SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **1999-09-28** | Period of Report: **1999-09-17**
SEC Accession No. 0001051512-99-000022

(HTML Version on secdatabase.com)

FILER

TELEPHONE & DATA SYSTEMS INC /DE/

CIK:**1051512**| IRS No.: **362669023** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-14157** | Film No.: **99719016**
SIC: **4813** Telephone communications (no radiotelephone)

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FORM 8-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 17, 1999

TELEPHONE AND DATA SYSTEMS, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-14157	36-2669023
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

30 North LaSalle Street, Chicago, Illinois	60602
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (312) 630-1900

Not Applicable
(Former name or former address, if changed since last report)

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Item 5. Other Events.

On September 20, 1999, Telephone and Data Systems, Inc. (the "Company" or "TDS") announced that it will not pursue a spin-off of Aerial Communications, Inc. ("Aerial", NASDAQ: AERL). Instead it will exchange its shares in Aerial Communications for VoiceStream Wireless Corporation ("VoiceStream", NASDAQ: VSTR) stock in conjunction with the announced merger between Aerial and Voicestream. As a result of the merger, the shareholders of Aerial, including TDS, will have the right to receive .455 shares of VoiceStream Wireless Corporation stock for each share of Aerial stock they currently own. In addition, TDS will replace $420 million of its loan to a subsidiary of Aerial with shares of Aerial at $22 per share.

This Current Report on Form 8-K is being filed for the purpose of filing the news release issued by the Company relating to such announcement and various agreements related to the merger as exhibits.

Item 7. Financial Statements and Exhibits

Exhibits

The exhibits accompanying this report are listed in the accompanying Exhibit Index.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

Telephone and Data Systems, Inc.
(Registrant)

Date: September 28, 1999

By: /s/ SANDRA L. HELTON

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Sandra L. Helton
Executive Vice President-Finance
(Chief Financial Officer)

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
99.1	News Release dated September 20, 1999
99.2	Agreement and Plan of Reorganization dated September 17, 1999 among VoiceStream Wireless Corporation, VoiceStream Wireless Holding Corporation, VoiceStream Subsidiary III Corporation, Aerial Communications, Inc. and Telephone and Data Systems, Inc.
99.3	Stockholder Agreement dated as of September 17, 1999 by and between Telephone an Data Systems, Inc. and stockholder of Aerial Communications, Inc., and VoiceStream Wireless Corporation, and VoiceStream Wireless Holding Corporation.
99.4	Indemnity Agreement dated as of September 17, 1999, among VoiceStream Wireless Corporation, VoiceStream Wireless Holding Corporation, Aerial Communications, Inc., Aerial Operating Company, Inc., and Telephone and Data Systems, Inc.
99.5	Debt/Equity Replacement Agreement dated as of September 17, 1999 made by and among Telephone and Data Systems, Inc., Aerial Communications, Inc., Aerial Operating Company, Inc., VoiceStream Wireless Corporation, and VoiceStream Wireless Holding Corporation.
99.6	Parent Stockholder Agreement dated as of September 17, 1999 by and among Aerial

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	Communications, Inc., Telephone and Data Systems, Inc., VoiceStream Wireless Corporation, VoiceStream Wireless Holding Corporation and the individuals and entities set forth on Schedule I.

99.7	Settlement Agreement and Release is entered into as of the 17th day of September 1999 by and among Sonera Ltd., Sonera Corporation U.S., Telephone and Data Systems, Inc.,Aerial Communications, Inc., and Aerial Operating Company, Inc. This agreement is joined by VoiceStream Wireless Corporation and VoiceStream Wireless Holding Corporation.

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Exhibit 99.1

Contact: Mark A. Steinkrauss
Vice President, Corporate Relations
(312) 630-1900 email: mark.steinkrauss@teldta.com

FOR RELEASE: IMMEDIATE

TDS Announces Aerial Communications to Merge with VoiceStream... Will Not Pursue Tax-Free Spin-Off of Aerial

September 20, 1999, Chicago, Illinois - Telephone and Data Systems, Inc. [AMEX:TDS] announced today that it will not pursue a spin-off of Aerial Communications [NASDAQ:AERL]. Instead it will exchange its shares (59,086,000 as of June 30, 1999) in Aerial Communications for VoiceStream Wireless Corporation [NASDAQ: VSTR] stock in conjunction with the announced merger between Aerial and VoiceStream. The merger is designed to position Aerial to take advantage more effectively of the outstanding opportunities that exist within the GSM segment of the wireless communications industry. As a result of the merger, the shareholders of Aerial, including TDS, will have the right to receive .455 shares of VoiceStream Wireless Corporation stock for each share of Aerial stock they currently own. In addition, TDS will replace $420 million of its loan to Aerial with shares of Aerial at $22 per share. In total, TDS will own 35.6 million shares of VoiceStream after the merger.

