_\_, 2005, the record date for determining the holders of the notes entitled to deliver consents in connection with this consent solicitation. As of the record date, the principal amount of the 2010 notes outstanding was \$125,000,000 and the principal amount of the 2012 notes outstanding was \$235,000,000.

If holders of a majority in aggregate principal amount of each of the 2010 notes and 2012 notes consent to the proposed amendments, we will become a guarantor of the notes and will fully and unconditionally guarantee the due and punctual payment of the principal of, and any accrued but unpaid interest in respect of, the notes when and as the same shall become due and payable. Obligations under our guarantees with respect to the 2010 notes and 2012 notes will be senior and unsecured, and will rank equal in right of payment with all of our existing and future senior, unsecured debt. On June 30, 2005, we had approximately \$21,137 million of senior, unsecured debt (excluding the guarantees relating to the 2010 notes and 2012 notes) outstanding on a pro forma basis giving effect to the completion of the Nextel merger.

### Description of the Proposed Amendments

We are soliciting the consents of the holders of the notes to the proposed amendments with respect to the 2010 indenture and 2012 indenture. The proposed amendments would be set forth in a supplemental indenture to each indenture. If the proposed amendments become operative, each indenture, as amended, would apply to holders of the corresponding notes.

The proposed amendments are being presented as one proposal for the 2010 notes and 2012 notes and each related indenture. Consequently, the delivery of a consent by a holder is the delivery of a consent to all of the proposed amendments to the applicable indenture, and a consent purporting to consent to only some of the proposed amendments will not be valid. Furthermore, we are requiring the consent of the holders of a majority in aggregate principal amount of each of the 2010 notes and 2012 notes for the proposed amendments to either indenture to become operative. We may waive this requirement, however, for either the 2010 notes or 2012 notes, if we receive the required consents from the holders of only the 2010 notes or 2012 notes. The supplemental indentures will become effective upon execution by US Unwired, its subsidiary guarantors and the trustee. **If the supplemental indentures are executed and the proposed amendments become operative, holders of notes will be bound by the applicable supplemental indentures, even if they have not consented to the proposed amendments.** Until the proposed amendments become operative, however, each indenture, without giving effect to the proposed amendments, will remain in effect.

The following is a summary of the key provisions of the proposed amendments to the indentures. Please see Annex A to this prospectus for a complete description of the text of the proposed amendments to the indentures. The following summary is qualified by reference to the description of the terms of the notes, as amended by the proposed amendments to the indentures, in Description of the Amended Securities and the full provisions of the indentures and the forms of supplemental indentures to the indentures, which have been filed as exhibits to the registration statement of which this prospectus forms a part. The following summary of the proposed amendments is presented in the order the relevant provisions appear in the indentures and not necessarily in the order of importance.

***Amendment to Asset Sale Definition to Permit Certain Transfers of Assets to Us or Our Other Subsidiaries***

Subject to certain exceptions, the indentures prohibit US Unwired and its restricted subsidiaries from selling or transferring assets unless they receive fair market value in return and at least 75% of the consideration received is in the form of cash or cash equivalents. In addition, the cash proceeds from each such asset sale are required to be applied to repay certain indebtedness or to acquire assets that are used or useful in US Unwired's business. We would benefit from the flexibility to use US Unwired's assets in combination with our other assets where they can be most beneficial to our business as a whole. In order to create that flexibility, we are proposing amendments to each of the indentures that would revise the definition of "Asset Sale" to exclude specifically any transaction or series of related transactions involving the sale or other transfer of assets by US Unwired or its restricted subsidiaries to us or any of our other direct or indirect subsidiaries. Such sales or transfers would be subject to the proposed amended affiliate transactions covenant described below under "Amendment to Affiliate Transactions Covenant to Permit Certain Transactions with Our Other Subsidiaries." The proposed amendment to the definition of "Asset Sale" would not amend any of the collateral documents related to the indentures, and, therefore, your rights under those documents would not be affected.

***Amendment to Reporting Covenant***

The indentures require US Unwired to provide to the holders of the notes and to file with the SEC: all quarterly and annual financial information that would be required to be contained in a Form 10-Q and Form 10-K filed with the SEC, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and, with respect to the annual information only, a report on the annual financial statements by US Unwired's certified independent accountants; and

all current reports that would be required to be filed with the SEC on Form 8-K, regardless of whether US Unwired is required by the rules and regulations of the SEC to file such reports.

In an effort to eliminate the expense associated with continuing to produce and provide to holders of the notes separate financial reports for US Unwired and file such reports with the SEC, we are seeking consents to amend each of the indentures to permit US Unwired to provide the financial reports of a parent guarantor of the notes (without including any condensed consolidated financial information related to US Unwired), in lieu of separate reports relating only to US Unwired. As a result, if the proposed amendments become effective, following the issuance of our guarantees of the notes, we, as a parent guarantor of the notes, would be permitted to provide to the holders of the notes our financial reports filed with the SEC (without including the condensed consolidating footnote contemplated by Rule 3-10 of Regulation S-X) instead of the reports of US Unwired.

***Amendment to Affiliate Transactions Covenant to Permit Certain Transactions with Us or Our Other Subsidiaries***

The "Limitation on Transactions with Affiliates" covenant in each of the indentures prohibits US Unwired and its restricted subsidiaries from engaging in any transaction with, or for the benefit of, any affiliate (other than US Unwired or any of its restricted subsidiaries) unless:

such transaction is on terms not less favorable to US Unwired or the relevant restricted subsidiary than those that would have been obtained in a comparable transaction with an unrelated person;

if such transaction exceeds \$2,500,000, US Unwired delivers to the trustee a determination by its board of directors set forth in a board resolution and an officer's certificate certifying that such transaction complies with the bullet point above and has been approved by a majority of the disinterested members of the board of directors of US Unwired; and

if such transaction exceeds \$10,000,000, US Unwired delivers to the trustee an opinion as to the fairness to US Unwired or its restricted subsidiary of the financial terms of such transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing.

We want to integrate US Unwired's business with ours and have US Unwired and its restricted subsidiaries engage freely in transactions with us or any of our other subsidiaries, so long as such transactions are on terms that are no less favorable to US Unwired and its restricted subsidiaries than those that would have been obtained in comparable transactions by US Unwired and its restricted subsidiaries with an unrelated person, without the necessity of having US Unwired's board of directors or a majority of the board's disinterested directors approve such transactions and/or obtaining an independent fairness opinion if such transactions exceed the applicable dollar thresholds. In an effort to create that flexibility, we are proposing amendments to each of the indentures that would (i) remove the third bullet point above (the requirement of obtaining an independent fairness opinion if such transaction exceeds \$10,000,000) and (ii) with respect to the second bullet point above, increase the dollar threshold from \$2,500,000 to \$10,000,000 and modify the requirement of obtaining approval by a majority of the disinterested members of the board of directors of US Unwired to instead require approval by the board of directors of US Unwired.

As a result, US Unwired would be permitted to engage in transactions with affiliates if such transactions are on terms not less favorable to US Unwired or its restricted subsidiaries than those that would have been obtained in a comparable transaction with an unrelated person, and, to the extent they involve aggregate consideration in excess of \$10,000,000, such transactions have been approved by the board of directors of US Unwired, which need not include disinterested directors.

***Revision of Certain Definitions and Other Text***

In connection with the proposed amendments described above, certain defined terms contained in the indentures would be amended or deleted, and new defined terms would be added to the indentures. Please see Annex A to this prospectus and the forms of supplemental indentures for a more complete description of such amendments. In addition, we reserve the right to make certain technical changes to the indentures pursuant to the provisions thereof and to include such changes in the applicable supplemental indenture. Any such technical changes shall not affect the substantive rights of the holders of the notes, other than as described above.

The proposed amendments would also delete or amend or be deemed to have deleted or amended any provisions in the notes corresponding to the provisions in each of the indentures that are deleted or amended by virtue of the proposed amendments.

**Expiration Date; Extension; Waiver; Amendment; Termination**

The consent solicitation will expire at 5:00 p.m., New York City time, on \_\_\_\_\_, \_\_\_\_\_, 2005, unless we extend the consent solicitation. If we extend the consent solicitation, the expiration date will be the latest time and date to which the consent solicitation is extended. We expressly reserve the right to extend the consent solicitation from time to time or for such period or periods as we may determine in our discretion by giving oral (to be confirmed in writing) or written notice of such extension to the consent agent and by making a public announcement by press release to the Dow Jones News Service at or prior to 9:00 a.m., New York City time, on the next business day following the previously scheduled expiration date. During any extension of the consent solicitation, all consents validly executed and delivered to the consent agent will remain effective unless validly revoked prior to such extended expiration date.

We expressly reserve the right, in our discretion, at any time to amend any of the terms of the consent solicitation. If the terms of the consent solicitation are amended prior to the expiration date in a manner that constitutes a material change, we will promptly give oral (to be confirmed in writing) or written notice of such amendment to the consent agent and disseminate a prospectus supplement in a

manner reasonably designed to give holders of the notes notice of the change on a timely basis. We expressly reserve the right, in our discretion, to waive any condition of the consent solicitation.

We expressly reserve the right, in our discretion, to terminate the consent solicitation for any reason. Any such termination will be followed promptly by public announcement thereof. In the event we terminate the consent solicitation, we will give prompt notice thereof to the consent agent and the consents previously executed and delivered pursuant to the consent solicitation will be of no further force and effect. See Revocation of Consents.

#### **Procedures for Delivering Consents**

In order to consent to the proposed amendments, a holder of notes must execute and deliver to the consent agent a copy of the accompanying letter of consent, or cause a letter of consent to be delivered to the consent agent on the holder's behalf, before the expiration date in accordance with the procedures described below.

In accordance with the indentures governing the notes, only registered holders of the notes as of 5:00 p.m., New York City time, on the record date may execute and deliver to the consent agent a letter of consent. We expect that The Depository Trust Company, or DTC, will authorize its participants, which include banks, brokers and other financial institutions, to execute letters of consent with respect to the notes they hold through DTC as if the participants were the registered holders of those notes. Accordingly, for purposes of the consent solicitation, when we use the term registered holders, we include banks, brokers and other financial institutions that are participants of DTC.

If you are a beneficial owner of notes held through a bank, broker or other financial institution, in order to consent to the proposed amendments, you must arrange for the bank, broker or other financial institution that is the registered holder to either (1) execute a letter of consent and deliver it either to the consent agent on your behalf or to you for forwarding to the consent agent before the expiration date or (2) forward a duly executed proxy from the registered holder authorizing you to execute and deliver a letter of consent with respect to the notes on behalf of the registered holder. In the case of clause (2) of the preceding sentence, you must deliver an executed letter of consent, together with the proxy, to the consent agent before the expiration date. Beneficial owners of notes are urged to contact the bank, broker or other financial institution through which they hold their notes to obtain a valid proxy or to direct that a letter of consent be executed and delivered in respect of their notes.

Giving a consent by submitting a letter of consent will not affect a holder's right to sell or transfer the notes. All consents received from the holder of record on the record date and not revoked by that holder before the expiration date will be effective notwithstanding any transfer of those notes after the record date.

**Registered holders of notes as of the record date who wish to consent should mail, hand deliver or send by overnight courier or facsimile a properly completed and executed letter of consent to the consent agent at the address or facsimile number set forth under Solicitation, Consent and Information Agents, in accordance with the instructions set forth in this prospectus and the letter of consent. Letters of consent should be delivered to the consent agent, not to us or US Unwired. However, we reserve the right to accept any letter of consent received by us or US Unwired.**

All letters of consent that are properly completed, executed and delivered to the consent agent, and not revoked before the expiration date, will be given effect in accordance with the terms of those letters of consent. Registered holders who desire to consent to the proposed amendments should complete, sign and date the letter of consent and mail, deliver or send by overnight courier or facsimile (confirmed by the expiration date by physical delivery) the signed letter of consent to the consent agent at the address or facsimile number set forth under Solicitation, Consent and Information Agents, all in accordance with the instructions contained in this prospectus and the letter of consent.

Letters of consent delivered by the registered holders of notes as of the record date must be executed in exactly the same manner as those registered holders' names appear on the certificates representing the

notes or on the position listings of DTC, as applicable. If notes to which a letter of consent relate are registered in the names of two or more holders, all of those holders must sign the letter of consent. If a letter of consent is signed by a trustee, partner, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, that person must so indicate when signing, and proper evidence of that person's authority to so act must be submitted with the letter of consent. In addition, if a letter of consent relates to less than the total principal amount of notes registered in the name of a holder or relates to only the 2010 notes or 2012 notes, the registered holder must list the series of notes and the certificate numbers and principal amount of notes registered in the name of that holder to which the letter of consent relates. If no series or aggregate principal amount of notes as to which a consent is delivered is specified, the holder will be deemed to have consented with respect to all notes of such holder. If notes are registered in different names, separate letters of consent must be signed and delivered with respect to each registered note. If a letter of consent is executed by a person other than the registered holder, it must be accompanied by a proxy executed by the registered holder.

In connection with the consent solicitation, we will pay brokerage houses and other custodians, nominees and fiduciaries the reasonable out-of-pocket expenses incurred by them in forwarding copies of the prospectus, the letter of consent and related documents to the beneficial owners of the notes and in handling or forwarding deliveries of consents by their customers.

All questions as to the form of all documents and the validity (including time of receipt) regarding the consent procedures will be determined by us, in our discretion, which determination will be final and binding. We also reserve the right to waive any defects or irregularities as to deliveries of consents.

#### **Revocation of Consents**

A consent may be revoked at any time prior to the expiration date. Any holder who has delivered a consent, or who succeeds to ownership of notes in respect of which a consent has previously been delivered, may validly revoke such consent prior to the expiration date by delivering a written notice of revocation in accordance with the following procedures. All properly completed and executed letters of consent that are received by the consent agent will be counted as consents with respect to the proposed amendments, unless the consent agent receives a written notice of revocation prior to the expiration date.

In order to be valid, a notice of revocation of consent must contain the name of the person who delivered the consent and the description of the notes to which it relates, the certificate numbers of such notes and the aggregate principal amount represented by such notes. The revocation of consent must be signed by the holder thereof in the same manner as the original signature on the letter of consent (including any required signature guarantees) or be accompanied by evidence satisfactory to us and the consent agent that the person revoking the consent has the legal authority to revoke such consent on behalf of the holder. If the letter of consent was executed by a person other than the registered holder of the notes, the notice of revocation of consent must be accompanied by a valid proxy signed by such registered holder and authorizing the revocation of the registered holder's consent. To be effective, a revocation of consent must be received prior to the expiration date by the consent agent, at the address set forth below. A purported notice of revocation that lacks any of the required information or is sent to an improper address will not validly revoke a consent previously given.

#### **Solicitation, Consent and Information Agents**

We have retained Bear Stearns & Co. Inc. to act as the solicitation agent for the consent solicitation. We have agreed to pay the solicitation agent customary fees and reimburse it for its reasonable out-of-



pocket expenses. Questions may be directed to the solicitation agent at the following address and telephone numbers:

Global Liability Management Group  
383 Madison Avenue, 8th Floor  
New York, New York 10179  
(877) 696-BEAR (toll-free)  
(877) 696-2327

We have retained U.S. Bank National Association to act as the consent agent for the consent solicitation. We have agreed to pay the consent agent customary fees and reimburse it for its reasonable out-of-pocket expenses. All executed letters of consent and notices of revocation should, and questions relating to the procedures for consenting to the proposed amendments and requests for assistance may, be directed to the consent agent at the following address and telephone and facsimile numbers:

Corporate Trust Services  
60 Livingston Avenue  
St. Paul, Minnesota 55107  
Attn: Specialized Finance  
(800) 934-6802  
By Facsimile: (651) 495-8158, Attn: Specialized Finance

We have appointed Georgeson Shareholder Communications, Inc. to act as the information agent with respect to the consent solicitation. We will pay the information agent customary fees for its services and reimburse it for its reasonable out-of-pocket expenses. We have also agreed to indemnify the information agent for certain liabilities. Requests for additional copies of this prospectus or the letter of consent may be directed to the information agent at the following address and telephone numbers:

17 State Street  
New York, New York 10004  
(877) 278-4751  
Banks/ Brokers (212) 440-9800

#### **Fees and Expenses**

The total amount of funds required to pay all fees and expenses in connection with the consent solicitation is expected to be approximately \$600,000. We expect to obtain these funds from available cash.

#### **DESCRIPTION OF OUR GUARANTEES**

The following is a summary of our proposed guarantees of the notes. The following summary is qualified by reference to the full provisions of the forms of the guarantees, which have been filed as exhibits to the registration statement of which this prospectus forms a part.

If the proposed amendments to the indentures are approved, contemporaneously with the execution of the supplemental indentures, we will issue guarantees of the full and punctual payment when due, whether at maturity, by acceleration, redemption or otherwise, of the principal of and interest on the notes, and all other monetary obligations of US Unwired under the indentures, insofar as such monetary obligations relate to the notes. We will execute a guarantee in favor of the holders of the 2010 notes, and we will also execute a guarantee in favor of the holders of the 2012 notes. It will not be necessary for new certificates to be issued evidencing the notes to reflect the benefit of the guarantees, and no separate certificates will be issued to evidence the guarantees. Regardless of the outcome of the consent solicitation, the notes will continue to be guaranteed by substantially the same subsidiaries of US Unwired that currently guarantee the notes under the terms of the indentures.

Our guarantees with respect to the 2010 notes and 2012 notes will be:

senior, unsecured obligations, equal in right of payment with all of our existing and future senior, unsecured debt;

effectively junior to our obligations secured by liens, to the extent of the value of the assets securing those obligations; and

senior in right of payment to our subordinated debt, if any.

Our guarantees will not make us or any of our subsidiaries subject to the covenants contained in the indentures and will not otherwise contain any restrictions on our operations.

#### **MATERIAL UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS**

The following is a general discussion of the material U.S. federal income tax consequences of the consent solicitation to holders of the notes. It is not a complete analysis of all the potential tax considerations relating to the consent solicitation. This summary is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, U.S. Department of the Treasury, or Treasury, regulations promulgated under the Code, and currently effective administrative rulings and judicial decisions, all relating to the U.S. federal income tax treatment. These authorities may be changed, perhaps with retroactive effect, so as to result in U.S. federal income tax consequences different from those described below. We have not sought any ruling from the Internal Revenue Service, or IRS, with respect to the statements made herein, and we cannot assure you that the IRS will not take a position contrary to such statements or that such contrary position taken by the IRS would not be sustained by a reviewing court.

This summary assumes that the notes are held as capital assets. This summary does not address the tax considerations arising under the laws of any foreign, state or local jurisdiction. In addition, this discussion does not address all tax considerations that may be applicable to the holders particular circumstances or to holders that may be subject to special tax rules, such as, for example:

holders subject to the alternative minimum tax;

banks, insurance companies, or other financial institutions;

tax-exempt organizations;

dealers in securities or commodities;

expatriates;

traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;

holders whose functional currency is not the U.S. dollar;

persons that hold notes as part of a hedge, straddle, or conversion transaction;

persons deemed to sell notes under the constructive sale provisions of the Code; or

partnerships or other pass-through entities.

If a partnership holds notes, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding notes is urged to consult his or her tax advisor regarding the tax consequences of the consent solicitation.

#### ***General***

Although the issue is not free from doubt, we believe that a holder of notes should not recognize any income, gain or loss as a result of the implementation of the proposed amendments to the indentures



governing the notes and the provision of our guarantees, and such holder should continue to have the same tax basis and holding period with respect to the notes as it had before the consent solicitation.

***Tax Consequences of the Proposed Amendments and Our Guarantees of the Notes***

Generally, the modification of the terms of a debt instrument is treated, for federal income tax purposes, as a deemed exchange of an old debt instrument for a new debt instrument if such modification is significant as specially determined for federal income tax purposes. For these purposes, a modification of the terms of a debt instrument is significant if, based on all the facts and circumstances, the legal rights or obligations that are altered and the degree to which they are altered are economically significant. Although the matter is not free from doubt, we believe that the adoption of the proposed amendments, in and of itself, should not constitute a significant modification of the terms of the notes for federal income tax purposes. Upon adoption of the proposed amendments, we will also guarantee US Unwired's payment obligations with respect to the notes. The Treasury regulations provide that the addition of a co-obligor on a debt instrument is a significant modification if the addition of the co-obligor results in a change in payment expectations. The Treasury regulations further provide that a change in payment expectations occurs if, as a result of a transaction, there is substantial enhancement of the obligor's capacity to meet the payment obligations under a debt instrument and that capacity was primarily speculative prior to the modification and is adequate after the modification. It is possible that our guarantees of US Unwired's obligations under the notes could constitute a significant modification of the notes for federal income tax purposes.

If our guarantees are treated as a significant modification of the notes for federal income tax purposes, a holder will be treated as having exchanged its old notes for new notes for federal income tax purposes. Even so, the holder will not be subject to taxation if the notes, as originally issued and as amended, constitute securities for federal income tax purposes. In such event, the deemed exchange would be treated as a tax-free recapitalization for federal income tax purposes. There is no precise definition of what constitutes a security under federal income tax law. The determination of whether a debt instrument is a security for federal income tax purposes requires an overall evaluation of the nature of the debt instrument, including the extent of a holder's proprietary interest in the issuer and risk and the original term of the debt instrument. A debt instrument with a term of five years or less generally does not qualify as a security, and a debt instrument with a term of ten years or more generally does qualify as a security. Whether a debt instrument with a term between five and ten years qualifies as a security is unclear. The 2010 notes and 2012 notes have original maturities of six and eight years, respectively. Although the matter is not free from doubt, given the maturities and the other terms of the notes, we intend to take the position that the notes should constitute securities for federal income tax purposes. In such event, a holder would not recognize any income, gain or loss as a result of our guarantees and the holder's holding period for the notes and tax basis in the notes would not be affected.

If, on the other hand, our guarantees were treated as a material modification of the notes resulting in a deemed exchange, but the deemed exchange was not treated as a recapitalization for federal income tax purposes (e.g., because the notes were not deemed securities for federal income tax purposes), a holder would recognize gain or loss in an amount equal to the difference, if any, between the amount realized by the holder in the deemed exchange and the holder's adjusted tax basis in the notes deemed to be exchanged. In addition, the holder's holding period in the new notes that are deemed to be received would begin on the day after the deemed exchange and the holder's tax basis in the new notes would be equal to the amount realized by such holder in the deemed exchange.

**ALL HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE SPECIFIC FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX CONSEQUENCES OF THE CONSENT SOLICITATION TO THEIR PARTICULAR CIRCUMSTANCES.**

## DESCRIPTION OF THE AMENDED SECURITIES

The following description is of the notes and the indentures, as amended by the proposed amendments, and references to the notes and indentures in this section are references to the same, as amended by the proposed amendments pursuant to the applicable supplemental indentures. The following description is qualified by reference to the full provisions of the indentures, and the forms of supplemental indentures, which are exhibits to the registration statement of which this prospectus forms a part.

The following description also contains a summary of the material provisions of the Collateral Documents and the Intercreditor Agreement, but the description does not restate those agreements in their entirety. We urge you to read the indentures, the Collateral Documents and the Intercreditor Agreement in their entirety because they, and not this description, define your rights as a holder of the notes. Copies of certain of the Collateral Documents and the Intercreditor Agreement may be obtained from the information agent. See *The Consent Solicitation Solicitation, Consent and Information Agents*.

You can find the definitions of certain terms used in this description under *Certain Definitions*. Certain terms used in this description but not defined below under *Certain Definitions* or elsewhere in this prospectus have the meanings assigned to them in the indentures. In this description, the term *Subsidiary* excludes IWO Holdings, Inc. and its Subsidiaries, and the term *Guarantee* excludes our proposed guarantees. The registered holder of a note will be treated as the owner of that note for all purposes. Only registered holders have rights under the indentures.

US Unwired has issued \$125,000,000 aggregate principal amount of its Series B First Priority Senior Secured Floating Rate Notes due 2010 under the indenture, as amended or supplemented from time to time, dated June 16, 2004, among US Unwired, the guarantors named therein, and U.S. Bank National Association, as trustee, and \$235,000,000 aggregate principal amount of its 10% Series B Second Priority Senior Secured Notes due 2012 under the indenture, as amended or supplemented from time to time, dated June 16, 2004, among US Unwired, the guarantors named therein, and U.S. Bank National Association, as trustee.

Where we refer to the *notes*, we are referring to the 2010 notes and the 2012 notes, collectively, and where we refer to the *indentures* we are referring to the 2010 indenture and the 2012 indenture, together. All references to the *trustee* shall mean the trustee under the 2010 indenture (if with respect to the 2010 indenture or the 2010 notes) or the trustee under the 2012 indenture (if with respect to the 2012 indenture or the 2012 notes) or both trustees, together, as the context suggests. The terms of the notes include those stated in the indentures and those made part of the indentures by reference to the Trust Indenture Act of 1939, as amended.

The following description is a summary of the material provisions of the indentures, as each is amended by the proposed amendments (to be set forth in supplemental indentures) which will become operative upon execution of the supplemental indentures by US Unwired, its subsidiary guarantors and the trustee.

### **Brief Description of the Notes and the Guarantees**

#### ***2010 Notes***

The 2010 notes will continue to be:  
senior secured obligations of US Unwired;

secured by security interests ( *First Priority Liens* ) in the Collateral on a first priority basis, equal and ratable with any other First Lien Obligations;

unconditionally guaranteed on a senior secured basis by (i) all of US Unwired's direct and indirect Subsidiaries that currently guarantee them and (ii) all of US Unwired's future Restricted Subsidiaries that are Domestic Subsidiaries;

equal in right of payment with all existing and future Pari Passu Indebtedness of US Unwired (including the 2012 notes) and any other First Lien Obligations; and

senior in right of payment to all existing and future Indebtedness of US Unwired that expressly provides for its subordination to the 2010 notes.

**2012 Notes**

The 2012 notes will continue to be:

senior secured obligations of US Unwired;

secured by security interests ( Second Priority Liens ) in the Collateral on a second priority basis, subject to the first priority security interests securing US Unwired's obligations under any First Lien Obligations (including in respect of the 2010 notes);

unconditionally guaranteed on a senior secured basis by (i) all of US Unwired's direct and indirect Subsidiaries that currently guarantee them and (ii) all of US Unwired's future Restricted Subsidiaries that are Domestic Subsidiaries;

equal in right of payment with all existing and future Pari Passu Indebtedness of US Unwired and any First Lien Obligations (including the 2010 notes); and

senior in right of payment to all existing and future Indebtedness of US Unwired that expressly provides for its subordination to the 2012 notes.

**The Guarantees**

The notes will continue to be guaranteed by each of the Subsidiary Guarantors and those Subsidiary Guarantees will not be affected by the execution of the supplemental indentures. See The Subsidiary Guarantees below for more information regarding the Subsidiary Guarantees. Upon execution of the supplemental indentures for each of the 2010 notes and 2012 notes, we will also guarantee the notes. See the section entitled Description of Our Guarantees in this prospectus for more information regarding our guarantees of the notes.

In the future, subject to the limitations set forth in the indentures, US Unwired and its Restricted Subsidiaries may incur additional Indebtedness that may be entitled to the benefits of the First Priority Liens created in the Collateral pursuant to the Collateral Documents. If such additional First Priority Lien Indebtedness is incurred, it would be secured equally and ratably with the 2010 notes, the Subsidiary Guarantees with respect to the 2010 notes and the 2010 Note Obligations, and senior to the 2012 notes, the Subsidiary Guarantees with respect to the 2012 notes and the 2012 Note Obligations. In the event that holders of First Lien Obligations exercise their rights with respect to the Collateral, those Holders (including Holders of the 2010 notes) would be entitled to be repaid in full from the proceeds from the sale of the Collateral before those proceeds would be available for distribution to Holders of the 2012 notes. As a result, there may not be sufficient assets remaining to pay amounts due on any or all of the 2012 notes unless all First Lien Obligations are paid in full. Holders of the notes will be entitled to be repaid in full from the proceeds from the sale of Collateral before any amounts would be available for distribution to unsecured creditors. Under the indentures, US Unwired and its Subsidiaries will be able to Incur additional secured debt in the future.

The assets of any Subsidiary that does not guarantee the notes will not constitute collateral and will be subject to the prior claims of all creditors of that Subsidiary, including trade creditors. Under the indentures, US Unwired is permitted to designate certain of its Subsidiaries as Unrestricted Subsidiaries. US Unwired's Unrestricted Subsidiaries are not subject to the restrictive covenants in the indentures and do not guarantee the notes. In the event of a bankruptcy, administrative receivership, composition, insolvency, liquidation or reorganization of any of the non-guarantor Subsidiaries, such Subsidiaries will pay the holders of their liabilities, including trade payables, before any of their assets would become available to pay creditors of US Unwired and its Restricted Subsidiaries (including Holders of the notes).



## Principal, Maturity and Interest

The indentures provide for the issuance of additional notes, subject to compliance with applicable law and with the covenants contained in the indentures, including without limitation the covenants described in this section under

Certain Covenants; provided, however, that: (i) the aggregate amount of any additional 2010 notes that may be issued or incurred shall be limited to those issued on the Issue Date and those issued or incurred under clause (2) of the second paragraph of Certain Covenants Limitation on Consolidated Indebtedness, and (ii) the aggregate amount of additional 2012 notes that may be issued or incurred shall be limited to those issued on the Issue Date, those issued or incurred under clause (2) of the second paragraph of Certain Covenants Limitation on Consolidated Indebtedness, and such additional 2012 notes as may be issued from time to time pursuant to the first paragraph of Certain Covenants Limitation on Consolidated Indebtedness, subject to the Liens permitted under clause (4) of the definition of Permitted Liens set forth below. The 2010 notes as amended by the proposed amendments and any additional 2010 notes subsequently issued would be treated as a single class for all purposes under the 2010 indenture, and the 2012 notes as amended by the proposed amendments and any additional 2012 notes subsequently issued would be treated as a single class for all purposes under the 2012 indenture. All additional 2010 notes subsequently issued would benefit from the First Priority Liens to the same extent as the 2010 notes originally issued. All additional 2012 notes subsequently issued would benefit from the Second Priority Liens to the same extent as the 2012 notes originally issued. US Unwired would issue additional notes in denominations of \$1,000 and integral multiples of \$1,000.

### *2010 Notes*

The 2010 notes will mature on June 15, 2010.

The 2010 notes bear interest at a rate per annum, reset quarterly, equal to LIBOR plus 4.25%, as determined by the calculation agent (the Calculation Agent), which currently is the trustee.

Set forth below is a summary of certain of the defined terms used in the 2010 indenture relating to the calculation of interest on the 2010 notes.

Determination Date, with respect to an Interest Period, will be the second London Banking Day preceding the first day of the Interest Period.

Interest Period means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date.

LIBOR, with respect to an Interest Period, will be the rate (expressed as a percentage per annum) for deposits in United States dollars for three-month periods beginning on the first day of such Interest Period that appears on Telerate Page 3750 as of 11:00 a.m., London time, on the Determination Date. If Telerate Page 3750 does not include such a rate or is unavailable on a Determination Date, the Calculation Agent will request the principal London office of each of four major banks in the London interbank market, as selected by the Calculation Agent, to provide such bank's offered quotation (expressed as a percentage per annum), as of approximately 11:00 a.m., London time, on such Determination Date, to prime banks in the London interbank market for deposits in a Representative Amount in United States dollars for a three-month period beginning on the first day of such Interest Period. If at least two such offered quotations are so provided, LIBOR for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Calculation Agent will request each of three major banks in New York City, as selected by the Calculation Agent, to provide such bank's rate (expressed as a percentage per annum), as of approximately 11:00 a.m., New York City time, on such Determination Date, for loans in a Representative Amount in United States dollars to leading European banks for a three-month period beginning on the first day of such Interest Period. If at least two such rates are so provided, LIBOR for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided, then LIBOR for the Interest Period will be LIBOR in effect with respect to the immediately preceding Interest Period.



London Banking Day is any day in which dealings in United States dollars are transacted or, with respect to any future date, are expected to be transacted in the London interbank market.

Representative Amount means a principal amount of not less than U.S. \$1,000,000 for a single transaction in the relevant market at the relevant time.

Telerate Page 3750 means the display designated as Page 3750 on the Moneyline Telerate service (or such other page as may replace Page 3750 on that service).

The amount of interest for each day that the 2010 notes are outstanding (the Daily Interest Amount) is calculated by dividing the interest rate in effect for such day by 360 and multiplying the result by the principal amount of the 2010 notes. The amount of interest to be paid on the 2010 notes for each Interest Period is calculated by adding the Daily Interest Amounts for each day in the Interest Period.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g., 9.876545% (or 0.09876545) being rounded to 9.87655% (or 0.0987655)) and all dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

The interest rate on the 2010 notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application.

The Calculation Agent will, upon the request of the Holder of any 2010 note, provide the interest rate then in effect with respect to the 2010 notes. All calculations made by the Calculation Agent in the absence of manifest error will be conclusive for all purposes and binding on US Unwired, the Guarantors and the Holders of the 2010 notes.

Interest on the 2010 notes is payable quarterly in arrears (to the Holders of record of the 2010 notes on the March 1, June 1, September 1 or December 1 immediately preceding the applicable interest payment date) on each March 15, June 15, September 15 and December 15 of each year. Interest on the 2010 notes accrues from the most recent date to which interest has been paid or, if no interest has been paid, from or including the Issue Date.

### ***2012 Notes***

The 2012 notes will mature on June 15, 2012.

Interest on the 2012 notes accrues at a fixed rate of 10% per annum and is payable semi-annually in arrears on each June 15 and December 15 to the Holders of record on the June 1 or December 1 immediately preceding the applicable interest payment date.

Interest on the 2012 notes accrues from the Issue Date or, if interest has already been paid, from the date it was most recently paid. Interest is computed on the basis of a 360-day year of twelve 30-day months.

### **Method of Receiving Payment on the Notes**

If a Holder has given wire transfer instructions to US Unwired, US Unwired will pay all principal, interest or premium, if any, on that Holder's notes in accordance with those instructions. All other payments on notes will be made at the office or agency of the paying agent and registrar within the City and State of New York unless US Unwired elects to make interest payments by check mailed to the Holders at their address set forth in the security register.

### **Paying Agent and Registrar for the Notes**

The trustee is acting as paying agent and registrar. US Unwired may change the paying agent or registrar with respect to either the 2010 notes or the 2012 notes without prior notice to the Holders of the notes, and US Unwired or any of its Subsidiaries may act as paying agent or registrar.

All moneys paid by US Unwired to a paying agent for the payment of principal, interest or premium, if any, on any notes which remain unclaimed for two years after such principal, interest or premium have become due and payable may be repaid to US Unwired, and thereafter the Holder of such notes may look only to US Unwired for payment of them.

**Transfer and Exchange**

A Holder may transfer or exchange notes in accordance with the terms of the applicable indenture. The registrar and the trustee may require a Holder to furnish appropriate endorsements and transfer documents in connection with a transfer of notes. Holders will be required to pay all taxes and fees required by law in connection with such transfer. US Unwired is not required to transfer or exchange any note selected for redemption. Also, US Unwired is not required to transfer or exchange any note (1) for a period of 15 days before a selection of notes to be redeemed or (2) tendered and not withdrawn in connection with an Offer to Purchase or an Asset Sale Offer.

**The Subsidiary Guarantees**

All obligations of US Unwired under the indentures with respect to the notes will continue to be guaranteed by:

(1) all of US Unwired's Subsidiaries that currently guarantee them; and

(2) all of US Unwired's future Restricted Subsidiaries that are Domestic Subsidiaries.

The Subsidiary Guarantees with respect to the 2010 notes will continue to be:

the joint and several obligations of each Guarantor;

secured, on a first priority basis, by security interests in the Collateral owned by the Subsidiary Guarantors;

effectively junior to Capital Lease Obligations and obligations secured by certain other Permitted Liens, to the extent of the value of the assets securing those obligations;

senior in right of payment to all future subordinated Indebtedness of such Guarantor, if any; and

equal in right of payment with all existing and future Pari Passu Indebtedness of such Guarantor.

The Subsidiary Guarantees with respect to the 2012 notes will continue to be:

the joint and several obligations of each Guarantor;

secured, on a second priority basis, by security interests in the Collateral owned by the Subsidiary Guarantors;

effectively junior to that Guarantor's Subsidiary Guarantee of all First Lien Obligations, which will be secured on a first priority basis by security interests in the Collateral owned by such Guarantor, and to Capital Lease Obligations and obligations secured by certain other Permitted Liens, to the extent of the value of the assets securing those obligations;

senior in right of payment to all future subordinated Indebtedness of such Guarantor, if any; and

equal in right of payment with all existing and future Pari Passu Indebtedness of such Guarantor.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than US Unwired or another Guarantor, unless, immediately after giving effect to such transaction, no Default or Event of Default has occurred and is continuing and either:

(a) such Guarantor is the surviving Person or the Person acquiring the property in any such sale or disposition or the Person formed by any such consolidation or merger assumes all the obligations of that Guarantor under the indentures, its Subsidiary Guarantee in respect of the 2010 notes and the



2012 notes and the Collateral Documents pursuant to a supplemental indenture and appropriate Collateral Documents; or

(b) the Net Proceeds of such sale or other disposition are applied in accordance with Asset Sale provisions of the indentures.

The Subsidiary Guarantee of a Guarantor will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor (including by way of merger, consolidation or otherwise) by US Unwired or a Subsidiary of US Unwired, if the sale or other disposition complies with the Asset Sale provisions of the indentures;

(2) in connection with any sale or other disposition of all of the Capital Stock of a Guarantor by US Unwired or a Subsidiary of US Unwired, if the sale or other disposition complies with the Asset Sale provisions of the indentures;

(3) if the Collateral Agent, at the instruction of the holders of the First Lien Obligations, exercises any remedies in respect of the Capital Stock of such Guarantor;

(4) if US Unwired designates that Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the indentures (unless any Collateral is then owned by such Guarantor); or

(5) upon legal defeasance of the notes as provided below under Defeasance.

#### **Security for the Notes**

Except as noted below, the notes, the Subsidiary Guarantees and the Note Obligations will continue to be secured by Liens granted to the Collateral Agent on substantially all of the tangible and intangible personal property, real property and fixtures of US Unwired and the Guarantors, whether now owned or hereafter acquired (collectively, the Collateral ), subject to certain Permitted Liens and except as otherwise provided below. Such Liens securing the 2010 notes, the Subsidiary Guarantees with respect to the 2010 notes, and the 2010 Note Obligations will continue to be secured by First Priority Liens on the Collateral. Such Liens securing the 2012 notes, the Subsidiary Guarantees with respect to the 2012 notes, and the 2012 Note Obligations will continue to be secured by Second Priority Liens on the Collateral.

The Collateral includes, without limitation:

(1) all of the Capital Stock of each Restricted Subsidiary that is a Domestic Subsidiary;

(2) FCC Licenses, to the extent permitted by applicable law and to the extent not requiring FCC approval in order to grant a security interest therein;

(3) all deposit accounts, security accounts, accounts receivable, inventory, investment property (other than Capital Stock of the Subsidiaries of US Unwired described in clause (1) above), intercompany notes, general intangibles, equipment, instruments, contract rights, chattel paper, promissory notes and leases (except, with respect to leases, to the extent perfection cannot be effected through filings under the Uniform Commercial Code);

(4) all fixtures, except to the extent perfection cannot be effected through filings under the Uniform Commercial Code;

(5) real property described below under Additional Collateral; Acquisition of Assets or Property, and the headquarters building of US Unwired in Lake Charles, Louisiana;

(6) patents, trademarks, copyrights and other intellectual property; and

(7) all proceeds of, and all other amounts arising from, the collection, sale, lease, exchange, assignment, licensing or other disposition or realization upon the Collateral described in clauses (1) through (6) above.

In addition, the Collateral Agent will be named as a loss payee in all of the insurance policies of US Unwired and the Guarantors that cover assets that constitute Collateral.

The Collateral does not include (collectively, the Excluded Property ): (a) any chattel paper, promissory note, lease, contract, general intangible, license, property right or agreement (collectively, a Contract ) to which US Unwired or any Guarantor is a party (i) to the extent that the grant of a security interest therein by US Unwired or such Guarantor will constitute or result in the abandonment, invalidation or unenforceability of any material right, title or interest of US Unwired or such Guarantor under such Contract, (ii) to the extent that the terms of such Contract prohibit the creation by US Unwired or such Guarantor of a security interest therein or (iii) to the extent that any Requirement of Law applicable thereto prohibits the creation of a security interest therein (other than, in the case of clauses (i), (ii) and (iii), to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the Uniform Commercial Code); (b) any Excluded Real Property; (c) any Capital Stock of a Subsidiary other than that described in clause (1) above; (d) any vehicles (whether owned or leased); (e) rights with respect to lawsuits filed against us and our Affiliates; or (f) any assets that are subject to Liens permitted under clauses (1), (6), (7), (8) and (21) of the definition of Permitted Liens (but only to the extent the agreements relating to such Liens prohibit the creation of Liens in favor of the Collateral Agent on such property or assets); provided that any proceeds, substitutions or replacements of any Excluded Property shall not themselves be Excluded Property (unless such proceeds, substitutions or replacements would constitute property described in clauses (a) through (f) above).

On the Issue Date, US Unwired and the Guarantors entered into the Collateral Documents, which provide for a grant of a security interest in the Collateral in favor of the Collateral Agent for the benefit of the Holders of the 2010 notes on a first priority basis and for the benefit of the Holders of the 2012 notes on a second priority basis. The security interests with respect to the 2010 notes secure on a first priority basis, equally and ratably with any other First Lien Obligations, the payment and performance when due of the 2010 notes, the Subsidiary Guarantees with respect to the 2010 notes, and the 2010 Note Obligations under the terms of the 2010 indenture, the 2010 notes, the Subsidiary Guarantees and the Collateral Documents. The security interests with respect to the 2012 notes secure on a second priority basis, junior to the First Lien Obligations, the payment and performance when due of the 2012 notes, the Subsidiary Guarantees with respect to the 2012 notes, and the 2012 Note Obligations under the terms of the 2012 indenture, the 2012 notes, the Subsidiary Guarantees and the Collateral Documents.

US Unwired will, and will cause each of the Guarantors to, do or cause to be done all acts and things which may be required, or which the trustee from time to time may reasonably request, to assure and confirm that the Collateral Agent holds, for the benefit of the Holders of the notes, duly created, enforceable and perfected Liens upon the Collateral as contemplated by the indentures, the Intercreditor Agreement and the Collateral Documents.