"We believe the combined Aerial-VoiceStream company will emerge as one of the leading wireless companies. TDS is pleased to become a significant and supportive shareholder of the new company," said Ted Carlson, president and chief executive officer of TDS.

"Don Warkentin and the Aerial team have made excellent progress in building Aerial to its current scope. We believe that John Stanton and the combined Aerial-VoiceStream team will take the larger, national company forward to great performance for both customers and shareholders."

Mr. Carlson added: "The Aerial merger will enable TDS to focus on its mission to provide outstanding communications services in rural and mid-size markets. Our post- Aerial balance sheet will show the financial strength and liquidity which, combined with continuing excellent financial results from U.S. Cellular and TDS Telecom, will provide outstanding opportunities to enhance shareholder value in the future."

"The transaction will enable TDS to direct its cash flow, which in the recent past has been used to support the substantial start-up costs at Aerial, to other

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purposes. TDS will carefully consider making acquisitions designed to strengthen its two core businesses, U.S. Cellular and TDS Telecom, or using the cash flow for other purposes designed to enhance the value of TDS's shares. In addition, TDS anticipates that it

may use a portion of its free cash flow to repurchase TDS stock on the open market as long as it remains an excellent value and market conditions warrant," Carlson said.

TDS is a diversified telecommunications corporation founded in 1969. Through its strategic business units, U.S. Cellular, TDS Telecom and Aerial Communications, TDS operates primarily in cellular, local telephone and personal communications services ("PCS") markets around the country. TDS builds value for its shareholders by providing excellent communications services in growing, closely related segments of the telecommunications industry. The Company currently employs approximately 10,000 people and serves 3.3 million customers in 35 states.

Except for the historical and factual information presented, other information set forth in this news release represents forward-looking statements, including all statements about the Company's plans, beliefs, estimates and expectations. These statements are based on current estimates and projections, which involve certain risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Important factors that may affect these forward-looking statements include, but are not limited to: changes in the overall economy; changes in competition in the markets in which TDS operates; advances in telecommunications technology; changes in the telecommunications regulatory environment; pending and future litigation; availability of future financing; unanticipated changes in growth in cellular and PCS customers, penetration rates, churn rates and the mix of products and services offered; and unanticipated problems with the Year 2000 issue. Investors are encouraged to consider these and other risks and uncertainties that are discussed in documents filed by TDS with Securities and Exchange Commission.

-end-

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Exhibit 99.2

AGREEMENT AND PLAN OF REORGANIZATION

Dated as of September 17, 1999

among

VoiceStream Wireless Corporation

VoiceStream Wireless Holding Corporation

VoiceStream Subsidiary III Corporation

Aerial Communications, Inc.

and

Telephone and Data Systems, Inc.

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AGREEMENT AND PLAN OF REORGANIZATION

AGREEMENT AND PLAN OF REORGANIZATION, dated as of September 17, 1999 (this "Agreement") among VoiceStream Wireless Corporation, a Washington corporation ("VoiceStream"), VoiceStream Wireless Holding Corporation, a Delaware corporation ("Holding"), (VoiceStream and Holding are collectively referred to herein as "Parent" as explained below) VoiceStream Subsidiary III Corporation, a Delaware corporation ("Merger Sub C"), which shall be a wholly owned direct subsidiary of Holding as of the Effective Time, Aerial Communications, Inc., a Delaware corporation (the "Company") (Merger Sub C and the Company being hereinafter collectively referred to as the "Constituent Corporations"), and Telephone and Data Systems, Inc., a Delaware corporation ("Series A Stockholder"). Except as otherwise set forth herein, capitalized (and certain other) terms used herein shall have the meanings set forth in Section 9.3.