The Liens in favor of the Collateral Agent under the Collateral Documents will be released in whole:

(1) upon payment in full of the principal of, and accrued and unpaid interest and premium, if any, and Liquidated Damages, if any, on the notes and payment in full of all other Note Obligations with respect to the notes that are due and payable at or prior to the time such principal, accrued and unpaid interest and premium are paid; or

(2) upon a defeasance of the notes in accordance with the provisions described below under Defeasance. The Liens in favor of the Collateral Agent under the Collateral Documents will be released with respect to any asset constituting Collateral if:

(1) the asset has been sold or otherwise disposed of by US Unwired or a Guarantor to a Person other than US Unwired or a Guarantor in a transaction permitted by the indentures, at the time of such sale or disposition;

(2) the asset is owned or has been acquired by a Subsidiary that has been released from its Subsidiary Guarantee in accordance with the terms of the indentures (including by virtue of a Guarantor becoming an Unrestricted Subsidiary); or

(3) the Collateral Agent exercises any remedies in respect to such asset, including any sale or other disposition thereof.

US Unwired, subject to compliance by US Unwired and its Restricted Subsidiaries with the Limitation on Consolidated Indebtedness covenant, has the ability to issue: (i) additional 2010 notes having identical terms and conditions to the 2010 notes, and other First Lien Obligations, subject to compliance with clause (2) of the second paragraph under Certain Covenants Limitation on Consolidated Indebtedness; and (ii) additional 2012 notes having identical terms and conditions as the 2012 notes, subject to the limitation set forth in clause (4) of the definition of Permitted Liens, all of which may be secured by the Collateral; provided, however, that not less than 75% of the net cash proceeds from any such issuance of additional notes shall be invested in additional assets, which shall become Collateral for the notes.

***Additional Collateral; Acquisition of Assets or Property***

Concurrently with:

(i) the acquisition (including, without limitation, through the designation, acquisition or creation of a new Restricted Subsidiary) by US Unwired or any Guarantor of any assets or property (including fixtures, but excluding all other real property) having a fair market value (as determined in good faith by the Board of Directors of US Unwired) in excess of \$1.0 million individually or \$2.5 million in a series of one or more related transactions;

(ii) the acquisition (including, without limitation, through the specification, acquisition or creation of a new Restricted Subsidiary) by US Unwired or any Guarantor of any fee interest in any individual or contiguous parcels of owned real property (other than fixtures) having a fair market value (as determined in good faith by the Board of Directors of US Unwired) in excess of \$2.5 million individually or in a series of one or more related transactions;

(iii) the acquisition of any FCC License by US Unwired or any Guarantor; or

(iv) the inclusion by US Unwired or any Guarantor of any other assets or property in collateral securing any First Lien Obligations;

US Unwired shall, or shall cause the applicable Guarantor to, as promptly as practicable, subject to obtaining the consents contemplated by the next succeeding paragraph:

(1) execute and deliver to the Collateral Agent such Collateral Documents and take such other actions as shall be necessary or (in the opinion of the Collateral Agent) desirable to create, perfect and protect a Lien in favor of the Collateral Agent on such assets or property (to the extent permitted by applicable law, in the case of FCC Licenses and to the extent otherwise required to be perfected in accordance with the terms of the Collateral Documents);

(2) in the case of real property, deliver to the Collateral Agent title and extended coverage insurance covering such real property in an amount at least equal to the purchase price of such real property, with local fixture filings being made in respect of fixtures associated with such real property; and

(3) promptly deliver to the Collateral Agent such opinions of counsel, if any, as the Collateral Agent may reasonably require with respect to the foregoing (including opinions as to enforceability and perfection of security interests).

Also, if the granting of a security interest in such property requires the consent of a third party, US Unwired will use commercially reasonable efforts (and in any event not involving the payment of money in excess of 1/2 of 1% of

the estimated fair market value of the property as determined in good faith

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by the chief financial officer of US Unwired) to obtain such consent as promptly as practicable with respect to the Lien for the benefit of the Collateral Agent.

***Perfection and Non-Perfection of Security in Collateral***

The security interests created by the Collateral Documents with respect to deposit accounts and security accounts have not been and will not be perfected. As a result the notes will not have the benefit of a perfected security interest in US Unwired's cash, Cash Equivalents and other marketable securities or investments. In addition, the notes do not have a perfected security interest in fixtures and certain other personal property to the extent perfection cannot be effected through filings under the Uniform Commercial Code. To the extent that any Collateral is not perfected, the Collateral Agent's rights will be equal to the rights of the general unsecured creditors of US Unwired and the Guarantors in the event of a bankruptcy. Outside of bankruptcy, the security interests of certain lien holders, such as judgment creditors and any creditors who obtain a perfected security interest in any items of Collateral in which the Collateral Agent's security interest is unperfected, would take priority over the Collateral Agent's interests in the Collateral. Accordingly, there can be no assurance that the assets in which the Collateral Agent's security interest is unperfected will be available upon the occurrence of an Event of Default or a Default under the other secured obligations to satisfy the obligations under the notes. In addition, certain assets may be subject to existing Permitted Liens that would take priority over any liens granted in such assets under the Collateral Documents.

***Intercreditor Agreement***

On the Issue Date, US Unwired, the Guarantors, the Collateral Agent, the trustee for the 2010 notes (the 2010 Notes Trustee) and the trustee for the 2012 notes (the 2012 Notes Trustee) entered into an Intercreditor Agreement. Pursuant to the terms of the Intercreditor Agreement, the 2012 Notes Trustee agreed, on behalf of the Holders of the 2012 notes, that the security interests created pursuant to the Collateral Documents, insofar as securing the 2012 notes, the Subsidiary Guarantees in respect of the 2012 notes and the 2012 Note Obligations, are junior in priority, operation and effect to the security interests created pursuant to the Collateral Documents, insofar as securing the First Lien Obligations (including the 2010 notes, the Subsidiary Guarantees in respect of the 2010 notes and the 2010 Note Obligations), notwithstanding any provisions of applicable law to the contrary, or the fact that the security interests in respect of the First Lien Obligations are subordinated, voided, avoided, invalidated or lapsed. The Holders of the 2012 notes and the 2012 Notes Trustee agree not to contest the security interests securing any First Lien Obligations. All proceeds of Collateral received by the Collateral Agent or the 2012 Notes Trustee at any time during a First Lien Obligation Period will be required to be applied to the First Lien Obligations until such Obligations are paid in full. At any other time, the Collateral Agent will distribute all cash proceeds (after payment of the costs of enforcement and collateral administration) of the Collateral received by it under the Collateral Documents to the 2012 Notes Trustee for the ratable benefit of the Holders of the 2012 notes (and any other Indebtedness permitted to be Incurred under the Indentures secured by a Second Priority Lien).

In the event that, after the Issue Date, US Unwired and the Guarantors designate any additional Indebtedness (including under any Credit Agreement) as First Lien Obligations under the Intercreditor Agreement, holders of such Indebtedness (or a trustee or agent on their behalf including, in the case of the Credit Agreement, the Credit Agreement Agent) will become a party to the Intercreditor Agreement and, together with the Lenders, shall be entitled to the benefits of the Intercreditor Agreement and the First Priority Liens created under the Collateral Documents in favor of the Collateral Agent. The aggregate amount of First Lien Obligations (including any thereof under the Credit Agreement), together with the aggregate amount of 2010 notes (including additional 2010 notes), that may be issued or incurred shall be limited to those issued on the Issue Date and those issued or incurred under clause (2) or (7) of the second paragraph under Certain Covenants Limitation on Consolidated Indebtedness. The Collateral Documents will provide that, as among the holders of the First Lien Obligations, any instructions to be given to the Collateral Agent by such holders shall be given by a majority of the holders

of the First Lien Obligations (other than the holders of Hedging Obligations), voting as a single class. In the event that the holders of Indebtedness under the Credit Agreement entitled to the benefit of the First Priority Lien shall exceed in aggregate principal amount the 2010 notes, then the holders of such Indebtedness under the Credit Agreement will be able to control all actions taken by the Collateral Agent.

Pursuant to the terms of the Intercreditor Agreement, during a First Lien Obligation Period, the holders of the First Lien Obligations will have the exclusive right to determine the circumstances, order, time and method by which all Liens on the Collateral will be enforced. The 2012 Notes Trustee will not be permitted to enforce the Second Priority Liens during a First Lien Obligation Period even if an Event of Default (or insolvency proceeding) has occurred and is continuing and the 2012 notes have been accelerated. As a result, during a First Lien Obligation Period, none of the 2012 Notes Trustee nor the Holders of the 2012 notes will be able to force a sale of the Collateral or otherwise exercise remedies normally available to secured creditors without the concurrence of the holders of the First Lien Obligations. In addition, the 2012 Notes Trustee and the Holders of the 2012 notes will be prohibited from hindering the exercise of remedies available to the holders of First Lien Obligations.

The holders of First Lien Obligations may take actions with respect to the Collateral (including the release of the Collateral and the manner of realization) without the consent of the Holders of the 2012 notes or the 2012 Notes Trustee and modify the Collateral Documents without the consent of the Holders of the 2012 notes or the 2012 Notes Trustee, to, among other things, secure additional extensions of credit and add additional secured parties, so long as such modifications do not expressly violate the provisions of the 2012 indenture.

The Intercreditor Agreement also prohibits US Unwired and its Subsidiaries from granting Liens in favor of the 2012 notes, the Subsidiary Guarantees in respect of the 2012 notes or the 2012 Note Obligations except in favor of the Collateral Agent pursuant to the Collateral Documents. In addition, during any First Lien Obligation Period, neither the 2012 Notes Trustee nor the Holders of the 2012 notes will have any right to approve any amendment, waiver or consent under any Collateral Documents (other than the release of Collateral that would have the effect of removing assets subject to the Second Priority Lien without concurrently releasing the First Priority Lien on such assets, in each case, subject to certain exceptions).

During the pendency of a bankruptcy case during any First Lien Obligation Period, the Intercreditor Agreement will prohibit the 2012 Notes Trustee and the Holders of the 2012 notes from filing any pleadings or motions in respect of the Collateral, taking any position at any hearing in respect of the Collateral, seeking relief from the automatic stay in respect of the Collateral or otherwise taking any action in respect of the Collateral, other than to file proofs of claim. During the pendency of a bankruptcy case during any First Lien Obligation Period, the Intercreditor Agreement will also prohibit the 2012 Notes Trustee and the Holders of the 2012 notes from objecting to debtor-in-possession financing approved by the holders of First Lien Obligations, including any provisions contained in such debtor-in-possession financing that provide Liens that are prior to the Second Priority Liens or the use by any lender under any such debtor-in-possession financing of cash collateral, so long as such Liens are permitted to be incurred under the 2012 indenture. Further, during the pendency of a bankruptcy case during any First Lien Obligations Period, the Intercreditor Agreement will also prohibit the 2012 Notes Trustee and the Holders of the 2012 notes from objecting to any request by the holders of the First Lien Obligations for adequate protection, or to the release of Collateral sold in connection with a Section 363 of the Bankruptcy Code sale approved by the holders of the First Lien Obligations and from objecting to a plan or reorganization or disclosure statement related thereto under certain circumstances.

### ***Bankruptcy Limitations***

In addition to the limitations described above under Intercreditor Agreement, you should be aware that the right and ability of the Collateral Agent to repossess and dispose of the Collateral upon the occurrence of an Event of Default is likely to be significantly impaired by title 11 of the United States Code (the Bankruptcy Code ) if a bankruptcy proceeding were to be commenced by or against US

Unwired or a Guarantor prior to the Collateral Agent having repossessed and disposed of the Collateral. Under the Bankruptcy Code, a secured creditor such as the Collateral Agent may be prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from such debtor, without bankruptcy court approval. Moreover, the Bankruptcy Code permits the debtor, subject to bankruptcy court approval, to continue to retain and to use collateral (and the proceeds, products, rents or profits of such collateral) even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given adequate protection. The meaning of the term adequate protection may vary according to circumstances, but it is intended, in general, to protect the value of the secured creditor's interest in the collateral and may include, if approved by the court, cash payments or the granting of additional security for any diminution in the value of the collateral as a result of the stay of repossession or the disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. The bankruptcy court has broad discretionary powers in all these matters, including the valuation of collateral. In addition, because the enforcement of the Lien of the Collateral Agent in cash, deposit accounts and cash equivalents may be limited in a bankruptcy proceeding, the Holders of the notes will only have limited consent rights with respect to the use of those funds by US Unwired or any of its Subsidiaries during the pendency of the proceeding if the court finds that the holders are receiving adequate protection. In view of these considerations, it is impossible to predict how long payments under the notes could be delayed following commencement of a bankruptcy case, whether or when the Collateral Agent could repossess or dispose of the Collateral or whether or to what extent Holders of the notes would be compensated for any delay in payment or loss of value of the Collateral. Further, the Holders of the notes may receive in exchange for their claims a recovery that could be substantially less than the amount of their claims (potentially even nothing) and any such recovery could be in the form of cash, new debt instruments or some other security.

#### ***Additional Indebtedness Secured by Second Priority Liens***

US Unwired and the Guarantors may in the future incur additional Indebtedness that is secured equally and ratably with the 2012 notes by a Second Priority Lien on the Collateral, as permitted by clause (4) or (7) of the definition of Permitted Liens. The Intercreditor Agreement and the indentures provide that, if such Indebtedness is Incurred, appropriate arrangements will be made to ensure that the Collateral is shared equally and ratably between the 2012 notes and such additional Indebtedness.

#### **Optional Redemption**

##### ***2010 Notes***

On or after June 15, 2006, US Unwired may, at any time at its option, redeem the 2010 notes, in whole or from time to time in part, on not less than 30 nor more than 60 days prior notice, at the following redemption prices, expressed as percentages of their principal amount, together with accrued and unpaid interest, if any, on the 2010 notes redeemed to but excluding the date fixed for redemption, if redeemed during the twelve-month period beginning on June 15 of each of the years indicated below:

<b>Year</b>	<b>Redemption Price</b>
2006	102.000%
2007	101.000%
2008 and thereafter	100.000%

Notwithstanding the above, at any time prior to June 15, 2006, US Unwired may, in one or more transactions, redeem up to a total of 35% of the aggregate principal amount of 2010 notes issued under the 2010 indenture (including additional 2010 notes, if any) from the net cash proceeds of an Equity Offering, at a price equal to 100% of the aggregate principal amount of the 2010 notes redeemed, plus a premium equal to the interest rate per annum on the 2010 notes applicable on the date on which notice of redemption is given, together with accrued and unpaid interest, if any, on the 2010 notes redeemed to, but excluding the date fixed for redemption; provided, that at least 65% of the aggregate principal amount of 2010 notes issued under the 2010 indenture (including additional 2010 notes, if any)

remain outstanding

immediately following such redemption. Any such redemption must be made within 60 days after the related Equity Offering.

### **2012 Notes**

On or after June 15, 2008, US Unwired may, at any time at its option, redeem the 2012 notes, in whole or from time to time in part, on not less than 30 nor more than 60 days prior notice, at the following redemption prices, expressed as percentages of their principal amount, together with accrued and unpaid interest, if any, on the 2012 notes redeemed to but excluding the date fixed for redemption, if redeemed during the twelve-month period beginning on June 15 of each of the years indicated below:

<b>Year</b>	<b>Redemption Price</b>
2008	105.000%
2009	102.500%
2010 and thereafter	100.000%

Notwithstanding the above, at any time prior to June 15, 2007, US Unwired may, in one or more transactions, redeem up to a total of 35% of the aggregate principal amount of 2012 notes issued under the 2012 indenture (including additional 2012 notes, if any) from the net cash proceeds of an Equity Offering, at a price equal to 110% of the aggregate principal amount of the 2012 notes redeemed, together with accrued and unpaid interest, if any, on the 2012 notes redeemed to, but excluding the date fixed for redemption; provided, that at least 65% of the aggregate principal amount of 2012 notes issued under the 2012 indenture (including additional 2012 notes, if any) remain outstanding immediately following such redemption. Any such redemption must be made within 60 days after the related Equity Offering.

### **General**

Notice of any optional redemption of the notes, or portion thereof, will be given by first-class mail to Holders at their addresses appearing in the security register, not less than 30 nor more than 60 days prior to the date fixed for redemption. The notice of redemption shall state whether the redemption applies to the 2010 notes or the 2012 notes, the redemption date, the redemption price, if less than all the outstanding notes are to be redeemed, principal amounts of the particular notes to be redeemed, that on the redemption date the redemption price will become due and payable upon each note to be redeemed and the place or places where such notes are to be surrendered for payment of the redemption price.

At US Unwired's option, any redemption or notice of redemption may be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering. Notice of any redemption upon an Equity Offering may be given prior to completion of the related Equity Offering.

If less than all the notes of either series are to be redeemed at any time, the trustee will select notes from such series for redemption as follows:

(1) if the notes are listed on any securities exchange, in compliance with the requirements of the principal securities exchange on which the notes are listed; or

(2) if the notes are not listed on any securities exchange, on a pro rata basis, by lot or by such other method as the trustee deems fair and appropriate.

### **No Sinking Fund**

The notes are not entitled to the benefit of any sinking fund.

### **Change of Control**

Upon the occurrence of a Change of Control, each Holder of a note shall have the right to require US Unwired to repurchase such note on the terms and conditions set forth in the indentures. US Unwired shall, within 30 days following the date of the consummation of a transaction resulting in a Change of



Control, mail an Offer to Purchase all outstanding notes at a purchase price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to but excluding the date of repurchase. US Unwired or a third party on its behalf may, but shall not be required to, satisfy US Unwired's obligations under this covenant by mailing such an Offer to Purchase prior to, and contingent upon, the anticipated consummation of a transaction resulting in a Change of Control; provided that US Unwired and any such third party shall comply with all applicable laws and regulations, including Rule 14e-1 under the Exchange Act, and the Offer to Purchase shall not close unless the transaction resulting in a Change of Control also occurs.

US Unwired may be prohibited from making or satisfying the Offer to Purchase under the terms of its future Indebtedness.

Change of Control means any of the following:

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

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

(3) the consummation of any transaction, including without limitation, any merger or consolidation, the result of which is that any person, as defined above, other than a Permitted Holder, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Power of US Unwired; or

(4) the first day on which a majority of the members of the Board of Directors of US Unwired are not Continuing Directors.

US Unwired will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations applicable to any Offer to Purchase. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the indentures, US Unwired will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the indentures by virtue of such conflict; provided that US Unwired shall not be relieved of its obligation to make an offer to repurchase the notes under the Change of Control provisions of the indentures by reason of such conflict.

Subject to the limitations discussed below, US Unwired could, in the future, enter into transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the indentures, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect US Unwired's capital structure. Except for the limitations contained in Certain Covenants Limitation on Consolidated Indebtedness, the indentures do not contain any covenants or provisions that may afford Holders of the notes protection in the event of some highly leveraged transactions.

In certain circumstances, US Unwired's ability to complete a Change of Control repurchase may be limited by the terms of certain of US Unwired's future Indebtedness. If a Change of Control were to occur, certain of US Unwired's or US Unwired's Subsidiaries' other Indebtedness could be required to be repaid, repurchased or amended. Future Indebtedness of US Unwired and its Subsidiaries, including Indebtedness which may rank equally in right of payment to either series of notes, may also contain prohibitions on the repurchase of the notes and on the occurrence of some events that would constitute a Change of Control or may require such Indebtedness to be repurchased upon a Change of Control. In the event that a Change of Control occurs at a time when US Unwired is prohibited or prevented from repurchasing the notes, US Unwired could seek the consent of the applicable lenders to allow the repurchase or could attempt to refinance the borrowings that contain the prohibition. If US Unwired does not obtain such a consent or repay those borrowings, US Unwired will remain prohibited from

repurchasing the notes. In that case, US Unwired's failure to purchase tendered notes would constitute an Event of Default under the indentures. Finally, US Unwired's ability to pay cash to the Holders of the notes following the occurrence of a Change of Control may be limited by US Unwired's then existing financial resources, including its ability to access the cash flow of its Subsidiaries. Sufficient funds may not be available when necessary to make any required repurchases.

The definition of Change of Control includes a phrase relating to the merger, sale, transfer or other conveyance of all or substantially all the assets of US Unwired on a consolidated basis. Although there is case law interpreting the phrase substantially all, there is no precise established definition or quantification of the phrase under applicable law. Accordingly, the ability of a Holder of the notes to require US Unwired to repurchase such notes as a result of a merger, sale, transfer or other conveyance of less than all of the assets of US Unwired on a consolidated basis to another Person or group may be uncertain.

### **Certain Covenants**

#### ***Limitation on Consolidated Indebtedness***

The indentures provide that US Unwired will not, and will not cause or permit any Restricted Subsidiary to, directly or indirectly, incur any Indebtedness including Acquired Indebtedness, except that US Unwired and any Guarantor may Incur Indebtedness, if US Unwired's Operating Cash Flow Ratio would have been less than 6.5 to 1.0 if such Incurrence is prior to December 31, 2006 and less than 5.5 to 1.0 if such Incurrence is on or after December 31, 2006.

Notwithstanding the above, US Unwired and its Restricted Subsidiaries may Incur the following Indebtedness without regard to the above limitations:

(1) Indebtedness evidenced by the notes on the Issue Date and a like aggregate principal amount of Exchange Notes and any Subsidiary Guarantees of the foregoing;

(2) Indebtedness incurred by US Unwired under one or more Credit Agreements (including additional notes) in an aggregate principal amount not to exceed \$100.0 million at any time outstanding, reduced by the amount of repayments and permanent reductions of Indebtedness Incurred under this clause (2) due to the application of Net Cash Proceeds after the Issue Date as set forth in the Limitation on Asset Sales and Sales of Subsidiary Stock covenant and increased by the aggregate principal amount of any 2010 notes redeemed or repurchased by US Unwired after the Issue Date (other than as required by such covenant);

(3) Indebtedness of US Unwired or any of its Restricted Subsidiaries owing to US Unwired or any of its Restricted Subsidiaries ( Intercompany Indebtedness ); provided that (A) in the case of any such Indebtedness of US Unwired, such obligations will be unsecured and subordinated by their terms in all respects to the Holders rights pursuant to the notes and the Subsidiary Guarantees and (B) if any event occurs that causes a Person that is a Restricted Subsidiary to no longer be a Restricted Subsidiary, then this clause (3) will no longer be applicable to such Indebtedness of that Person;

(4) Indebtedness of US Unwired or any Restricted Subsidiary issued in exchange for, or to renew, replace, extend, refinance or refund, any Indebtedness of US Unwired or such Restricted Subsidiary Incurred pursuant to clause (1), (4), (6), (8), (11) or (14) or pursuant to the first paragraph of this covenant; provided, however, that:

(A) such Indebtedness does not exceed the principal amount (or in the case of Redeemable Stock or Preferred Stock that constitutes Indebtedness, the aggregate redemption or repurchase price or liquidation value) of Indebtedness so exchanged, renewed, replaced, extended, refinanced or refunded plus all accrued interest, dividends and redemption premiums on the Indebtedness and all fees, expenses, penalties and redemption premiums incurred in connection therewith;



(B) such exchanging, renewing, replacing, extending, refinancing or refunding Indebtedness has (x) a final maturity that is equal to or later than the final maturity of the Indebtedness being so exchanged, renewed, replaced, extended, refinanced or refunded and (y) an Average Life, at the time of such exchange, renewal, replacement, extension, refinancing or refunding of such Indebtedness, that is equal to or greater than the Average Life of the Indebtedness being so exchanged, renewed, replaced, extended, refinanced or refunded;

(C) in the case of any exchanging, renewing, replacing, extending, refinancing or refunding of Indebtedness subordinated to the notes (or Redeemable Stock or Preferred Stock that constitutes Indebtedness), the exchanging, renewing, replacing, extending, refinancing or refunding Indebtedness ranks subordinate in right of payment to the notes to substantially the same extent as, or to a greater extent than, the Indebtedness so exchanged, renewed, replaced, extended, refinanced or refunded; and

(D) no Indebtedness of US Unwired may be exchanged, renewed, replaced, extended, refinanced or refunded by the Incurrence of Indebtedness or the issuance of Capital Stock by any Restricted Subsidiary that is not a Guarantor;

(5) Indebtedness Incurred by US Unwired or any of its Restricted Subsidiaries under Hedge Agreements to protect US Unwired or any of its Restricted Subsidiaries from interest or foreign currency risk on Indebtedness permitted to be Incurred by the indentures or to manage such risk, provided that the notional principal amount of any such Hedge Agreements does not exceed the principal amount of Indebtedness to which such Hedge Agreements relate, and such Hedge Agreements are not for speculative purposes;

(6) Indebtedness of US Unwired and its Restricted Subsidiaries existing on the Issue Date (other than Indebtedness Incurred under clause (3) above) ( Existing Indebtedness );

(7) any Guarantee by US Unwired or any Restricted Subsidiary of any Indebtedness permitted to be Incurred under the Indenture;

(8) Acquired Indebtedness, but only to the extent that (x) the aggregate amount of Acquired Indebtedness Incurred under this clause (8) does not exceed \$10.0 million at any time outstanding, or (y) immediately after giving effect to the Incurrence of such Indebtedness US Unwired's Operating Cash Flow Ratio would not exceed 7.0 to 1.0 on a pro forma basis;

(9) Indebtedness of US Unwired or any of its Restricted Subsidiaries in respect of performance, bid, surety, appeal or similar bonds or completion or performance guarantees provided in the ordinary course of business;

(10) Indebtedness of US Unwired or any of its Restricted Subsidiaries arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligations of US Unwired or any of its Restricted Subsidiaries pursuant to such agreements, in any case Incurred in connection with the disposition of any business, assets or Restricted Subsidiary of US Unwired (other than guarantees of, or similar obligations under, Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary of US Unwired for the purpose of financing such acquisition), in an amount not to exceed the gross proceeds actually received by US Unwired or any Restricted Subsidiary in connection with such disposition;

(11) Indebtedness, including all outstanding Indebtedness Incurred pursuant to clause (4) above in exchange for, or to renew, replace, extend, refinance or refund any Indebtedness Incurred pursuant to this clause (11), of US Unwired or any of its Restricted Subsidiaries represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, Incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of US Unwired

or any of its Restricted Subsidiaries, in an aggregate principal amount not to exceed \$20.0 million at any one time outstanding;

(12) Indebtedness of US Unwired or any of its Restricted Subsidiaries owed to, including obligations in respect of letters of credit for the benefit of, any Person in connection with workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance provided by such Person to US Unwired or any of its Restricted Subsidiaries, in each case Incurred in the ordinary course of business;

(13) Indebtedness of US Unwired or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within two Business Days after its Incurrence; and

(14) Indebtedness of US Unwired or any of its Restricted Subsidiaries, other than Indebtedness permitted pursuant to clauses (1) through (13) above, which does not exceed \$15.0 million at any time outstanding, including all outstanding Indebtedness Incurred pursuant to clause (4) above in exchange for, or to renew, replace, extend, refinance or refund any such Indebtedness.

For purposes of determining compliance with this covenant, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories described in clause (1) and clauses (3) through (14) above, or is entitled to be Incurred pursuant to the first paragraph of this covenant, US Unwired, in its sole discretion, will be permitted to classify (or divide and classify) such item of Indebtedness on the date of its Incurrence, and may, from time to time, reclassify (and redivide and reclassify) such item of Indebtedness, in any manner that complies with one or more categories of this covenant.

The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms and payments of dividends on Redeemable Stock in the form of additional shares of the same class of Redeemable Stock will not be deemed to be an Incurrence of Indebtedness or an issuance of Redeemable Stock for the purposes of this covenant.

***Limitation on Asset Sales and Sales of Subsidiary Stock***

The indentures provide that after the Issue Date, US Unwired will not, and will not permit any of its Restricted Subsidiaries to, in one transaction or a series of related transactions, convey, sell, transfer, assign or otherwise dispose of, directly or indirectly, any of its property, business or assets, including any sale or other transfer or issuance of any Capital Stock of any Restricted Subsidiary of US Unwired, whether owned on the Issue Date or thereafter acquired (an Asset Sale) unless:

(a) such Asset Sale is for Fair Market Value;

(b) at least 75% of the value of the consideration for such Asset Sale consists of:

(1) cash or Cash Equivalents,

(2) the assumption by the transferee (and release of US Unwired or the relevant Restricted Subsidiary, as the case may be) of Indebtedness and other liabilities (as shown on US Unwired's or such Restricted Subsidiary's balance sheet) of US Unwired or any Restricted Subsidiary (other than, in each case, contingent liabilities and Subordinated Indebtedness), or

(3) notes, obligations or other marketable securities (collectively, Marketable Securities) that are converted into cash or Cash Equivalents within 90 days;

(c) if such Asset Sale involves the transfer of Collateral,

(1) such Asset Sale complies with the applicable provisions of the Collateral Documents; and

(2) all consideration (other than cash or Cash Equivalents) received in such Asset Sale shall be expressly made subject to the Lien under the Collateral Documents, which Lien shall be

a First Priority Lien with respect to the 2010 notes and a Second Priority Lien with respect to the 2012 notes; and

(d) the Net Cash Proceeds therefrom are, at US Unwired's option and to the extent it so elects, applied on or prior to the date that is 365 days after the date of such Asset Sale:

(1) to the extent that such Net Cash Proceeds represent proceeds of Collateral and no Default or Event of Default has occurred and is continuing at the time of such repayment (as set forth in the Officers' Certificate referred to below), or to the extent such Net Cash Proceeds represent proceeds of a sale of any property, business or assets not constituting Collateral to the repayment in accordance with clauses (ii) of this paragraph of First Lien Obligations, Second Lien Obligations and any other Applicable Pari Passu Indebtedness (with any such repayment of Indebtedness to be a permanent reduction thereof and, in the case of any Credit Agreement, to permanently reduce the commitments thereunder) and, in that connection, (i) US Unwired shall concurrently with such repayment deliver an Officers' Certificate to the trustee as to whether any such Net Cash Proceeds represent proceeds of Collateral and whether any Default or Event of Default has occurred and is continuing, and (ii) such repayment shall be offered to all holders of First Lien Obligations, Second Lien Obligations and Applicable Pari Passu Indebtedness outstanding on the date such offer is made, treating all such First Lien Obligations, Second Lien Obligations and Applicable Pari Passu Indebtedness as one class for purposes of such offer (with any offer to repay the notes effected pursuant to an offer to purchase (an Asset Sale Offer) described below and payment pursuant to such Asset Sale Offer made concurrently with the repayment of any other First Lien Obligations, Second Lien Obligations and Applicable Pari Passu Indebtedness), and (iii) to the extent that the Net Cash Proceeds exceed the amounts applied in accordance with clause (ii) above, then the amount of such excess may be used for any purpose not otherwise prohibited by the indentures;

(2) to the extent that such Net Cash Proceeds represent proceeds of Collateral and a Default or Event of Default has occurred and is continuing at the time of such repayment (as set forth in the Officers' Certificate referred to below), to the repayment, first in accordance with clause (ii) of this paragraph of First Lien Obligations and second in accordance with clause (iii) of this paragraph, to the extent applicable, of Second Lien Obligations (with any such repayment of Indebtedness to be a permanent reduction thereof and, in the case of any Credit Agreement, to permanently reduce the commitments thereunder) and, in that connection, (i) US Unwired shall concurrently with such repayment deliver an Officers' Certificate to the trustee as to whether any such Net Cash Proceeds represent proceeds of Collateral and whether any Default or Event of Default has occurred and is continuing, (ii) such repayment shall be offered to all holders of First Lien Obligations outstanding on the date such offer is made, treating all such First Lien Obligations as one class for purposes of such offer (with any offer to repay the 2010 notes effected pursuant to an Asset Sale Offer and payment pursuant to such Asset Sale Offer made concurrently with the repayment of any other First Lien Obligations), and (iii) to the extent that Net Cash Proceeds exceed the aggregate principal amount of First Lien Obligations repaid in accordance with clause (ii) above, then such remaining Net Cash Proceeds shall be utilized to repay Second Lien Obligations, treating all such Second Lien Obligations as one class for purposes of such offer (with any offer to repay the 2012 notes effected pursuant to an Asset Sale Offer and payment pursuant to such Asset Sale Offer made concurrently with repayment of any other Second Lien Obligations), and (iv) to the extent the Net Cash Proceeds exceed the amounts applied in accordance with clauses (ii) and (iii) above, then the amount of such excess may be used for any purpose not otherwise prohibited by the indentures;

(3) to the making of capital expenditures or other acquisitions of long-term assets (other than Capital Stock) that are used or useful in a Telecommunications Business that is owned by US Unwired or any Guarantor; provided, that, to the extent that such Net Cash Proceeds represent proceeds of Collateral, US Unwired or the applicable Guarantor promptly grants to the

Collateral Agent a security interest on such assets pursuant to the Collateral Documents to the extent required under Security for the Notes;

(4) to the acquisition by US Unwired or any Guarantor of all or substantially all of the assets of, or Capital Stock representing a majority of the Voting Power of, an entity engaged primarily in a Telecommunications Business; provided, that, to the extent that such Net Cash Proceeds represent proceeds of Collateral, US Unwired or the applicable Guarantor promptly grants the Collateral Agent a security interest on such assets or Capital Stock pursuant to the Collateral Documents to the extent required under Security for the Notes; or

(5) any combination of the foregoing.

Notwithstanding the foregoing provisions of the prior paragraph:

(1) the conveyance, sale, transfer or other disposition of all or substantially all the assets of US Unwired and its Restricted Subsidiaries on a consolidated basis will be governed by the provisions of the indentures described under Change of Control and/or the provisions of the indentures described under Consolidation, Merger, Conveyance, Transfer or Lease and not by the provisions of this Asset Sale covenant;

(2) any Restricted Subsidiary of US Unwired may convey, sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to US Unwired or any Guarantor;

(3) US Unwired and its Restricted Subsidiaries may sell, exchange or dispose of damaged, worn out or other obsolete property in the ordinary course of business or other property no longer necessary for the proper conduct of the business of US Unwired or any of its Restricted Subsidiaries; and

(4) in addition to Asset Sales permitted by the foregoing clauses (1) through (3), without compliance with the restrictions set forth in the immediately preceding paragraph, US Unwired may consummate any single Asset Sale or series of related Asset Sales with respect to assets the Fair Market Value of which does not exceed \$2.0 million.

Notwithstanding the foregoing, none of the following items will be deemed an Asset Sale as defined in the indentures:

(1) an issuance of Capital Stock by a Restricted Subsidiary of US Unwired to US Unwired or to a Guarantor;

(2) the sale or other disposition of cash or Cash Equivalents;

(3) the surrender or waiver of contract rights or settlement, release or surrender of a contract, tort or other litigation claim in the ordinary course of business;

(4) the lease, sublease or licensing of any property in the ordinary course of business;

(5) a Restricted Payment (including a Permitted Investment) that is not prohibited by the covenant described under Limitation on Restricted Payments;

(6) the sale of inventory in the ordinary course of business;

(7) any issuance of employee stock options or stock awards by US Unwired pursuant to benefit plans in existence on the Issue Date;

(8) the sale of assets not included in the Collateral if such assets are subject to a Lien in favor of a third party;

(9) the granting of Liens not prohibited by the indentures; and

(10) any transfer or sale of assets to the Parent or any direct or indirect Subsidiary of the Parent.

The indentures provide that an Asset Sale Offer may be deferred until the accumulated Net Cash Proceeds not applied to the uses set forth in subsections (d)(1) through (d)(5) in the first paragraph of this covenant exceed \$10.0 million, except that if US Unwired is required to repay any First Lien Obligations or Second Lien Obligations other than the notes from the Net Cash Proceeds of any Asset Sale, then US Unwired shall, concurrently with such repayment, make an Asset Sale Offer pursuant to subsection (d)(1) or (d)(2) in the first paragraph of this covenant, as applicable. Pending the final application of any such Net Cash Proceeds, US Unwired may temporarily reduce revolving credit borrowings or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the indentures.

An Asset Sale Offer will remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the Asset Sale Offer Period). No later than five Business Days after the termination of the Asset Sale Offer Period (the Asset Sale Purchase Date), US Unwired will purchase the principal amount of notes of the applicable series required to be purchased pursuant to this covenant (the Asset Sale Offer Amount) at a purchase price equal to 100% of the principal amount of such notes plus accrued and unpaid interest and Liquidated Damages, if any, to but excluding the date of the purchase or, if less than the Asset Sale Offer Amount has been tendered, all such notes tendered in response to the Asset Sale Offer.

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

On or before the Asset Sale Purchase Date, US Unwired will, to the extent lawful, accept for payment, on a pro rata basis, treating such notes as one class with certain other Obligations as necessary in accordance with paragraphs (d)(1) and (d)(2) above, to the extent necessary, the Asset Sale Offer Amount of notes or portions thereof of the applicable series tendered pursuant to the Asset Sale Offer, or if the notes and the Obligations being treated as one class that have been tendered are less than the Asset Sale Offer Amount, all such notes and other Obligations so tendered, and will deliver to the trustee an Officers Certificate stating that such notes or portions thereof were accepted for payment by US Unwired in accordance with the terms of this covenant. US Unwired, the Depositary or the Paying Agent, as the case may be, will promptly (but in any case not later than five days after the Asset Sale Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the notes of the applicable series tendered by such Holder and accepted by US Unwired for purchase, and US Unwired will promptly issue a new note of such series, and the trustee, upon written request from US Unwired, will authenticate and mail or deliver such new note to such Holder, in a principal amount equal to any unpurchased portion of the note surrendered. Any note not so accepted will be promptly mailed or delivered by US Unwired to the Holder thereof. US Unwired will publicly announce the results of the Asset Sale Offer on the Asset Sale Purchase Date. Upon completion of each Asset Sale Offer, the amount of accumulated Net Cash Proceeds not applied to the uses set forth in subsections (d)(1) through (d)(5) in the first paragraph of this covenant shall be reset to zero, and US Unwired and its Restricted Subsidiaries may use such amount for any purpose not otherwise prohibited by the indentures.

US Unwired will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations applicable to any Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the indentures, US Unwired will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of the indentures by virtue of such conflict; provided that US Unwired shall not be relieved of its obligation to make an offer to repurchase the notes under the Asset Sale provisions of the indentures by reason of such conflict.

***Limitation on Restricted Payments***

The indentures prohibit US Unwired or any Restricted Subsidiary from directly or indirectly making any Restricted Payment unless, after giving effect to the Restricted Payment:

(a) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(b) US Unwired would be permitted to Incur an additional \$1.00 of Indebtedness pursuant to the Operating Cash Flow Ratio test described in the first paragraph under Limitation on Consolidated Indebtedness ; and

(c) the total of all Restricted Payments (subject to the following paragraph) made on or after July 1, 2004 does not exceed the sum, without duplication, of (1) Cumulative Operating Cash Flow less 1.50 times Cumulative Interest Expense, in each case for the period (taken as one accounting period) from the beginning of the fiscal quarter commencing July 1, 2004 to the end of US Unwired's most recently ended fiscal quarter for which financial statements are available at the time of such Restricted Payment, (2) 100% of the aggregate net cash proceeds and the fair market value of any assets or property (as determined in good faith by the Board of Directors) received by US Unwired since the Issue Date as a contribution to its common equity capital or from the issue or sale of Qualified Capital Stock of US Unwired (other than Qualified Capital Stock sold to a Subsidiary of US Unwired) or of debt securities or Redeemable Capital Stock that have been converted into Qualified Capital Stock of US Unwired, (3) 100% of the cash proceeds received from an Unrestricted Subsidiary to the extent of Investments (other than Permitted Investments) made in such Unrestricted Subsidiary since the Issue Date, and (4) to the extent that any Investment, other than a Permitted Investment, that was made after the Issue Date is sold or otherwise liquidated or repaid in whole or in part, or the Person in whom such Investment was made subsequently becomes a Restricted Subsidiary of US Unwired, the lesser of (x) the cash or Cash Equivalents received upon the sale, liquidation or repayment of such Investment, less the cost of disposition, if any, or the cash plus the Fair Market Value of any assets other than cash held by such Person on the date it becomes a Restricted Subsidiary of US Unwired, as applicable, and (y) the initial amount of such Investment.

The foregoing provision shall not be violated by reason of:

(1) the payment of any dividend within 60 days after declaration thereof if at the declaration date such payment would have complied with the preceding provision;

(2) any refinancing of any Indebtedness otherwise permitted under the provision of the indentures described under clause (4) of the second paragraph of Limitation on Consolidated Indebtedness ;

(3) the making of any Investment, other than a Permitted Investment, or the payment, redemption, defeasance, repurchase or other acquisition or retirement of any Capital Stock of US Unwired or any Subordinated Indebtedness prior to its scheduled maturity or the payment of dividends on any Capital Stock of US Unwired either in exchange for or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of US Unwired) of Qualified Capital Stock of US Unwired; provided that the amount of any such net cash proceeds that are utilized for any such Investment, payment, redemption, defeasance, repurchase or other acquisition, retirement or dividend will be excluded from clause (c)(2) above;

(4) the repurchase, redemption, acquisition or other retirement for value of any Capital Stock of US Unwired or any of its Restricted Subsidiaries held by any employee benefit plans of US Unwired or any of its Restricted Subsidiaries, any current or former employees or directors of US Unwired or any of its Restricted Subsidiaries or pursuant to any management equity subscription agreement or stock option agreement of US Unwired or any of its Restricted Subsidiaries; provided that the aggregate price paid for all such repurchased, redeemed, acquired or retired Capital Stock shall not exceed \$1.0 million in any 12-month period;



(5) any purchase, redemption, retirement, defeasance or other acquisition for value of any Subordinated Indebtedness pursuant to the provisions of such Subordinated Indebtedness upon a Change of Control or an Asset Sale after US Unwired shall have complied with the provisions of the indentures described under Change of Control or Certain Covenants Limitation on Asset Sales and Sales of Subsidiary Stock, as the case may be;

(6) the repurchase of Capital Stock deemed to occur upon the exercise of stock options to the extent such Capital Stock represents a portion of the exercise price of those stock options;

(7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Redeemable Stock of US Unwired issued on or after the Issue Date in accordance with the first paragraph of the covenant described under Limitation on Consolidated Indebtedness ;

(8) the repurchase, redemption, retirement, defeasance or other acquisition for value of the Existing Senior Subordinated Notes; or

(9) Restricted Payments, in addition to Restricted Payments permitted pursuant to clauses (1) through (8) of this paragraph, not in excess of \$10.0 million in the aggregate after the Issue Date; provided that with respect to clauses (3) through (9) above, no Default or Event of Default shall have occurred and be continuing, and the payments described in clauses (1), (4), (5) and (9) of this paragraph will count, and those described in clauses (2), (3), (6), (7) and (8) will not count, as Restricted Payments for the calculation under the first paragraph of this covenant.