W I T N E S S E T H:

WHEREAS, VoiceStream, Holding and Omnipoint Corporation, a Delaware corporation ("Omnipoint"), have entered into an Agreement and Plan of Reorganization dated as of June 23, 1999 (the "Omnipoint Agreement") providing for, among other things, the merger of a subsidiary of Holding ("Merger Sub A") into VoiceStream (the "VoiceStream Merger"), and the merger of another subsidiary of Holding ("Merger Sub B") into Omnipoint (the "Omnipoint Merger")(the VoiceStream Merger, the Omnipoint Merger and the other transactions contemplated by the Omnipoint Agreement are herein referred to as the "Omnipoint Reorganization");

WHEREAS, the reorganization provided herein (the "Reorganization") shall include the merger (the "Merger") of Merger Sub C with and into the Company and, if applicable, the other transactions described below;

WHEREAS, if the Omnipoint Reorganization is consummated prior to the

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consummation of the transactions contemplated by this Agreement, and the other conditions to the Reorganization specified in Article VII are satisfied or waived, in the Reorganization, Holding shall be Parent and shall acquire all of the common stock of the Company through the Merger, in which case the Merger will occur as part of and concurrently with or promptly after the Omnipoint Reorganization;

WHEREAS, if the transactions contemplated by the Omnipoint Agreement are terminated or not consummated by the Omnipoint End Date (as defined herein), and the other conditions to the Reorganization specified in Article VII are satisfied or waived by the Omnipoint End Date, in the Reorganization, Holding shall be Parent and shall concurrently acquire (i) all of the common stock of the Company through the Merger and (ii) all of the common stock of VoiceStream through the VoiceStream Merger;

WHEREAS, the respective Boards of Directors of VoiceStream, Holding, Merger Sub C and the Company have approved and declared advisable the Reorganization,

upon the terms and subject to the conditions herein set forth whereby each issued and outstanding Series A Common Share, $1.00 par value, of the Company ("Company Series A Common Shares") and each issued and outstanding Common Share, $1.00 par value of the Company ("Company Common Shares" and together with the Company Series A Common Shares, "Company Common Stock"), other than shares of Company Common Stock owned directly or indirectly by Parent or the Company, will be converted into shares of Common Stock, $0.001 par value, of Parent ("Parent Common Stock") or, to the extent provided herein, cash;

WHEREAS, the respective Boards of Directors of VoiceStream, Holding and the Company have determined that the Reorganization is in furtherance of and consistent with their respective long-term business strategies and is fair to and in the best interests of their respective stockholders;

WHEREAS, for federal income tax purposes, it is intended that the Reorganization shall qualify as a reorganization within the meaning of Section 368(a) of the United States Internal Revenue Code of 1986, as amended (the "Code"), and/or as an exchange described in Section 351(a) of the Code;

WHEREAS, VoiceStream, Holding, Merger Sub C and the Company desire to make certain representations, warranties, covenants and agreements in connection with the Reorganization and also to prescribe various conditions to the Reorganization.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, VoiceStream, Holding, Merger Sub C and the Company hereby agree as

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follows:

Article I - The Reorganization

Section 1.0 The Reorganization. (a) Holding has caused Merger Sub A, Merger Sub B and Merger Sub C to be organized for the purposes of effectuating the Omnipoint Merger, the VoiceStream Merger, and the Merger. Merger Sub A, Merger Sub B and Merger Sub C are collectively referred to as "Merger Subs".

(b) If the Omnipoint Reorganization is consummated by the Omnipoint End Date, the Merger shall occur as specified herein as part of and concurrently with or promptly after the Omnipoint Reorganization.

(c) If the transactions contemplated by the Omnipoint Agreement are terminated or not consummated by the Omnipoint End Date and the other conditions to the Reorganization specified in Article VII are satisfied or waived by the Omnipoint End Date, Holding shall concurrently acquire (i) all of the common stock of the Company through the Merger as specified herein, and (ii) all of the common stock of VoiceStream through the VoiceStream Merger as specified in this Section 1.0(c). In such event, pursuant to Articles of Merger and a Plan of Merger, in a form to be mutually agreed

upon by VoiceStream and the Company (sometimes hereinafter referred to collectively as the "Merger Document" or "Merger Documents"), upon the terms and subject to the conditions set forth in this Agreement and in the Merger Documents:

(i) In the VoiceStream Merger, Merger Sub A shall be merged with and into VoiceStream in accordance with the applicable provisions of Washington law. VoiceStream shall be the surviving corporation in the VoiceStream Merger and shall continue its corporate existence under Washington law. As a result of the VoiceStream Merger, VoiceStream shall become a wholly owned Subsidiary of Holding. The effects and consequences of the VoiceStream Merger shall be as set forth in the VoiceStream Merger Documents.