In determining whether any Restricted Payment is permitted by the covenant described above, US Unwired may allocate all or any portion of such Restricted Payment among the categories described in clauses (1) through (9) of the immediately preceding paragraph or among such categories and the types of Restricted Payments described in the first paragraph of this covenant; provided that at the time of such allocation, all such Restricted Payments, or allocated portions thereof, would be permitted under the various provisions of the covenant described above.

***Limitations on Distributions and Transfers by Restricted Subsidiaries***

The indentures provide that US Unwired will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or suffer to exist or become effective any consensual restriction or prohibition on the ability of any Restricted Subsidiary to:

(a) pay dividends on, or make other distributions in respect of, its Capital Stock, or any other ownership interest or participation in, or measured by, its profits, to US Unwired or any Restricted Subsidiary or pay any Indebtedness or other obligation owed to US Unwired or any Restricted Subsidiary,

(b) make any loans or advances to US Unwired or any Restricted Subsidiary or

(c) transfer any of its property or assets to US Unwired or any Restricted Subsidiary.

Notwithstanding the foregoing, US Unwired may, and may permit any Restricted Subsidiary to, suffer to exist any such restriction or prohibition:

(1) pursuant to the indentures, the notes, any Credit Agreement, the First Lien Documents, the Collateral Documents, the Intercreditor Agreement or any other agreement in effect on the Issue Date,

(2) pursuant to an agreement relating to any Indebtedness or Capital Stock of such a Restricted Subsidiary which was outstanding or committed prior to the date on which such Restricted Subsidiary became a Restricted Subsidiary of US Unwired, other than restrictions or prohibitions adopted in anticipation of becoming a Restricted Subsidiary; provided that such restriction or prohibition shall

not apply to any property or assets of US Unwired or any Restricted Subsidiary other than the property or assets of such Restricted Subsidiary and its Subsidiaries,

(3) existing under or by reason of applicable law, rule, regulation or order,

(4) pursuant to customary provisions restricting subletting or assignment of any lease governing any leasehold interest of any Restricted Subsidiary,

(5) pursuant to purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the type referred to in clause (c) of this covenant,

(6) pursuant to restrictions of the type referred to in clause (c) of this covenant contained in security agreements securing Indebtedness of a Restricted Subsidiary to the extent that such Liens were otherwise incurred in accordance with the Limitation on Liens covenant described below and restrict the transfer of property subject to such agreements,

(7) pursuant to any agreement for the sale or other disposition of all or substantially all of the Capital Stock or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or disposition,

(8) pursuant to other agreements in effect on the Issue Date or applicable law,

(9) pursuant to customary provisions in joint venture agreements, leases, licenses and other agreements entered into in the ordinary course of business,

(10) pursuant to an agreement effecting an amendment, modification, restatement, supplement, renewal, increase, extension, refinancing, replacement or refunding of any agreement described in clauses (1), (2) and (8) above; provided that the provisions contained in such amendment, modification, restatement, supplement, renewal, increase, extension, refinancing, replacement or refunding agreement relating to such restriction or prohibition are not materially more restrictive, taken as a whole, than the provisions contained in the agreement which is the subject thereof, and

(11) pursuant to other Indebtedness of US Unwired or any of its Restricted Subsidiaries permitted to be incurred pursuant to an agreement entered into subsequent to the date of the indentures in accordance with the covenant described under Limitation on Consolidated Indebtedness provided that the provisions relating to such encumbrance or restriction contained in such Indebtedness are no more restrictive than those contained in clauses (1), (2) or (8) of this paragraph, as determined by the Board of Directors of US Unwired in good faith.

***Limitation on the Activities of US Unwired and Its Restricted Subsidiaries***

The indentures provide that US Unwired will not, and will not permit any Restricted Subsidiary to, engage in any business other than the Telecommunications Business, except to the extent it is not material to US Unwired and its Restricted Subsidiaries, taken as a whole, as determined in good faith by US Unwired's Board of Directors.

***Limitation on Transactions with Affiliates***

US Unwired will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate, other than US Unwired or a Restricted Subsidiary (each of the foregoing transactions, an Affiliate Transaction), unless:

(1) such Affiliate Transaction is on terms that are no less favorable to US Unwired or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by US Unwired or such

Restricted Subsidiary with an unrelated Person; and

(2) US Unwired delivers to the trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$10.0 million, a determination by the Board of Directors of US Unwired set forth in a Board Resolution and an Officers Certificate certifying that each such Affiliate Transaction complies with clause (1) above.

However, this limitation on transactions with Affiliates will not limit, or be applicable to, any written agreement in effect on the Issue Date and any amendments, extensions or renewals of any such agreements, so long as any such amendment, extension or renewal is not materially more disadvantageous, taken as a whole, to US Unwired or to any Restricted Subsidiary than the original agreement or arrangement in effect on the date of the indentures. In addition, the following items will not be deemed to be Affiliate Transactions:

(i) any employment, service or termination agreement entered into by US Unwired or any of its Restricted Subsidiaries in the ordinary course of business;

(ii) transactions between or among US Unwired and/or its Restricted Subsidiaries;

(iii) transactions with a Person that is an Affiliate of US Unwired solely because US Unwired owns Capital Stock in, or controls, such Person;

(iv) reasonable and customary fees and compensation (including loans or advances) paid to, and indemnity provided on behalf of, officers, directors and employees of US Unwired or any Restricted Subsidiary of US Unwired, as determined by the Board of Directors of US Unwired;

(v) sales or issuances of Qualified Capital Stock to Affiliates or employees of US Unwired and its Subsidiaries; and

(vi) Restricted Payments that are not prohibited by the provisions of the indentures as described above under Limitation on Restricted Payments.

***Limitation on Liens***

The indentures provide that US Unwired will not, and will not permit any of its Restricted Subsidiaries to, Incur or suffer to exist any Lien on or with respect to any property or assets now owned or hereafter acquired securing any Indebtedness except for Permitted Liens.

**Consolidation, Merger, Conveyance, Transfer or Lease**

The indentures provide that US Unwired will not, directly or indirectly, consolidate with or merge into any Person or permit any other Person to consolidate with or merge into US Unwired, or transfer, sell, convey or lease, or otherwise dispose of all or substantially all of its assets to any Person (in one transaction or a series of related transactions), unless:

(1) (a) US Unwired is the surviving entity or (b) if US Unwired is not the surviving entity, then the successor or transferee assumes all the obligations of US Unwired under the notes, the indentures and the Collateral Documents and the surviving entity is a corporation organized and validly existing under the laws of the United States of America, the District of Columbia or any state of the United States,

(2) (a) immediately after giving effect to such transaction, US Unwired (or its successor or transferee) would be permitted to Incur at least \$1.00 of additional Indebtedness pursuant to the Operating Cash Flow Ratio test described in the first paragraph under Certain Covenants Limitation on Consolidated Indebtedness or (b) the Operating Cash Flow Ratio for US Unwired, or its successor or transferee, will, on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the Reference Period, not be greater than such Operating Cash Flow Ratio for US Unwired immediately prior to such transaction,

(3) after giving effect to such transaction no Default or Event of Default has occurred and is continuing,

(4) an Officers Certificate covering such conditions is delivered to the trustee,

(5) US Unwired or the Person formed by such consolidation or merger, as applicable, will cause such amendments or other instruments to be filed and recorded in such jurisdictions as may be required by applicable law to preserve and protect the Lien of the Collateral Documents on the Collateral owned by or transferred to such Person, together with such financing statements as may be required to perfect any security interests in such Collateral, which may be perfected by the filing of a financing statement under the Uniform Commercial Code of the relevant jurisdictions,

(6) the Collateral owned by or transferred to US Unwired or the Person formed by such consolidation or merger, as applicable, will: (a) continue to constitute Collateral under the indentures and the Collateral Documents; and (b) not be subject to any Lien other than Permitted Liens, and

(7) US Unwired shall have delivered to the trustee an Officers Certificate stating that such transaction and, if supplemental indentures or supplemental Collateral Documents are required in connection with such transaction, such supplemental indentures and Collateral Documents comply with the applicable provisions of the indentures, that all conditions precedent in the indentures relating to such transaction have been satisfied and an Opinion of Counsel that such supplemental indentures and Collateral Documents are enforceable, subject to customary qualifications.

Notwithstanding the foregoing, without complying with clause (2) above, US Unwired may consummate any Change of Domicile transaction.

The Person formed by such consolidation or merger will succeed to, and be substituted for, and may exercise every right and power of US Unwired under the indentures and the Collateral Documents, but the predecessor company in the case of

(1) a sale, transfer, assignment, conveyance or other disposition (unless such sale, transfer, assignment, conveyance or other disposition is of all the assets of US Unwired or such Subsidiary Guarantor as an entirety or virtually as an entirety), or

(2) a lease,

shall not be released from any of the obligations or covenants under the indentures and the Collateral Documents, including with respect to the payment of the notes.

#### **Company Reports**

Whether or not required by the rules and regulations of the Commission, so long as any notes are outstanding, US Unwired will furnish to the Holders of the notes:

(1) All quarterly and annual financial information that would be required to be contained in a filing with the Commission on Form 10-Q and Form 10-K, if US Unwired were required to file such Forms, including a Management s Discussion and Analysis of Financial Condition and Results of Operations and, with respect to the annual information only, a report on the annual financial statements by US Unwired s certified independent accountants; and

(2) All current reports that would be required to be filed with the Commission on Form 8-K if US Unwired were required to file such reports.

In addition, whether or not required by the rules and regulations of the Commission, US Unwired (if necessary) will file a copy of all such information and reports referred to in clauses (1) and (2) above with the Commission for public availability within the time periods specified in the Commission s rules and regulations, unless the Commission will not accept such a filing, and make such information available to securities analysts and prospective investors upon request.



Notwithstanding anything to the contrary, however, once the Parent has provided a Parent Guarantee of the notes, the reports and other information required to be filed with the Commission and provided by US Unwired as described above may instead be those filed with the Commission by the Parent and furnished with respect to the Parent only, without including the condensed consolidating footnote contemplated by Rule 3-10 of Regulation S-X.

#### **Payments for Consent**

US Unwired will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Holder of notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the indentures or the notes, unless such consideration is offered to be paid and is paid to all Holders of the notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

#### **Events of Default and Remedies**

The following are Events of Default in the indentures with respect to the notes:

- (1) failure to pay the principal of or premium, if any, on the notes at Maturity;
- (2) failure to pay any interest, if any, on the notes for a period of 30 consecutive days or more after those amounts become due and payable;
- (3) failure to offer to purchase or purchase notes, in the time periods required by the indentures, required to be purchased by US Unwired pursuant to any of the provisions of the indentures described under **Change of Control** or **Certain Covenants** **Limitation on Asset Sales and Sales of Subsidiary Stock**;
- (4) failure to perform or comply with the provisions of the indentures described under **Consolidation, Merger, Conveyance, Transfer or Lease**;
- (5) failure to perform any other covenant or agreement of US Unwired under the indentures that continues for 30 days after written notice to US Unwired by the trustee or Holders of at least 25% in aggregate principal amount of outstanding notes of the applicable series;
- (6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by US Unwired or any of its Restricted Subsidiaries, whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default: is caused by a failure to pay principal at final maturity (a **Payment Default** ); or results in the acceleration of such Indebtedness prior to its express maturity, and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a **Payment Default** or the maturity of which has been so accelerated, aggregates \$10.0 million or more;
- (7) the rendering of a final judgment or judgments against US Unwired, a Significant Subsidiary or any group of Subsidiaries that taken together would constitute a Significant Subsidiary in an amount in excess of \$10.0 million, excluding amounts covered by insurance, which remains undischarged or unstayed for a period of 60 days after the date on which the right of appeal has expired;
- (8) the Subsidiary Guarantee of a Significant Subsidiary, or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, ceases to be in full force and effect or any such Subsidiary Guarantee is declared to be null and void and unenforceable or is found to be invalid, in each case by a court of competent jurisdiction in a final non-appealable judgment, or any of the

Guarantors which is a Significant Subsidiary, or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary, denies its liability under its Subsidiary Guarantee (other than by reason of release of a Guarantor in accordance with the terms of the applicable indenture);

(9) unless all of the Collateral shall have been released from the Liens in accordance with the provisions of the Collateral Documents and the indentures, (a) any default by US Unwired or any of its Restricted Subsidiaries party thereto in the performance of the Collateral Documents which adversely affects the enforceability, validity, perfection (in the case of Collateral for which perfection is required under the Collateral Documents) or priority of any of the Liens on a material portion of the Collateral granted to the Collateral Agent for its benefit and the benefit of the trustee and the Holders, (b) the repudiation or disaffirmation by US Unwired or any of its Restricted Subsidiaries party thereto of its material obligations under the Collateral Documents or (c) the determination in a final, non-appealable judicial proceeding that any material rights under the Collateral Documents are unenforceable or invalid against US Unwired or any of its Restricted Subsidiaries that are party thereto for any reason with respect to a material portion of the Collateral (which default, repudiation, disaffirmation or determination is not rescinded, stayed or waived by the Persons having such authority pursuant to the Collateral Documents or otherwise cured within 30 days after written notice to US Unwired by the trustee or Holders of at least 25% in aggregate principal amount of outstanding notes with respect to any of the events specified in this clause (9)); and

(10) certain events of bankruptcy, insolvency or reorganization affecting US Unwired, a Significant Subsidiary, or any group of Subsidiaries that, taken together, would constitute a Significant Subsidiary.

If an Event of Default, other than an event described under clause (10) above with respect to US Unwired, shall occur and be continuing, either the trustee or the Holders of at least 25% in aggregate principal amount of the applicable series of notes by notice as provided in such indenture may declare the principal amount of such series of notes to be due and payable immediately; provided, however, that after such acceleration, but before a judgment or decree based on acceleration, the Holders of a majority in aggregate principal amount of such series of outstanding notes may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the nonpayment of accelerated principal of the series of notes, have been cured or waived as provided in such indenture. If an Event of Default described under clause (10) above with respect to US Unwired shall occur, both series of notes will become immediately due and payable without any declaration or other act on the part of the trustee or any Holder. The Holders of a majority in aggregate principal amount of the outstanding notes of either series may waive any past Default or Event of Default under the respective indentures, except a default in the payment of principal, premium, if any, or interest and certain covenants and provisions of such indentures which cannot be amended without the consent of the Holder of each outstanding note affected.

No Holder of any note will have any right to institute any proceeding with respect to either indenture or for any remedy under it, unless such Holder shall have previously given to the trustee written notice of an Event of Default and unless the Holders of at least 25% in aggregate principal amount of the outstanding notes of the affected series shall have made written request to the trustee and the trustee shall not have received from the Holders of a majority in aggregate principal amount of the outstanding notes of the affected series a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. However, such limitations do not apply to a suit instituted by a Holder of a note for enforcement of payment of the principal of and premium, if any, or interest on such note on or after the respective due dates expressed in such note.

In the case of any Event of Default occurring by reason of any willful action or inaction taken or not taken by or on behalf of US Unwired with the intention of avoiding payment of the premium that US Unwired would have had to pay if it then had elected to redeem either series of the notes pursuant to the optional redemption provisions of the indentures, an equivalent premium will also become and be immediately due and payable to the extent permitted by law upon the acceleration of such notes.



Notwithstanding the foregoing, if an Event of Default specified in clause (6) above shall have occurred and be continuing, such Event of Default and any consequential acceleration shall be automatically rescinded if (i) the Indebtedness that is the subject of such Event of Default has been repaid, or (ii) if the default relating to such Indebtedness is waived or cured and if such Indebtedness has been accelerated, then the holders thereof have rescinded their declaration of acceleration in respect of such Indebtedness.

**Modification and Waiver**

Modifications and amendments to each indenture may be made by US Unwired, the Guarantors and the trustee with the consent of the Holders of a majority in aggregate principal amount of the applicable notes then outstanding; provided, however, that no such modification or amendment may, without the consent of each Holder of the affected notes,

- (1) change the Stated Maturity of the principal of, or any installment of interest, if any, on any note,
- (2) reduce the principal amount of, or premium, if any, or interest on any note of such series,
- (3) change the place or currency of payment of principal of, or premium, if any, or interest on any such series of notes,
- (4) impair the right to institute suit for the enforcement of any payment on or with respect to any note of such series, except a rescission of acceleration of such series of notes by the Holders of a majority in aggregate principal amount of such series of notes under certain circumstances,
- (5) reduce the percentage of aggregate principal amount of any series of notes outstanding necessary to amend the applicable indenture,
- (6) reduce the percentage of aggregate principal amount of any series of notes outstanding necessary for waiver of compliance with certain provisions of the applicable indenture or for waiver of certain defaults,
- (7) release any Guarantor that is a Significant Subsidiary, or any group of Guarantors that, taken together would constitute a Significant Subsidiary, from any of its or their Obligations under its or their Subsidiary Guarantee or the indentures, except in accordance with the terms of the applicable indentures,
- (8) modify the provisions with respect to modification and waiver,
- (9) modify or add any provision of the applicable indenture affecting the contractual ranking of the notes in a manner that adversely affects the Holders of the applicable series of notes, or
- (10) alter the provisions under **Optional Redemption** or waive a redemption payment with respect to any note thereunder.

Modifications and amendments of the Collateral Documents may be made by US Unwired, the Guarantors and the 2010 Notes Trustee with the consent of a majority in aggregate principal amount of the holders of the First Lien Obligations (other than the holders of the Hedging Obligations) then outstanding, and modifications and amendments of the Intercreditor Agreement may be made by US Unwired, the Guarantors and the 2010 notes trustee with the consent of a majority in aggregate principal amount of the Holders of the First Lien Obligations (other than holders of the Hedging Obligations) then outstanding, and the 2012 Notes Trustee with the consent of a majority in aggregate principal amount of the holders of the Second Lien Obligations; provided, however, that no such modification or amendment during any First Lien Obligation Period may, without the consent of a majority of the Holders of the Second Lien Obligations, release any Collateral that would have the effect of removing assets subject to the Second Priority Lien without concurrently releasing the First Priority Lien on such assets, in each case, subject to certain

exceptions.

Notwithstanding the preceding, without the consent of any Holder of notes, US Unwired, the Guarantors and the trustee may amend or supplement the indentures or the notes:

(1) to cure any ambiguity, defect or inconsistency,

(2) to provide for uncertificated notes in addition to or in place of certificated notes,

(3) to provide for the assumption of US Unwired's obligations to Holders of notes in the case of a consolidation, amalgamation, combination or merger or sale of all or substantially all of US Unwired's assets in accordance with the provisions described above under Consolidation, Merger, Conveyance, Transfer or Lease,

(4) to make any change that would provide any additional rights or benefits to the Holders of notes or that does not adversely affect the legal rights under the indentures of any such Holder,

(5) to comply with requirements of the Commission in order to effect or maintain the qualification of the indentures under the Trust Indenture Act of 1939, as amended,

(6) to release any Guarantor from its Obligations under its Subsidiary Guarantee and the indentures in accordance with the terms of the indentures,

(7) to evidence and provide for the acceptance of appointment of a successor trustees,

(8) to provide for the issuance of additional notes in accordance with the indentures,

(9) to reflect the grant of Liens on the Collateral for the benefit of an additional secured party, to the extent such Indebtedness and the Lien securing such Indebtedness is permitted by the terms of the indentures,

(10) to release Collateral from the Liens of the indentures and the Collateral Documents when permitted or required by the indentures or the Collateral Documents,

(11) to add any Subsidiary as a Guarantor in respect of the notes, or

(12) to create additional Liens upon any property or assets of US Unwired or any of its Subsidiaries as collateral security for the notes.

The consent of the Holders of the notes is not necessary under the indentures to approve the particular form of any proposed amendment. It is sufficient if the consent approves the substance of the proposed amendment.

The Holders of a majority in aggregate principal amount of the outstanding notes may waive compliance by US Unwired and its Restricted Subsidiaries with certain restrictive provisions of the indentures.

#### **Defeasance**

Each indenture provides that US Unwired, at its option,

(1) will be discharged from any and all obligations in respect of the notes outstanding under such indenture (except for certain obligations to register the transfer or exchange of such notes, to replace mutilated, lost, destroyed or stolen notes, and to maintain paying agents and hold moneys for payment in trust) or

(2) need not comply with certain restrictive covenants and that such omission shall not be deemed to be an Event of Default under such indenture and the notes outstanding thereunder, in either case clause (1) or (2) upon irrevocable deposit with the trustee, in trust for the benefit of the Holders of the applicable series of notes, of money and/or U.S. government obligations which will provide money without the need for reinvestment, in an amount sufficient in the opinion of a nationally recognized firm of independent public

accountants to pay the principal of, and premium, if any and each installment of interest, if any, on the outstanding notes of the applicable series in accordance with the terms of the

applicable indenture and the notes outstanding thereunder. Such trust may only be established if, among other things,

(a) with respect to clause (1), US Unwired shall have delivered to the trustee an Opinion of Counsel to the effect that US Unwired has received from, or there has been published by, the Internal Revenue Service a ruling, or there has been a change in law, which provides that Holders of the applicable series of notes will not recognize gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred; or, with respect to clause (2), US Unwired shall have delivered to the trustee an Opinion of Counsel to the effect that the Holders of the applicable series of notes will not recognize gain or loss for federal income tax purposes as a result of such deposit and defeasance and will be subject to federal income tax on the same amount, in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred; provided, that, this clause (a) shall not be applicable if, within 90 days of the date of the deposit, US Unwired has made an offer to purchase the notes at a price of at least 100% of principal amount of such notes plus a Make-Whole Premium and purchased all notes tendered in such offer;

(b) no Default or Event of Default shall have occurred and be continuing on the date of such deposit, other than an Event of Default resulting from the borrowing of funds to be applied to such deposit;

(c) such deposit does not cause the trust so created to be subject to the Investment Company Act of 1940, as amended, or such trust shall be qualified under such act or exempt from regulation thereunder; and

(d) certain other customary conditions precedent.