(ii) The parties shall (i) file Merger Documents as are required by and executed in accordance with Washington law and (ii) make all other filings or recordings required under applicable Washington law.

(iii) In the case of this Section 1.0(c), the Effective Time shall be the later of (i) the date and time of the filing of the Merger Documents with respect to the VoiceStream Merger (or such other date and time as may be specified in such documents as may be permitted by Washington law) and (ii) the date and time of the filing of the

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Certificate of Merger (as defined below) with respect to the Merger (or such other date and time as may be specified in such certificate as may be permitted by Delaware law).

(iv) At the Effective Time, by virtue of the VoiceStream Merger and without any action on the part of any of the parties, each share of the common stock of Merger Sub A outstanding immediately prior to the Effective Time shall be converted into and shall become one share of common stock of the surviving corporation of the VoiceStream Merger.

(v) At the Effective Time, the one share of the capital stock of Holding issued to VoiceStream and outstanding immediately prior to the Effective Time shall be cancelled and cease to exist.

(vi) At the Effective Time, each share of VoiceStream Common Stock that is issued and outstanding immediately prior to the Effective Time shall be converted into one share of Holding Common Stock. Upon such conversion, all such shares of VoiceStream Common Stock shall be cancelled and cease to exist, and each certificate theretofore representing any such shares shall, without any action on the part of the holder thereof, be deemed to represent an equivalent number of shares of Holding Common Stock.

(vii) Notwithstanding the foregoing, VoiceStream Common Stock outstanding immediately prior to the Effective Time and held by a holder who has

not voted in favor of the Reorganization and has demanded appraisal for such shares in accordance with Washington law ("Dissenting Shares") shall not be converted into a right to receive shares of Holding Common Stock unless such holder fails to perfect, withdraws or otherwise loses its right to appraisal. If, after the Effective Time, such holder fails to perfect, withdraws or loses its right to appraisal, such shares shall be treated as if they had been converted as of the Effective Time into a right to receive Holding Common Stock.

(d) All representations, warranties and covenants of Parent are hereby made on a joint and several basis by VoiceStream and Holding.

Section 1.1 The Merger. Upon the terms and subject to the conditions hereof, and in accordance with the DGCL, in the Reorganization, Merger Sub C shall be merged with and into the Company at the Effective Time. Following the Effective Time, the separate corporate existence of Merger Sub C shall cease and the Company shall continue as the surviving corporation (the "Surviving Corporation") and shall succeed to and assume all the rights and obligations of

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Merger Sub C and the Company in accordance with the DGCL.

Section 1.2 Closing. Unless waived by Parent, the Company and Parent shall use their reasonable commercial efforts to cause the closing of the transactions contemplated by this Agreement (the "Closing") to take place concurrently with the closing of the Omnipoint Reorganization or as soon as practicable thereafter, subject to the satisfaction or waiver of the conditions set forth in Article VII. If the Omnipoint Reorganization does not take place, the Closing will take place at 10:00 a.m. on the fifth Business Day after satisfaction or waiver of the conditions set forth in Article VII, at the offices of Sidley & Austin, One First National Plaza, Chicago, Illinois 60603, or, at the request of Parent, at the offices of Sidley & Austin, 873 Third Avenue, New York, New York 10022, unless another date, time or place is agreed to in writing by the parties hereto. The date on which the Closing takes place is herein referred to as the "Closing Date."

Section 1.3 Effective Time. The Merger shall become effective when a Certificate of Merger (the "Certificate of Merger"), executed in accordance with the relevant provisions of the DGCL, is duly filed with the Secretary of State of the State of Delaware, or at such other time as Merger Sub C and the Company shall agree should be specified in the Certificate of Merger. Except as provided in Section 1.0(c)(iii), the term "Effective Time" shall mean the later of the date and time at which the Certificate of Merger is duly filed with the Secretary of State of the State of Delaware or such later time established by the Certificate of Merger. The filing of the Certificate of Merger shall be made as soon as practicable after the satisfaction or waiver of the conditions set forth herein.

Section 1.4 Effects of the Merger. The Merger shall have the effects set forth in the DGCL.

Section 1.5 Restated Certificate of Incorporation and By-laws; Officers and Directors. (a) The Restated Certificate of Incorporation of the Company, as in effect immediately prior to the Effective Time, shall be amended as of the Effective Time as set forth on Annex A hereto. As so amended, such Restated Certificate of Incorporation shall be the Restated Certificate of Incorporation of the Surviving Corporation until thereafter changed or amended as provided therein or by applicable law.

(b) The Restated By-laws of the Company, as in effect immediately prior to the Effective Time, shall be amended as of the Effective Time as set forth on Annex B. As so amended, such Restated By-laws shall be the By-laws of the Surviving Corporation until thereafter changed or amended as provided by the Restated Certificate of Incorporation of the Surviving Corporation or by applicable law.

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(c) Subject to Section 2.2 of the Investment Agreement, the directors of Merger Sub C immediately prior to the Effective Time shall be the directors of the Surviving Corporation, until the next annual meeting of stockholders (or the earlier of their resignation or removal) and until their respective successors are duly elected and qualified, as the case may be.

(d) Subject to the Management Side Letter, the officers of Merger Sub C immediately prior to the Effective Time shall be the officers of the Surviving Corporation until the earlier of their resignation or removal and until their respective successors are duly elected and qualified, as the case may be.

Article II - Effect of the Merger on the Stock of the Constituent Corporations; Surrender of Certificates

Section 2.1 Effect on Stock. As of the Effective Time, by virtue of the Merger and without any action on the part of any of Sub, the Company or the holders of any securities of the Constituent Corporations:

(a) Capital Stock of Sub. Each issued and outstanding share of capital stock of Merger Sub C shall be converted into and become one validly issued, fully paid and nonassessable share of Common Stock, no par value, of the Surviving Corporation.

(b) Treasury Stock and Parent Owned Stock. Each share of Company Common Stock that is owned by the Company or by any Subsidiary of the Company and each share of Company Common Stock that is owned by Parent, Merger Sub C or any other Subsidiary of Parent shall automatically be cancelled and retired and shall cease to exist, and no consideration shall be delivered in exchange therefor.

(c) Conversion of Company Common Stock. Except as set forth in Item 2.1(c) of the Company Letter, as of the date hereof, no shares of Company Common Stock or Stock Equivalents were issued, reserved for issuance or outstanding. Each share of

Company Common Stock issued and outstanding (other than shares of Company Common Stock to be cancelled in accordance with Section 2.1(b)) shall be converted into .455 (the "Conversion Number") validly issued, fully paid and nonassessable shares of Parent Common Stock (the "Per Share Stock Consideration"); provided, that each share of Company Common Stock with respect to which an election to receive only cash has been effectively made by a Public Holder and not revoked or lost pursuant to Section 2.1(d) (a "Cash Election"), shall be converted into the right to receive $18.00 in cash, without interest (the "Per Share Cash Consideration"). Notwithstanding the foregoing, in the event that (i) the Omnipoint Agreement is terminated or the transactions contemplated by the Omnipoint Agreement are not consummated by the Omnipoint End Date and (ii) the Closing Date Market Price is less than $39.56, the Conversion Number shall be

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the amount determined by dividing $18.00 by the Closing Date Market Price, but shall not be greater than .50 or less than .455. In the event Investor exercises its right under Section 10.6 of the Investment Agreement ("Tag-Along Right"), the Operating Company Shares owned by Investor (as described in the Company Letter) shall be converted immediately prior to the Effective Time into such number of shares of Company Common Stock equal to the product of (i) such number of Operating Company Shares and (ii) the Exchange Rate, and the shares of Company Common Stock obtained by Investor through such conversion shall be converted into shares of Parent Common Stock pursuant to the Merger. In the event Investor does not exercise its Tag-Along Right, subject to the authorization, execution and delivery of the Indemnity Agreement, Parent hereby agrees to accept and be bound by all of the rights of Investor and its Affiliates under the Investment Agreement and the Joint Venture Agreement. As of the Effective Time, all such shares of Company Common Stock shall be converted in accordance with this paragraph, and when so converted, shall no longer be outstanding and shall automatically be retired and shall cease to exist, and each holder of a certificate representing any such shares of Company Common Stock shall cease to have any rights with respect thereto, except the right to receive (i) certificates representing the shares of Parent Common Stock into which such shares of Company Common Stock have been converted, (ii) any dividends and other distributions in accordance with Section 2.2(d) and (iii) any cash, without interest, to be paid in lieu of any fractional share of Parent Common Stock in accordance with Section 2.2(e).