#### **Notices**

Notices to Holders of notes will be sent by mail to the addresses of such Holders as they may appear in the security register.

#### **Title**

US Unwired, the trustee and any agent of the trustee may treat the Holder of any note as its absolute owner (whether or not such note may be overdue) for the purpose of making payment and for all other purposes.

#### **No Personal Liability of Directors, Officers, Employees or Shareholders**

No director, officer, employee, incorporator or shareholder of US Unwired or its Subsidiaries, as such, shall have any liability for any obligations of US Unwired under the notes, the indentures or for any claim based on, in respect of, or by reason of, those obligations or their creation. Each Holder of notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. Such waiver may not be effective to waive liabilities under the federal securities laws, and it is the view of the Commission that such a waiver is against public policy.

#### **Governing Law**

The indentures and the notes are governed by, and construed in accordance with, the laws of the State of New York.

#### **The Trustee**

The indentures provide that, subject to the duty of the trustee during an Event of Default to act with the required standard of care, the trustee will be under no obligation to exercise any of its rights or powers

under the indentures at the request or direction of any of the Holders, unless such Holders shall have offered to the trustee reasonable security or indemnity. Subject to certain provisions, including those requiring security or indemnification of the trustee, the Holders of a majority in principal amount of the notes of an applicable series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee.

US Unwired and its Restricted Subsidiaries will be required to furnish to the trustee annually a statement as to the performance by them of their respective obligations under the indentures and as to any default in such performance.

From time to time, US Unwired and/or its affiliates may enter into other transactions with the trustee.

#### **Certain Definitions**

Set forth below are certain defined terms used in the indentures. Reference is made to the indentures for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

**Acquired Indebtedness** means Indebtedness of a Person (including an Unrestricted Subsidiary) (1) existing at the time such Person becomes a Restricted Subsidiary or (2) assumed in connection with the acquisition of assets from such Person, in the case of both of the preceding clause (1) and clause (2), other than Indebtedness incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary or such acquisition. Acquired Indebtedness will be deemed to be Incurred on the date of the related acquisition of assets from any Person or the date the acquired Person becomes a Restricted Subsidiary.

**Affiliate** of any Person means any other Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such Person. For the purposes of this definition, **control** when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. The terms **controlling** and **controlled** have meanings correlative to the foregoing.

**Applicable Pari Passu Indebtedness** means:

(1) with respect to any asset that is the subject of an Asset Sale at a time when such asset is included in the Collateral, Pari Passu Indebtedness secured by all or any part of the Collateral; and

(2) with respect to any other asset, Pari Passu Indebtedness that is required to be repaid (or that under the terms thereof is required to be offered to be repaid) upon a sale of such asset.

**Attributable Debt** in respect of a Sale and Leaseback Transaction means, at the time of determination, the present value of the total obligations of the lessee for net rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such Sale and Leaseback Transaction, determined in accordance with GAAP.

**Average Life** means, as of any date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing:

(1) the sum of the product of (x) the number of years from such date of determination to the date of each successive scheduled amortization, redemption or principal payment of such Indebtedness (or similar payment with respect to such Preferred Stock), times (y) the amount of such payment; by

(2) the sum of all such payments.

**Beneficial Owner** has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular person, as such term

is used in Section 13(d)(3) of the Exchange Act, such person shall be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition.

**Board Resolution** means a copy of a resolution certified by the Secretary or an Assistant Secretary of US Unwired to have been duly adopted by the Board of Directors of US Unwired, to be in full force and effect on the date of such certification and delivered to the trustee.

**Business Day** means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York City are authorized or obligated by law or executive order to close.

**Capital Lease Obligation** means that portion of any obligation of a Person as lessee under a lease which is required to be capitalized on the balance sheet of such lessee in accordance with GAAP.

**Capital Stock** means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, including voting and non-voting) of equity of such Person; provided that in no event shall

**Capital Stock** of any Person include any debt security convertible or exchangeable into equity of such Person until conversion or exchange, as applicable.

**Cash Equivalents** means:

(1) securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof), in each case, maturing within one year after the date of acquisition;

(2) time deposits, certificates of deposit, banker's acceptances, money market deposits and commercial paper issued by, or deposited with, any domestic bank or trust company of recognized standing having capital and surplus in excess of \$200 million and commercial paper issued by others rated at least A-2 or the equivalent thereof by S&P or at least P-2 or the equivalent thereof by Moody's and, in each case, maturing within one year after the date of acquisition;

(3) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above; and

(4) investments in mutual or money market funds substantially all of whose assets comprise securities of the types described in clauses (2) and (3) above.

**Change of Domicile** means a transaction or series of related transactions, including, without limitation, (1) a merger, amalgamation, combination or consolidation of US Unwired with or into another Person, (2) the acquisition of all the Capital Stock of US Unwired or (3) the sale, transfer or other conveyance of all or substantially all the assets of US Unwired on a consolidated basis to another Person, the sole purpose of which is to reincorporate US Unwired under the laws of the United States, in another state of the United States or in the District of Columbia.

**Collateral** has the meaning set forth under Security for the Notes.

**Collateral Agent** means the Collateral Agent under the Collateral Documents.

**Collateral Documents** means, collectively, all agreements, deeds of trust, mortgages, instruments, documents, pledges or filings executed in connection with granting, or that otherwise evidence, the Lien of the Collateral Agent in the Collateral.

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

**Consolidated Indebtedness** of any Person means at any date of determination, the Indebtedness of such Person and its Restricted Subsidiaries that would be reflected on the balance sheet of such Person at such date, on a consolidated basis in accordance with GAAP.

Consolidated Interest Expense of any Person means for any period the interest expense included in an income statement of such Person and its Restricted Subsidiaries in accordance with GAAP, on a consolidated basis, for such period, including without limitation or duplication (or, to the extent not so included, with the addition of),

- (1) the portion of any rental obligation in respect of any Capital Lease Obligation allocable to interest expense in accordance with GAAP;
- (2) the amortization of Indebtedness discounts;
- (3) any payments or fees, other than reimbursement or similar obligations, with respect to letters of credit, bankers acceptances or similar facilities;
- (4) net payment obligations under Hedge Agreements;
- (5) the portion other than Attributable Debt of any rental obligations in respect of any Sale and Leaseback Transaction; and
- (6) Preferred Stock dividends accrued or payable on Redeemable Stock of such Person.

Consolidated Net Income of any Person means for any period the net income (or loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded therefrom (to the extent included and without duplication):

- (1) the net income (or loss) of any Person, other than such Person, that is not a Restricted Subsidiary of such Person except to the extent of the amount of dividends or other distributions actually paid to such Person or a Restricted Subsidiary of such Person by such other Person during such period,
- (2) gains or losses from sales of assets other than sales of inventory in the ordinary course of business,
- (3) for purposes of the Limitation on Restricted Payments covenant, the net income, if positive, of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at that time permitted by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulations applicable to such Restricted Subsidiary, except (a) to the extent such restrictions with respect to the payment of dividends or similar distributions have been validly waived and (b) to the extent of the amount of dividends or distributions that have actually been paid in the calculation period,
- (4) all extraordinary gains and extraordinary losses.

Continuing Directors means, as of any date of determination, any member of the Board of Directors of US Unwired who:

- (5) was a member of such Board of Directors on the date of the indentures; or
- (6) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board of Directors at the time of such nomination or election.

Credit Agreement means one or more debt facilities, indentures, note purchase agreements, commercial paper facilities or other agreements evidencing or governing Indebtedness, in each case with banks, investment banks, insurance companies, mutual funds and/or other institutional lenders or investors, providing for revolving credit loans, term loans, debt securities (including, without limitation, additional 2010 notes or additional 2012 notes), receivable or inventory financing (including through the sale of receivables or inventory to such lenders or to special purposes



entities formed to borrow from such lenders against such receivables or inventory), letters of credit or other  
Indebtedness, in each case, as amended,

restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise) or refinanced in whole or in part from time to time.

**Credit Agreement Agent** means, at any time, the Person serving at such time as the Agent or the Administrative Agent or the Trustee under the Credit Agreement or any other representative of the Lenders then most recently designated as such by the requisite percentage of such Lenders in a written notice delivered to the trustee and the Collateral Agent.

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

**Depository** means a clearing agency registered under the Exchange Act that is designated to act as Depository for the notes until a successor Depository shall have become such pursuant to the applicable provisions of the indenture, and thereafter **Depository** shall mean such successor Depository. The Depository initially is The Depository Trust Company.

**Domestic Subsidiary** means any Restricted Subsidiary of US Unwired that was formed under the laws of the United States or any state of the United States or the District of Columbia.

**Equity Offering** means any public or private sale of Qualified Capital Stock by US Unwired for the account of US Unwired.

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

**Exchange Notes** means (1) the 2010 notes issued in exchange for the original notes under the Registration Rights Agreement, and (2) the 2012 notes issued in exchange for the original notes under the Registration Rights Agreement.

**Excluded Real Property** means all owned and leased real property (other than fixtures) of US Unwired or any Restricted Subsidiary other than (i) that described in clause (ii) of the first paragraph under **Security for the Notes Additional Collateral; Acquisition of Assets or Property** and (ii) the headquarters building of US Unwired in Lake Charles, Louisiana.

**Existing Senior Subordinated Notes** means, to the extent outstanding on the Issue Date, the 3<sup>1</sup>/<sub>8</sub>% Senior Subordinated Discount Notes due 2009 issued by US Unwired pursuant to an indenture dated as of October 29, 1999, as amended through the Issue Date, by and among US Unwired, the guarantors named therein and U.S. Bank National Association, successor in interest to State Street Bank and Trust Company, as trustee.

**Fair Market Value** means, with respect to any assets or Person, the price which could be negotiated in an arm's-length transaction between a willing seller and a willing buyer, neither of whom is under undue pressure or compulsion to complete the transaction. Fair Market Value will be conclusively determined by US Unwired's Board of Directors and if such assets have a Fair Market Value in excess of \$5.0 million, shall be evidenced by a Board Resolution, dated within 30 days of the relevant transaction.

**FCC** means the Federal Communications Commission, or any other similar or successor agency of the Federal government administering the Communications Act.

**FCC License** means any cellular telephone, microwave, personal communications or other license, authorization, certificate of compliance, franchise, approval or permit, whether for the construction and/or the operation of any System, granted or issued by the FCC.

**First Lien Documents** shall mean the 2010 indenture, the Subsidiary Guarantees with respect to the 2010 notes and the 2010 notes, any Credit Agreement designated as a **First Lien Document** for purposes of the Intercreditor Agreement, all Hedge Agreements evidencing Hedging Obligations that constitute First Lien Debt and all other documents and instruments pursuant to which any Indebtedness constituting First Lien Obligations has been Incurred or is outstanding, Lien Document as the same may be amended, restated, replaced, refinanced, renewed, extended, supplemented or modified from time to time.

First Lien Obligations means:

(1) the 2010 notes, the Subsidiary Guarantees with respect to the 2010 notes and the 2010 Note Obligations;

(2) all Indebtedness of US Unwired and its Subsidiaries under any Credit Agreement that is (or, in the case of any reimbursement obligation for a letter of credit issued under any Credit Agreement or any loan required to be made under any Credit Agreement to satisfy such reimbursement obligation, was, when such letter of credit was issued) permitted to be Incurred by clause (2) or (7) of the second paragraph under Certain Covenants Limitation on Consolidated Indebtedness and that is designated as First Lien Obligations for purposes of the Intercreditor Agreement;

(3) all other Indebtedness of US Unwired and its Subsidiaries (including any additional 2010 notes) designated as First Lien Obligations for purposes of the Intercreditor Agreement permitted to be Incurred by clauses (2) or (7) of the second paragraph under Certain Covenants Limitation on Consolidated Indebtedness ; and

(4) Hedging Obligations that are designated as First Lien Obligations by US Unwired in an Officer s Certificate.

First Lien Obligation Period means any period during which (1) any First Lien Obligations are outstanding (and, for purposes hereof, notes that have been defeased pursuant to the Indentures shall be deemed to be not outstanding), (2) any commitments pursuant to which First Lien Obligations may be Incurred are in effect or (3) any letters of credit issued under any First Lien Documents are outstanding but have not been discharged or fully cash collateralized in accordance with the terms of the applicable First Lien Document.

First Priority Liens has the meaning set forth under Brief Description of the Notes and the Guarantees.

GAAP means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity or entities as have been approved by a significant segment of the accounting profession in the United States, which are in effect from time to time.

Governmental Entity means any domestic or foreign international, national, federal, state, provincial or local governmental, regulatory or administrative authority, agency, commission, court, tribunal, arbitral body or self-regulated entity, including, without limitation, the FCC and the Commission.

Guarantee means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

Guarantors means each of US Unwired s Domestic Restricted Subsidiaries that has not been released from its liability under its Subsidiary Guarantee in accordance with the terms of the applicable indenture and each of US Unwired s Subsidiaries required to become a Guarantor as described under The Subsidiary Guarantees.

Hedge Agreements means any interest rate or currency exchange rate swap, cap, collar, floor, capton, or swaption agreements, or any similar arrangements arising at any time between US Unwired or any Restricted Subsidiary, on the one hand, and any Person, on the other hand, as such agreement or arrangement may be modified, supplemented and in effect from time to time.

**Hedging Obligations** means any Obligations in respect of Indebtedness permitted to be Incurred pursuant to clause (5) of the second paragraph under **Certain Covenants Limitation on Consolidated Indebtedness**.

**Holder** means a Person in whose name a note is registered in the security register.

**Incur** means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (by conversion, exchange or otherwise), assume, guarantee or otherwise become liable in respect of such Indebtedness or other obligation or the recording, as required pursuant to GAAP or otherwise, of any such Indebtedness or other obligation on the balance sheet of such Person (and **Incurrence**, **Incurred**, **Incurable** and **Incurring** shall have meanings correlative to the foregoing).

**Indebtedness** means (without duplication), with respect to any Person:

(1) every obligation of such Person for money borrowed,

(2) every obligation of such Person evidenced by bonds, debentures, notes or similar instruments, including obligations Incurred in connection with the acquisition of property, assets or businesses (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business),

(3) every reimbursement or similar obligation of such Person with respect to letters of credit, bankers acceptances or similar facilities issued for the account of such Person,

(4) every obligation of such Person issued or assumed as the deferred and unpaid purchase price of property or services (but excluding trade accounts payable or accrued liabilities arising in the ordinary course of business),

(5) every Capital Lease Obligation of such Person,

(6) the maximum fixed redemption or repurchase price of Redeemable Stock of such Person at the time of determination,

(7) Attributable Debt of such Person with respect to any Sale and Leaseback Transaction to which such Person is a party,

(8) all obligations under Hedge Agreements, and

(9) every obligation of the type referred to in clauses (1) through (8) of another Person that such Person has guaranteed or is responsible or liable, directly or indirectly, as obligor, guarantor, or otherwise or for which such Person provides any form of credit support, and if such credit support takes the form of a Lien on any assets of the specified Person (which Lien is permitted to be Incurred by the applicable indenture) where such Indebtedness is without recourse to such Person, the amount of such Indebtedness will be the lesser of (A) the Fair Market Value of such assets as of the date of determination and (B) the amount of such Indebtedness; provided that for all purposes of the indentures,

(A) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the unamortized portion of the original issue discount of such Indebtedness at the time of its issuance as determined in conformity with GAAP, and

(B) Indebtedness shall not include any liability for federal, state, local or other taxes.

For purposes of the indentures, the amount of any Indebtedness under any Hedge Agreement shall be the amount determined in respect thereof as of the end of the then most recently ended fiscal quarter of such Person, based on the assumption that such Hedge Agreement had terminated at the end of such fiscal quarter, and in making such determination, if such Hedge Agreement or any related agreement provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such

Person then, in each such case, the amount of such obligations shall be the net amount so determined, unless the counterparty under such

agreement is in default under such agreement or defaults in making the corresponding payment to such Person.

**Intercreditor Agreement** means the Intercreditor Agreement in the form attached to the indentures, among US Unwired, the Guarantors, the Collateral Agent, the 2010 Notes Trustee and the 2012 Notes Trustee, as amended, supplemented, restated, replaced or otherwise modified from time to time. As described under **Intercreditor Agreement**, upon the incurrence of any First Lien Obligations under a Credit Agreement, the Credit Agreement Agent shall become a party to the Intercreditor Agreement.

**Investment** by any Person in any other Person means (without duplication):

- (1) the acquisition (whether by purchase, merger, consolidation or otherwise) by such Person (whether for cash, property, services, securities or otherwise) of Capital Stock, bonds, notes, debentures, partnership or other ownership interests, or other securities of such other Person;
- (2) the making by such Person of any deposit with, or advance, loan or other extension of credit to, such other Person or any commitment to make any such advance, loan or extension (other than commission, travel and similar advances to officers and employees in the ordinary course of business);
- (3) the entering into by such Person of any guarantee of, or other contingent obligation with respect to, Indebtedness or other liability of such other Person;
- (4) the making of any capital contribution by such Person to such other Person; and
- (5) the designation by the Board of Directors of US Unwired of any Person to be an Unrestricted Subsidiary. For purposes of the covenant described in **Certain Covenants** **Limitation on Restricted Payments**,

(A) **Investment** shall include and be valued at the Fair Market Value of such Person's pro rata interest in the net assets of any Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary and shall exclude the lesser of (x) the Fair Market Value of such Person's pro rata interest in the net assets of any Unrestricted Subsidiary at the time that such Unrestricted Subsidiary is designated a Restricted Subsidiary and (y) the Fair Market Value of the amount of such Person's Investments (other than Permitted Investments) made in (net of cash distributions received from) such Unrestricted Subsidiary since the Issue Date and

(B) the amount of any Investment shall be the Fair Market Value of such Investment at the time any such Investment is made.

**Issue Date** means the time and date of the first issuance of the notes under the indentures.

**Lenders** means, at any time, the parties to any Credit Agreement then holding (or committed to provide) loans, letters of credit, debt securities or other extensions of credit that constitute (or when provided will constitute) part of the First Lien Obligations or Second Lien Obligations, as applicable.

**Lien** means, with respect to any property or assets, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement (other than an easement not materially impairing usefulness or marketability), encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or assets (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

**Liquidated Damages** means the liquidated damages payable under the Registration Rights Agreement.

**Make-Whole Premium** means with respect to any note on any date, the excess of:

- (a) the present value at such date of (i) the redemption price of such series of notes on the Stated Maturity or on the applicable redemption date, as the case may be, plus (ii) all required

interest payments due on the note through the Stated Maturity or the applicable redemption date, as the case may be (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date; over

(b) the principal amount of the note.

**Maturity** means, when used with respect to any note, the date on which the principal of such note becomes due and payable, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

**Net Cash Proceeds** means the aggregate amount of cash and Cash Equivalents received by US Unwired and its Restricted Subsidiaries in respect of an Asset Sale (including upon the conversion to cash or Cash Equivalents of (a) any note or installment receivable at any time or (b) any other property as and when any cash and Cash Equivalents are received in respect of any property received in an Asset Sale but only to the extent such cash or Cash Equivalents are received within one year after such Asset Sale), less all out-of-pocket fees, commissions and other expenses incurred in connection with such Asset Sale, including the amount (estimated in good faith by the Board of Directors of US Unwired) of income, franchise, sales and other applicable taxes required to be paid by US Unwired or any Restricted Subsidiary of US Unwired in connection with such Asset Sale and any reserve for adjustment in respect of the sale price of such asset (including for indemnification payments) established in accordance with GAAP.

**Non-Recourse Debt** means Indebtedness:

(1) as to which neither US Unwired nor any of its Restricted Subsidiaries:

(a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness);

(b) is directly or indirectly liable, as a guarantor or otherwise; or

(c) constitutes the lender other than with respect to amounts that are lent by US Unwired or one of its Restricted Subsidiaries to an Unrestricted Subsidiary in compliance with the covenants described under

**Certain Covenants Limitation on Restricted Payments** and **Certain Covenants Limitation on Transactions with Affiliates** and are otherwise permitted by the indentures;

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

(3) as to which the lenders will not have any recourse to the assets of US Unwired or the stock or assets of any of its Restricted Subsidiaries.

**Note Obligations** means the notes, the Subsidiary Guarantees and all other Obligations of any obligor under the indentures, the notes, the Subsidiary Guarantees and the Collateral Documents.

**Obligations** means any principal, interest, penalties, fees, indemnities, reimbursement obligations, guarantee obligations, costs, expenses (including fees and disbursements of counsel), damages and other liabilities and obligations, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of or in connection with the documentation governing or made, delivered or given in connection with, any Indebtedness (including, without limitation, interest accruing at the then applicable rate provided in such documentation after the maturity of such Indebtedness and interest accruing at the then applicable rate provided in such documentation after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to US Unwired or any Restricted Subsidiary, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding).

**Offer to Purchase** means a written offer (the **Offer** ) sent by US Unwired to each Holder at his, her or its address appearing in the security register on the date of the Offer offering to purchase up to the principal amount of notes specified in such Offer at the purchase price specified in such Offer. Unless otherwise required by applicable law, the Offer shall specify an expiration date (the **Expiration Date** ) of the Offer to Purchase which, subject to any contrary requirements of applicable law, shall be not less than 30 days nor more than 60 days after the date of such Offer to Purchase (or, in the case of any Offer to Purchase made prior to the occurrence of the Change of Control and contingent upon such occurrence, the later of (x) 60 days after the date of such Offer to Purchase and (y) the date of occurrence of such Change of Control) and a settlement date (the **Purchase Date** ) for purchase of notes within five Business Days after the Expiration Date. The Offer shall also state the section of the relevant indenture pursuant to which the Offer to Purchase is being made, the Expiration Date and the Purchase Date, the aggregate principal amount of the outstanding notes offered to be purchased by US Unwired, the purchase price to be paid by US Unwired, and the place or places where notes are to be surrendered for tender pursuant to the Offer to Purchase.

**Officers Certificate** means a certificate signed by two officers, at least one of whom shall be the principal executive officer, principal accounting officer or principal financial officer of US Unwired, and delivered to the trustee.

**Operating Cash Flow** for any Person for any period means:

(1) the Consolidated Net Income of such Person for such period, plus

(2) the sum, without duplication (and only to the extent such amounts are deducted in determining such Consolidated Net Income), of:

(a) the provisions for income taxes for such period for such Person and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP,

(b) depreciation, amortization and other non-cash charges of such Person and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP and

(c) Consolidated Interest Expense of such Person for such period, less the amount of all cash payments made during such period by such Person and its Restricted Subsidiaries to the extent such payments relate to non-cash charges that were added back in determining Operating Cash Flow for such period or for any prior period (and only to the extent such amounts are included in determining such Consolidated Net Income).

In the case of a Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary, the determination of the percentage of the Operating Cash Flow of such Restricted Subsidiary that is to be included in the calculation of US Unwired's Operating Cash Flow shall be made on a pro forma basis on the assumption that the percentage of US Unwired's common equity interest in such Restricted Subsidiary throughout the applicable Reference Period was equivalent to its common equity interest on the date of the determination.

**Operating Cash Flow Ratio** means, on any date (the **Transaction Date** ), with respect to any Person, the ratio of

(1) Consolidated Indebtedness of such Person and its Restricted Subsidiaries on the Transaction Date (after giving pro forma effect to the Incurrence of any Indebtedness and the application of the proceeds thereof on such Transaction Date) divided by

(2) 200% of the aggregate amount of Operating Cash Flow during the Reference Period of such Person;



provided, that for purposes of such computation, in calculating Operating Cash Flow and Consolidated Indebtedness:

(A) the transaction giving rise to the need to calculate the Operating Cash Flow Ratio will be assumed to have occurred (on a pro forma basis) on the first day of the Reference Period;

(B) acquisitions that have been made by such Person or any of its Restricted Subsidiaries, including through consolidations, amalgamations, combinations or mergers during the Reference Period or subsequent thereto and on or prior to the Transaction Date will be given effect (on a pro forma basis) as if they had occurred on the first day of the Reference Period;

(C) businesses disposed of by such Person or any of its Restricted Subsidiaries during the Reference Period or subsequent thereto and on or prior to the Transaction Date will be given effect (on a pro forma basis) as if they had occurred on the first day of the Reference Period; and

(D) the Indebtedness of any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary shall be determined in accordance with the actual percentage of the Person's common equity interest in such Restricted Subsidiary on the date of determination of the Operating Cash Flow Ratio (thus, for example, in the case of a Restricted Subsidiary in which such Person owns a 51% common equity interest, 51% of such Subsidiary's Indebtedness would be included in the calculation of such Person's aggregate Indebtedness).

Opinion of Counsel means a written opinion of counsel, who may be counsel for US Unwired, and who shall be reasonably acceptable to the trustee, delivered to the trustee.

Parent means any person (as such term is used in Sections 13(d) and 14(d) of the Exchange Act and the regulations thereunder) who is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of the total voting stock or total common equity of US Unwired.

Parent Guarantee means an unconditional Guarantee by a Parent, on a senior unsecured basis, of all monetary obligations of US Unwired under the Indenture and any Outstanding Securities.

Pari Passu Indebtedness means any Indebtedness of US Unwired or any Guarantor or Parent that is not subordinated in right of payment to any other Indebtedness of US Unwired or such Guarantor, as the case may be.

Paying Agent means the paying agent for the notes, as appointed under the indentures.

Permitted Holder means (i) Brown Brothers Harriman & Co., (ii) Investcorp S.A., (iii) any member of the family of William L. Henning and their descendants, (iv) Sprint Corporation and (v) any Sprint PCS Affiliate and, in each case, the Affiliates of each of the foregoing.

Permitted Investments means:

(1) Investments in Cash Equivalents;

(2) Investments in US Unwired or a Restricted Subsidiary;

(3) Investments in a Person substantially all of whose assets are of a type generally used in a Telecommunications Business (an Acquired Person) if, as a result of such Investments, (A) the Acquired Person immediately thereupon becomes a Restricted Subsidiary or (B) the Acquired Person immediately thereupon either (a) is merged or consolidated with or into US Unwired or any Restricted Subsidiary or (b) transfers or conveys all or substantially all of its assets to, or is liquidated into, US Unwired or any of its Restricted Subsidiaries;

(4) Investments in accounts and notes receivable acquired in the ordinary course of business;

(5) any securities received in connection with an Asset Sale and any Investment with the Net Cash Proceeds from any Asset Sale in Capital Stock of a Person, all or substantially all of whose assets are of a type used in a Telecommunications Business, that complies with the Limitation on Asset Sales and Sales of Subsidiary Stock covenant;



(6) advances and prepayments for asset purchases in the ordinary course of business in a Telecommunications Business of US Unwired or a Restricted Subsidiary;

(7) customary loans or advances made in the ordinary course of business to officers, directors or employees of US Unwired or any of its Restricted Subsidiaries for travel, entertainment and moving and other relocation expenses not to exceed \$3.0 million at any one time outstanding;

(8) Investments received in satisfaction of judgments, settlements of debt or compromises of obligations incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer;

(9) Investments arising from Hedge Agreements permitted to be Incurred pursuant to clause (5) of the second paragraph under Certain Covenants Limitation on Consolidated Indebtedness ;

(10) receivables owing to US Unwired or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(11) Investments that are deemed to have been made as a result of the acquisition of a Person that at the time of such acquisition held instruments constituting Investments that were not acquired in contemplation of the acquisition of such Person (only to the extent that the making of such Investment through the acquisition of such Person was already deemed to be a Restricted Payment made pursuant to the covenant under Certain Covenants Limitation on Restricted Payments as of the date of such acquisition);

(12) Investments in prepaid expenses and lease, utility and workers compensation performance and other similar deposits;

(13) any acquisition of assets, Capital Stock or other securities solely in exchange for issuance of Qualified Capital Stock of US Unwired; and

(14) other Investments not to exceed \$15.0 million at any time outstanding.

Permitted Liens means:

(1) Liens existing on the Issue Date securing obligations of US Unwired or any of its Restricted Subsidiaries outstanding on the Issue Date ( Existing Liens );

(2) First Priority Liens or Second Priority Liens securing Indebtedness of US Unwired or any Restricted Subsidiary under any Credit Agreements, which Indebtedness is permitted to be Incurred under clause (2) or (7) of the second paragraph under Certain Covenants Limitation on Consolidated Indebtedness , and which Liens are created under the Collateral Documents in favor of the Collateral Agent;

(3) Liens created under the Collateral Documents in favor of the Collateral Agent for the benefit of, or to secure the notes, the Subsidiary Guarantees or the Note Obligations, in each case issued on the Issue Date (including Liens resulting from the defeasance of obligations with respect to the 2010 notes and the 2012 notes);

(4) Second Priority Liens securing Pari Passu Indebtedness permitted to be Incurred under the first paragraph of Certain Covenants Limitation on Consolidated Indebtedness, provided that, (i) at the time such Indebtedness is Incurred, US Unwired's Senior Secured Operating Cash Flow Ratio would be less than 3.0 to 1.0; (ii) such Indebtedness has an Average Life and final stated maturity that is equal to or greater than that of the latest Stated Maturity of the then outstanding notes; (iii) such Second Priority Liens are on an equal and ratable basis with the Second Priority Liens securing the 2012 notes; and (iv) the assets securing such Pari Passu Indebtedness also are a

part of the Collateral;

(5) Liens in favor of US Unwired or any Restricted Subsidiary that is a Guarantor;

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(6) Liens to secure Indebtedness of US Unwired or a Restricted Subsidiary outstanding or committed for the purpose of financing all or any part of the purchase price or the cost of construction or improvement of the equipment or other property subject to such Liens; provided, however, that (a) the principal amount of any Indebtedness secured by such a Lien does not exceed 100% of such purchase price or cost, (b) such Lien does not extend to or cover any property other than such item of property or any improvements on such item and (c) the Incurrence of such Indebtedness is otherwise permitted by the indentures;

(7) (a) Liens on property existing immediately prior to the time of acquisition thereof (and not Incurred in anticipation of the financing of such acquisition) by US Unwired or any Restricted Subsidiary and (b) Liens in respect of Acquired Indebtedness existing at the time of the relevant acquisition by US Unwired or any Restricted Subsidiary; provided that such Liens do not extend to any assets of US Unwired or any Restricted Subsidiary other than the assets being acquired and as long as such Liens were not Incurred in anticipation of such acquisition;

(8) Liens to secure Indebtedness to extend, renew, refinance or refund (or successive extensions, renewals, refinancings or refundings of), in whole or in part, Indebtedness secured by any Lien referred to in the foregoing clauses (1), (3), (5) and (6) so long as such Liens do not extend to any other property and the principal amount of Indebtedness so secured is not increased, except for amounts relating to accrued interest, dividends and redemption premiums on the Indebtedness and fees, expenses, penalties and redemption premiums incurred in connection therewith;

(9) Liens Incurred or deposits made to secure the performance of statutory or regulatory obligations, surety or appeal bonds, performance bonds, deposits to secure the performance of tenders, bids, trade contracts, government contracts, import duties, payment of rent, leases (other than capital leases) or licenses or other obligations of a like nature incurred in the ordinary course of business, including, without limitation, landlord Liens on leased properties;

(10) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent, that are not yet subject to penalties or interest for non-payment or that are being contested in good faith by appropriate proceedings; provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(11) carriers, warehousemen, mechanics, landlords, materialmen, repairmen, suppliers or other like Liens arising in the ordinary course of business and deposits made to obtain the release of such Liens and with respect to obligations not overdue for a period in excess of 60 days or which are being contested in good faith by appropriate proceedings; provided that any reserve or other appropriate provision as shall be required to conform with GAAP shall have been made therefor;

(12) easements, rights-of-way, zoning ordinances and similar charges, restrictions, exceptions or other irregularities, reservations of, or rights of others for: licenses, sewers, electric lines, telegraph and telephone lines, and other similar encumbrances or title defects incurred, or leases or subleases granted to others, in the ordinary course of business, which do not in any case materially detract from the value of the property subject thereto or do not materially interfere with the ordinary conduct of the business of US Unwired or any of its Restricted Subsidiaries;

(13) Liens in favor of customs and revenue authorities to secure payment of customs duties in connection with the importation of goods in the ordinary course of business and other similar Liens arising in the ordinary course of business;

(14) Liens (other than any Lien imposed by ERISA or any rule or regulation promulgated thereunder) Incurred or pledges or deposits made in the ordinary course of business, in connection with workers compensation, unemployment insurance and other types of social security;

(15) deposits made in the ordinary course of business to secure liability to insurance carriers other than in connection with financing premiums;

(16) any attachment, appeal or judgment Lien not constituting an Event of Default under clause (7) of the first paragraph of the section described under Events of Default and Remedies ;

(17) Liens under licensing agreements for use of intellectual property entered into in the ordinary course of business;

(18) any interest or title of a lessor or lessee or sublessor or sublessee under any operating lease entered into by US Unwired and its Restricted Subsidiaries in the ordinary course of business;

(19) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by US Unwired and its Restricted Subsidiaries in the ordinary course of business;

(20) rights of set-off as to deposit accounts or other funds maintained with a depository or other financial institution;

(21) Liens on property subject to capital leases to the extent the related Capital Lease Obligation is permitted to be Incurred pursuant to clause (11) of the second paragraph under Certain Covenants Limitation on Consolidated Indebtedness ;

(22) Liens securing Hedge Agreements permitted to be Incurred pursuant to clause (5) of the second paragraph under Certain Covenants Limitation on Consolidated Indebtedness, so long as the related Indebtedness is, and the indentures permit such related Indebtedness to be, secured by a Lien on the same property securing such Hedge Agreements and such Lien is of equal priority with the Lien securing such related Indebtedness;

(23) Liens securing Indebtedness permitted to be Incurred pursuant to clause (10), (12) or (13) of the second paragraph under Certain Covenants Limitation on Consolidated Indebtedness ; and

(24) any other Liens in respect of any Indebtedness, which Indebtedness does not exceed \$10.0 million in the aggregate at any time outstanding.

Person means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

Preferred Stock means, with respect to any Person, any and all shares of Capital Stock of such Person that have preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

pro forma basis means on a pro forma basis as calculated by the chief financial officer of US Unwired in good faith in accordance with Regulation S-X, as amended, under the Securities Act.

Qualified Capital Stock means, with respect to any Person, any and all shares of Capital Stock other than Redeemable Stock.

Rating Organization means Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies Inc., or Moody's Investors Service, Inc. or their respective subsidiaries.

Redeemable Stock of any Person means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation, is required to be redeemed prior to the 91st day after the final Stated Maturity of the applicable series of notes or is redeemable at the option of the holder thereof at any time prior to the 91st day after the final Stated Maturity of the applicable series of notes, except to the extent such Capital Stock is solely redeemable with any Capital Stock that is not Redeemable Stock; provided that:

(1) only the portion of the Capital Stock which is mandatorily redeemable or is so redeemable at the option of the holder prior to such date shall be deemed Redeemable Stock;





(2) if such Capital Stock is issued in the ordinary course of business to any employee or to any plan for the benefit of employees of US Unwired or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Redeemable Stock solely because it may be required to be repurchased by US Unwired or any of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability; and

(3) any Capital Stock that would not constitute Redeemable Stock but for provisions in it giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of a change of control or asset sale occurring prior to the final Stated Maturity of the notes shall not constitute Redeemable Stock if the change of control or asset sale provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the Change of Control or Asset Sale covenant, as applicable, in the indentures and such Capital Stock specifically provides that such Person will not repurchase or redeem any such Capital Stock pursuant to such provision prior to US Unwired's repurchase of the notes as required pursuant to such Change of Control or Asset Sale covenant, as applicable.

Reference Period with regard to any Person means the last two completed fiscal quarters of such Person for which financial statements are available immediately preceding any date upon which any determination is to be made pursuant to the terms of the notes or the indentures.

Registration Rights Agreement means the registration rights agreement entered into on the Issue Date among US Unwired, the Guarantors and the Initial Purchasers.

Requirement of Law means, as to any Person, the certificate of incorporation and by-laws, the partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination, judgment, writ, injunction, decree or order of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

Restricted Payment means, with respect to any Person:

(1) any declaration or payment of a dividend or making any other payment or other distribution (including, without limitation, any payment in connection with any merger or consolidation involving such Person or any Restricted Subsidiary of such Person) on or on account of any shares of Capital Stock of such Person or any Restricted Subsidiary of such Person (other than a dividend payable solely in shares of the Qualified Capital Stock of such Person or options, warrants or other rights to acquire the Qualified Capital Stock of such Person and other than any declaration or payment of a dividend or other distribution by a Restricted Subsidiary to US Unwired or another Wholly Owned Restricted Subsidiary of US Unwired);

(2) any payment on account of the purchase, redemption, retirement or acquisition (including by way of issuing any Indebtedness or Redeemable Stock in exchange for Qualified Capital Stock) of (A) any shares of Capital Stock of such Person or any Subsidiary of such Person held by Persons other than such Person or any of its Restricted Subsidiaries or any shares of Capital Stock of the direct or indirect parent of such Person or (B) any option, warrant or other right to acquire shares of Capital Stock of such Person or any Restricted Subsidiary of such Person or any of its Restricted Subsidiaries, in each case, other than pursuant to the cashless exercise of options, warrants or other rights to acquire Capital Stock of such Person;

(3) any Investment (other than a Permitted Investment) made by such Person; and

(4) any payment on or with respect to any Subordinated Indebtedness of such Person or any redemption, defeasance, repurchase or other acquisition or retirement for value prior to any scheduled maturity, repayment or sinking fund payment, of any such Indebtedness of such Person, except a payment of interest or principal at the stated maturity thereof;

provided that the term **Restricted Payment** does not include the payment of a dividend or other distribution by any **Restricted Subsidiary** on shares of its **Capital Stock** that is paid pro rata to all holders of such **Capital Stock**.

**Restricted Subsidiary** of any Person means any **Subsidiary** of such Person other than an **Unrestricted Subsidiary** of such Person.

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

**Sale and Leaseback Transaction** of any Person means an arrangement with any lender or investor or to which such lender or investor is a party providing for the leasing by such Person of any property or asset of such Person which has been or is being sold or transferred by such Person more than 270 days after the acquisition thereof or the completion of construction or commencement of operation thereof to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property or asset. The stated maturity of such arrangement shall be the date of the last payment of rent or any other amount due under such arrangement prior to the first date on which such arrangement may be terminated by the lessee without payment of a penalty.

**Second Lien Obligations** means:

(1) the 2012 notes, the **Subsidiary Guarantees** with respect to the 2012 notes and the 2012 **Note Obligations**;

(2) all **Indebtedness** of **US Unwired** and its **Subsidiaries** under any **Credit Agreement** that is (or, in the case of any reimbursement obligation for a letter of credit issued under any **Credit Agreement** or any loan required to be made under any **Credit Agreement** to satisfy such reimbursement obligation, was, when such letter of credit was issued) permitted to be **Incurred** by clause (2) or (7) of the second paragraph under **Certain Covenants Limitation on Consolidated Indebtedness** and that is designated as a **Second Lien Obligation** for purposes of the **Intercreditor Agreement**; and

(3) all other **Indebtedness** of **US Unwired** and its **Subsidiaries** (including any additional 2012 notes) designated as **Second Lien Obligations** for purposes of the **Intercreditor Agreement** permitted to be **Incurred** by clauses (2) or (7) of the second paragraph under **Certain Covenants Limitation on Consolidated Indebtedness**.

**Second Priority Liens** has the meaning set forth under **Brief Description of the Notes and the Guarantees**.

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

**Senior Secured Indebtedness** means all unsubordinated **Indebtedness** of **US Unwired** or of any **Restricted Subsidiary**, whether outstanding on the **Issue Date** or thereafter **Incurred**, that is either (1) secured by a **Lien** on any part of the **Collateral** or (2) secured by a **Lien** on any asset received in exchange for or otherwise in respect of **Collateral** (including, without limitation, assets received under the **Limitation on Asset Sales and Sales of Subsidiary Stock** covenant and assets subject to **Permitted Liens** under clause (7) of the definition thereof) or any asset described in this clause (2), in each case, including, without limitation, the notes, all other **Second Lien Obligations**, all **Indebtedness** outstanding under any **Credit Agreement** and all other **First Lien Obligations**.

**Senior Secured Operating Cash Flow Ratio** means, on any date (the **Senior Secured Transaction Date**), with respect to any Person, the ratio of:

(1) consolidated **Senior Secured Indebtedness** of such Person and its **Restricted Subsidiaries** on the **Senior Secured Transaction Date** (after giving pro forma effect to the **Incurrence** of any **Indebtedness** and the application of the proceeds thereof on such **Senior Secured Transaction Date**) divided by

(2) the aggregate amount of **Operating Cash Flow** during the **Reference Period** of such Person;

provided, that for purposes of such computation, in calculating Operating Cash Flow and consolidated Senior Secured Indebtedness:

(A) the transaction giving rise to the need to calculate the Senior Secured Operating Cash Flow Ratio will be assumed to have occurred (on a pro forma basis) on the first day of the Reference Period;

(B) acquisitions that have been made by such Person or any of its Restricted Subsidiaries, including through consolidations, amalgamations, combinations or mergers during the Reference Period or subsequent thereto and on or prior to the Senior Secured Transaction Date will be given effect (on a pro forma basis) as if they had occurred on the first day of the Reference Period;

(C) businesses disposed of by such Person or any of its Restricted Subsidiaries during the Reference Period or subsequent thereto and on or prior to the Senior Secured Transaction Date will be given effect (on a pro forma basis) as if they had occurred on the first day of the Reference Period; and

(D) the Indebtedness of any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary shall be determined in accordance with the actual percentage of the Person's common equity interest in such Restricted Subsidiary on the date of determination of the Senior Secured Operating Cash Flow Ratio (thus, for example, in the case of a Restricted Subsidiary in which such Person owns a 51% common equity interest, 51% of such Subsidiary's Indebtedness would be included in the calculation of such Person's aggregate Indebtedness).

SFAS 150 means Statement No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity, of the Financial Accounting Standards Board.

Significant Subsidiary means any Restricted Subsidiary of US Unwired that is a significant subsidiary as defined in Article 1-02(w) of Regulation S-X under the Securities Act.

Sprint means Sprint Corporation and/or its Affiliates, or their successors, including Sprint Nextel.

Sprint Agreements means the long term agreements, including management agreements, service agreements, and trademark and license agreements, entered into by certain operating subsidiaries of U.S. Unwired Inc. with Sprint PCS, granting such operating subsidiaries with the right, among other things, to exclusively market PCS products and services under the Sprint and Sprint PCS brand names in such operating subsidiaries' markets.

Sprint PCS means Sprint Corporation, Sprint Spectrum, L.P., Wireless, L.P. and Sprintcom, Inc. or any Affiliates thereof or their successors.

Sprint PCS Affiliate means any Person whose sole or predominant business is operating a personal communications services business pursuant to arrangements with Sprint Spectrum L.P. and/or its Affiliates, or their successors, similar to the Sprint Agreements.

Stated Maturity, when used with respect to any note or any installment of interest thereon, means the date specified in such note as the date on which the principal of such note or such installment of interest is due and payable.

Subordinated Indebtedness means Indebtedness of US Unwired or any Restricted Subsidiary, whether outstanding on the date hereof or hereafter Incurred, which is by its terms expressly subordinate or junior in right of payment to any other Indebtedness of US Unwired or a Restricted Subsidiary, as the case may be.

Subsidiary means, as applied to any Person, (1) any corporation of which more than 50% of the outstanding Capital Stock (other than directors' qualifying shares) having ordinary Voting Power to elect its board of directors, regardless of the existence at the time of a right of the holders of any class or classes of securities of such corporation to exercise such Voting Power by reason of the happening of any contingency, or any entity other than a corporation of which more than 50% of the outstanding ownership

interests, is at the time owned directly or indirectly by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person or (2) any other entity which is directly or indirectly controlled by such Person, or by one or more Subsidiaries of such Person, or by such Person and one or more Subsidiaries of such Person.

**Subsidiary Guarantee** means, in respect of either series of notes, the Guarantee by each Guarantor of US Unwired's obligations under the applicable indenture and the notes issued under such indenture, executed pursuant to the provisions of such indenture.

**Telecommunications Business** means the business of (1) transmitting, or providing services relating to the transmission of, voice, video or data through owned or leased wireline or wireless transmission facilities, (2) creating, developing, constructing, installing, repairing, maintaining or marketing communications-related systems, network equipment and facilities, software and other products or (3) evaluating, owning, operating, participating in or pursuing any other business that is incidental or reasonably related to those identified in clause (1) or (2) above or is a reasonable extension thereof, in each case as determined in good faith by US Unwired's Board of Directors.

**Treasury Rate** means, as of any date, the yield to maturity as of such date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the such date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such date to the Stated Maturity or applicable redemption date, as the case may be; provided, however, that if the period from such date to the Stated Maturity or applicable redemption date, as the case may be, is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

**2010 Note Obligations** means Note Obligations in respect of the 2010 notes.

**2010 Notes Trustee** has the meaning set forth under Security for the Notes Intercreditor Agreement.

**2012 Note Obligations** means Note Obligations in respect of the 2012 notes.

**2012 Notes Trustee** has the meaning set forth under Security for the Notes Intercreditor Agreement.

**Unrestricted Subsidiary** of any Person means (1) any Subsidiary of such Person that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below and (2) any Subsidiary of an Unrestricted Subsidiary. Any Subsidiary of US Unwired may be designated by the Board of Directors of US Unwired as an Unrestricted Subsidiary by a Board Resolution, but only if the Subsidiary:

(1) has no Indebtedness other than Non-Recourse Debt;

(2) is not party to any agreement, contract, arrangement or understanding with US Unwired or any Restricted Subsidiary of US Unwired, unless the terms of any such agreement, contract, arrangement or understanding are no less favorable, as determined in good faith by the Board of Directors of US Unwired, to US Unwired or the Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of US Unwired; and

(3) is a Person with respect to which neither US Unwired nor any of its Restricted Subsidiaries has any direct or indirect obligation

(a) to subscribe for additional Capital Stock or

(b) to maintain or preserve that Person's financial condition or to cause that Person to achieve any specified levels of operating results.

Any such designation by the Board of Directors of US Unwired shall be evidenced to the trustee by filing with the trustee a certified copy of the Board Resolution giving effect to that designation and an Officers Certificate certifying that that designation complied with the preceding conditions and was permitted by the covenant described above under Certain Covenants Limitation on Restricted Payments. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it shall, after that time, cease to be an Unrestricted Subsidiary for purposes of the indentures, and any Indebtedness of that Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of US Unwired as of that date (and, if that Indebtedness is not permitted to be incurred as of that date under the covenants described above under Certain Covenants Limitation on Consolidated Indebtedness, US Unwired shall be in default of that covenant). The Board of Directors of US Unwired may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that the designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of US Unwired of any outstanding Indebtedness of such Unrestricted Subsidiary, and that designation shall only be permitted if:

(A) the Indebtedness is permitted under the covenant described above under Certain Covenants Limitation on Consolidated Indebtedness calculated on a pro forma basis as if that designation had occurred at the beginning of the Reference Period and

(B) no Default or Event of Default would occur or be in existence following that designation.

Notwithstanding anything to the contrary in this description of notes or in the indentures, IWO Holdings Inc. and its subsidiaries shall each be deemed an Unrestricted Subsidiary as of the Issue Date and shall thereafter remain an Unrestricted Subsidiary unless and until designated by the Board of Directors as a Restricted Subsidiary in accordance with the terms of the indentures.

Voting Power of any Person means the aggregate number of votes of all classes of Capital Stock of such Person which ordinarily have voting power for the election of directors of such Person.

Wholly Owned Restricted Subsidiary of any Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person or by such Person and one or more Wholly Owned Restricted Subsidiaries of such Person.

### **BOOK-ENTRY; DELIVERY AND FORM**

#### **The Global Notes**

The notes were issued in global form, called global notes, without interest coupons.

Upon issuance, the global notes were deposited with the trustee as custodian for DTC and registered in the name of Cede & Co., as nominee of DTC.

Ownership of beneficial interests in each global note is limited to persons who have accounts with DTC, called DTC participants, or persons who hold interests through DTC participants. Under procedures established by DTC: upon deposit of each global note with DTC's custodian, DTC credits portions of the principal amount of the global note to the accounts of the DTC participants who acquired the notes; and

ownership of beneficial interests in each global note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the global note).

Beneficial interests in the global notes may not be exchanged for notes in physical, certificated form except in the limited circumstances described below.

### **Book-Entry Procedures for the Global Notes**

All interests in the global notes will be subject to the operations and procedures of DTC, Euroclear and Clearstream. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time.

DTC has advised US Unwired that it is:

a limited purpose trust company organized under the laws of the State of New York;

a banking organization within the meaning of the New York State Banking Law;

a member of the Federal Reserve System;

a clearing corporation within the meaning of the Uniform Commercial Code; and

a clearing agency registered under Section 17A of the Securities Exchange Act of 1934.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the initial purchasers of the notes, banks and trust companies, clearing corporations and other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies. These indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC's nominee is the registered owner of a global note, that nominee will be considered the sole owner or holder of the notes represented by that global note for all purposes under the indentures. Except as provided below, owners of beneficial interests in a global note:

will not be entitled to have notes represented by the global note registered in their names;

will not receive or be entitled to receive physical, certificated notes; and

will not be considered the owners or holders of the notes under the indentures for any purpose, including with respect to the giving of any direction, instruction or approval to the trustee under the indentures.

As a result, each investor who owns a beneficial interest in a global note must rely on the procedures of DTC to exercise any rights of a holder of notes under the indentures (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium (if any) and interest with respect to the notes represented by a global note will be made by the trustee to DTC's nominee as the registered holder of the global note. Neither US Unwired nor the trustee will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a global note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a global note will be governed by standing instructions and customary industry practice and will be the responsibility of those participants or indirect participants and DTC.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream will be effected in the ordinary way under the rules and operating procedures of those systems.

Cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream. To deliver or receive an interest in a global note held in a Euroclear or Clearstream account, an investor must send transfer instructions to Euroclear or Clearstream, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, as the case may be, will send instructions to its DTC depository to take action to effect final settlement by delivering or receiving interests in the relevant global notes in DTC, and making or receiving payment under normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant that purchases an interest in a global note from a DTC participant will be credited on the business day for Euroclear or Clearstream immediately following the DTC settlement date. Cash received in Euroclear or Clearstream from the sale of an interest in a global note to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream cash account as of the business day for Euroclear or Clearstream following the DTC settlement date.

DTC, Euroclear and Clearstream have agreed to the above procedures to facilitate transfers of interests in the global notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither US Unwired, Sprint Nextel nor the trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

#### **Certificated Notes**

Notes in physical, certificated form will be issued and delivered to each person that DTC identifies as a beneficial owner of the related notes only if:

DTC notifies US Unwired at any time that it is unwilling or unable to continue as depository for the global notes and a successor depository is not appointed within 90 days;

DTC ceases to be registered as a clearing agency under the Securities Exchange Act of 1934 and a successor depository is not appointed within 90 days; or

other events specified in the indentures should occur.

#### **UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS**

The unaudited pro forma condensed combined balance sheet combines the historical consolidated balance sheets of Sprint and Nextel Communications, giving effect to the merger as if it had been consummated on June 30, 2005. The unaudited pro forma condensed combined statements of operations for the six months ended June 30, 2005 and for the year ended December 31, 2004 combine the historical consolidated statements of operations of Sprint and Nextel Communications, giving effect to the merger as if it had occurred on January 1, 2004. The historical consolidated financial information has been adjusted to give effect to pro forma events that are (1) directly attributable to the merger, (2) factually supportable, and (3) with respect to the statement of operations, expected to have a continuing impact on the combined results. Intercompany transactions have not been eliminated as the preliminary estimates are not material to the pro forma condensed combined financial statements. In connection with the merger, Sprint changed its name to Sprint Nextel Corporation.

These unaudited pro forma condensed combined financial statements should be read in conjunction with the historical consolidated financial information and accompanying notes of Sprint and Nextel Communications, which have been incorporated by reference into or included in this prospectus. The unaudited pro forma condensed combined financial statements are not necessarily indicative of the

operating results or financial position that would have occurred if the merger had been completed at the dates indicated.

The unaudited pro forma condensed combined financial statements were prepared using the purchase method of accounting with Sprint treated as the acquiring entity. Accordingly, consideration paid by Sprint to complete the merger with Nextel Communications was allocated to Nextel Communications' assets and liabilities based upon their estimated fair values as of the date of completion of the merger. The allocation is dependent upon certain valuations and other studies that have not progressed to a stage where there is sufficient information to make a definitive allocation. Additionally, the fair value of Nextel Communications' assets and liabilities was based on the actual net tangible and intangible assets of Nextel Communications that existed as of the date of completion of the merger. Accordingly, the pro forma purchase price adjustments are preliminary, subject to future adjustments and have been made solely for the purpose of providing the unaudited pro forma condensed combined financial information presented below.

We expect to incur significant costs over the next several years associated with integrating the Sprint and Nextel Communications businesses. Management's development of these integration plans is underway. The impact of these plans, assuming they were in place at the date of completion of the merger, could increase or decrease the amount of goodwill and intangible assets recognized in accordance with EITF No. 95-3, *Recognition of Liabilities in Connection with a Purchase Business Combination*. The unaudited pro forma condensed combined financial statements do not reflect the cost of any integration activities or benefits that may result from synergies that may be derived from any integration activities.

Following the merger, we also expect to incur certain other costs that are attributable to the merger, such as retention payments payable to both Sprint and Nextel Communications employees. These costs are currently estimated to be approximately \$200 million. Approximately 50% of the retention costs were paid upon completion of the merger and 50% are payable to employees if still employed at the end of the transition period, not to exceed one year. Additionally, prior to the merger, Nextel Communications incurred costs of \$50 million related to consideration payable to Motorola in connection with the transaction contemplated by the merger agreement in exchange for Motorola's agreement not to dispose of its Nextel Communications class B common stock (or the Sprint Nextel securities into which such shares were converted) for a period of time after completion of the merger and to agree to modifications of certain provisions of those securities. Since these costs are not expected to have a continuing impact on our operations, they have not been included in the unaudited pro forma condensed combined financial statements presented below.

We intend to spin off our local telecommunications business as a separate entity to our stockholders. There are significant operational and technical challenges that will need to be addressed in order to successfully separate the assets and operations of the local telecommunications business from the rest of our operations. The contemplated spin-off will also require the creation of a new publicly traded company with a capital structure appropriate for that company, the creation and staffing of operational and corporate functional groups and the creation of transition services arrangements between us and the spun-off company. The spin-off may result in additional and unforeseen expenses, and the completion of the spin-off cannot be assured. Completion of the spin-off will be conditioned, among other things, upon receipt of required consents and approvals from various federal and state regulatory agencies, including state public utility or service commissions. These consents and approvals, if received, may impose conditions and limitations on our business and operations. These conditions and limitations could jeopardize or delay completion of the spin-off and could reduce the anticipated benefits of the spin-off.

In addition, the company to be spun off is expected to have total indebtedness of about \$7.25 billion when the spin-off is completed. A portion of this debt is currently outstanding. The remainder will be issued to us and to one or more third parties. We will receive the new debt securities and the cash proceeds from the new third party borrowings in partial exchange for the assets contributed to the company to be spun-off. We will sell or exchange the debt securities issued to us and intend to use the



proceeds from any such sale and the proceeds paid to us by the spun-off company to repay various obligations. Because the amount of indebtedness to be incurred by the subsidiary to be spun off has not yet been determined, the proceeds to be received by us in connection with the spin-off and available to repay our obligations cannot yet be determined.

Additionally, if we are unable to complete the contemplated spin-off on a tax-free basis, the contemplated spin-off will not occur. As a result of these uncertainties, the contemplated spin-off has not been reflected in these unaudited pro forma condensed combined financial statements.

These unaudited pro forma condensed combined financial statements reflect a preliminary allocation of the purchase price as if the merger had been completed on June 30, 2005, with respect to the balance sheet, and on January 1, 2004, with respect to the statements of operations. The preliminary allocations are subject to change based on finalization of the fair values of the tangible and intangible assets acquired and liabilities assumed as described above. The purchase price of \$37,806 million has been calculated as follows (*in millions except per share amounts and ratios*):

Number of shares of Nextel class A and class B common stock outstanding at August 12, 2005	1,145.52	
Stock exchange ratio	1.26750218	
Multiplied by Sprint series 1 common stock average stock price for the period two business days before and through the two business days after the December 15, 2004 announcement of the merger	\$ 24.55	
Estimated value of shares issued		\$ 35,645
Number of shares of Nextel class A and class B common stock outstanding at August 12, 2005	1,145.52	
Cash exchange ratio	.03249782	
Multiplied by Sprint series 1 common stock average stock price on the NYSE during the 20 trading day period ending on the date of completion of the merger	\$ 26.0415	
Estimated cash distribution to Nextel common stockholders		969
Estimated fair value of vested Nextel stock options, exchanged for Sprint Nextel stock options, which were outstanding as of August 12, 2005		672
Estimated fair value of unvested Nextel stock options, exchanged for Sprint Nextel stock options, which were outstanding as of August 12, 2005		450
Estimated transaction costs		70
Estimated purchase price		\$ 37,806

The purchase price has been assigned to the net tangible and intangible assets acquired and liabilities assumed as follows (*in millions*):

	<b>June 30, 2005 Historical Net Book Value</b>	<b>Purchase Price Adjustment</b>	<b>Preliminary Fair Value</b>
Current assets	\$ 6,621	\$ (46)	\$ 6,575
Property, plant and equipment	10,279	(2,416)	7,863
Indefinite life intangibles (including goodwill)	7,679	23,428	31,107
Customer relationships and other	49	10,300	10,349
Other assets	798	2,063	2,861
Current liabilities	(3,117)	43	(3,074)
Long-term debt	(8,576)	(436)	(9,012)
Deferred income taxes	(2,028)	(6,566)	(8,594)
Other long-term liabilities	(687)	(32)	(719)
Mandatorily redeemable zero coupon preferred stock	(7)	7	
Deferred compensation included in stockholders equity		450	450
Total	\$ 11,011	\$ 26,795	\$ 37,806

**SPRINT NEXTEL**  
**UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET**  
*(Millions)*

As of June 30, 2005	Sprint Corporation	Nextel Communications	Purchase Accounting Adjustments	Income Tax Adjustments	Pro Forma Sprint Nextel
<b>ASSETS</b>					
Current assets					
Cash and equivalents	\$ 6,235	\$ 2,286	\$ (1,039)(a)	\$	\$ 7,482
Investments in securities	598	488			1,086
Accounts receivables, net	3,134	1,613			4,747
Inventories	529	380			909
Prepaid expenses	288	258			546
Due from related parties		243			243
Deferred tax asset	781	911			1,692
Other	295	442	(46)(b)		691
<b>Total current assets</b>	<b>11,860</b>	<b>6,621</b>	<b>(1,085)</b>		<b>17,396</b>
Net property, plant and equipment	22,145	10,279	(2,416)(c)		30,008
Intangible assets					
Indefinite life intangibles	7,772	7,679	16,862(d)	6,566(k)	38,879
Customer relationships and other	56	49	10,300(e)		10,405
<b>Total net intangible assets</b>	<b>7,828</b>	<b>7,728</b>	<b>27,162</b>	<b>6,566</b>	<b>49,284</b>
Other	696	798	2,063(f)		3,557
<b>Total</b>	<b>\$ 42,529</b>	<b>\$ 25,426</b>	<b>\$ 25,724</b>	<b>\$ 6,566</b>	<b>\$ 100,245</b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>					
Current liabilities					
Current maturities of long-term debt	\$ 984	\$	\$	\$	\$ 984
Accounts payable and accrued interconnection costs	2,526	1,004			3,530
Accrued restructuring costs	117				117
Due to related parties		660			660
Other	3,050	1,453	(43)(b)		4,460
<b>Total current liabilities</b>	<b>6,677</b>	<b>3,117</b>	<b>(43)</b>		<b>9,751</b>
Noncurrent liabilities	15,090	8,576	436(g)		24,102

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Long-term debt and capital lease obligations					
Deferred income taxes	2,467	2,028		6,566(k)	11,061
Other	3,570	687	32(h)		4,289
Total noncurrent liabilities	21,127	11,291	468	6,566	39,452
Redeemable preferred stock	247	7	(7)(i)		247
Common stock and other stockholders equity					
Common stock	2,972	1	2,828(j)		5,801
Other stockholders equity	11,506	11,010	22,478(j)		44,994
Total stockholders equity	14,478	11,011	25,306		50,795
Total	\$ 42,529	\$ 25,426	\$ 25,724	\$ 6,566	\$ 100,245

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements

**SPRINT NEXTEL**  
**UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS**  
*(Millions, except per share data)*

Six Months Ended June 30, 2005	Sprint	Nextel	Purchase Accounting	Income Tax	Accounting Conformity	Pro Forma Sprint Nextel
Corporate Communications			Adjustments	Adjustments	Adjustments	
<b>Net Operating Revenues</b>	\$ 14,049	\$ 7,427	\$	\$	\$	\$ 21,476
<b>Operating Expenses</b>						
Costs of services and products	6,523	2,243	(1)(l)		558(s)	9,323
Selling, general and administrative	3,189	2,451	86(m)		(453)(s)(t)	5,273
Depreciation and amortization	2,072	1,026	1,069(n)			4,167
Restructuring and asset impairments	33					33
<b>Total operating expenses</b>	11,817	5,720	1,154		105	18,796
<b>Operating Income</b>	2,232	1,707	(1,154)		(105)	2,680
Interest expense	(581)	(256)	18(o)			(819)
Premium on early retirement of debt		(37)				(37)
Other income, net	81	76	(14)(p)			143
Income from continuing operations before income taxes	1,732	1,490	(1,150)		(105)	1,967
Income tax expense	(660)	(361)	(203)(q)	453(r)	41(u)	(730)
<b>Income from Continuing Operations</b>	\$ 1,072	\$ 1,129	\$ (1,353)	\$ 453	\$ (64)	\$ 1,237
<b>Diluted Earnings per Common Share from Continuing Operations(v)</b>	\$ 0.71					\$ 0.42
<b>Basic Earnings per Common Share from Continuing Operations(v)</b>	\$ 0.72					\$ 0.42
Sprint Corporation diluted weighted average common shares(w)	1,496.5					1,496.5
Nextel Communications diluted weighed average common shares(w)						1,142.4
Stock exchange ratio						1.26750218

Former Nextel Communications  
diluted weighted average common  
shares converted to Sprint Nextel  
Corporation(w)

1,448.0

Sprint Nextel diluted weighted  
average common shares(w)

&