(d) Cash Election by Public Holders. Each person who, at the Effective Time, is a record holder of shares of Company Common Stock other than the Series A Stockholder, Investor (with respect to Operating Company Shares owned by Investor which are converted into Company Common Stock immediately prior to the Merger pursuant to the Tag-Along Right) and holders of shares of Company Common Stock to be cancelled as set forth in Section 2.1(b) (such eligible holders hereinafter being referred to as the "Public Holders"), shall have the right to submit an election form (the "Cash Election Form") specifying the number of shares of Company Common Stock that such person desires to have converted into the right to receive the Per Share Cash Consideration pursuant to the Cash Election. Any eligible record holder who fails properly to submit a Cash Election Form on or prior to the Election Deadline in

accordance with the procedures set forth in this Section 2.1(d) shall be entitled to receive the Per Share Stock Consideration for each share of Company Common Stock registered in the name of such holder. Any Cash Election shall be validly made only if the Exchange Agent shall have received a Cash Election Form by 5:00 p.m., New York City time on the twentieth Business Day (the "Election Deadline") after the date on which the Letter of Transmittal and Cash Election Form are sent to the Public Holders pursuant to Section 2.2(b). For a Cash Election made by a Public Holder to be valid, a Cash Election Form properly completed and executed (with the signature or signatures thereon guaranteed to

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the extent required by the Cash Election Form) must be delivered by such holder accompanied by such holder's Certificates, or by an appropriate guarantee of delivery of such Certificates from a member of any registered national securities exchange or of the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States as set forth in such Cash Election Form. Any holder of Company Common Stock who has made an election by submitting an Election Form to the Exchange Agent may at any time prior to the Election Deadline change such holder's election by submitting a revised Cash Election Form and/or a Letter of Transmittal, properly completed and signed, that is received by the Exchange Agent prior to the Election Deadline. Any holder of Company Common Stock may at any time prior to the Election Deadline revoke such holder's election by written notice to the Exchange Agent received by the close of business on the day prior to the Election Deadline, in which event such holder shall be entitled to receive only the Per Share Stock Consideration with respect to each share of Company Common Stock registered in the name of such holder immediately prior to the Effective Time. Parent shall have the right to make reasonable rules (which will be described in the Cash Election Form), not inconsistent with the terms of this Agreement, governing the validity of Cash Election Forms and the procedures for making Cash Elections.

(e) Adjustment of Conversion Number. Except in connection with the Omnipoint Agreement, in the event of any reclassification, stock split or stock dividend with respect to Parent Common Stock, any change or conversion of Parent Common Stock into other securities or any other dividend or distribution with respect to Parent Common Stock (other than normal quarterly cash dividends as the same may be modified from time to time in the ordinary course), or if a record date with respect to any of the foregoing should occur, prior to the Effective Time, appropriate and proportionate adjustments, if any, shall be made to the Conversion Number and the Per Share Cash Election Consideration, and thereafter all references in this Agreement to the Conversion Number and the Per Share Cash Election Consideration shall be deemed to be to the Conversion Number and the Per Share Cash Election Consideration, respectively, as so adjusted.

Notwithstanding the foregoing, in the event of any amendment of the Omnipoint Agreement that would result in a reclassification, stock split, or stock dividend with respect to Parent Common Stock, any change or conversion of Parent Common Shares into other securities or any other dividend or distribution with respect to Parent Common Stock, appropriate and proportionate adjustments, if any, shall be made to the

Conversion Number and the Per Share Cash Election Consideration, and thereafter all references in this Agreement shall be deemed to be the Conversion Number and the Per Share Cash Election Consideration, respectively, as so adjusted.

In the event that the aggregate number of shares of Company Common Stock and Stock Equivalents, not including shares issued or to be issued

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pursuant to the Debt/Equity Replacement Agreement and to TDS and Investor or shares which are or may be issued pursuant to Performance Options ("Adjusted Fully Diluted Shares") exceeds 85,839,161 shares as of the Effective Time, the Conversion Number shall be determined by dividing 39,056,818 by such number of Adjusted Fully Diluted Shares as of the Effective Time. The number of shares of Company Common Stock and Stock Equivalents for the purpose of such recalculation shall be determined in a manner consistent with the methodologies used in preparing Item 2.1(c) of the Company Letter including without limitation the shares of Company Common Stock actually outstanding and shares of Company Common Stock issuable (i) in exchange for the Operating Company Shares whether or not Investor exercises its Tag-Along Rights as set forth in Section 10.6 of the Investment Agreement, (ii) pursuant to Company Stock Options determined using the treasury stock method, (iii) pursuant to the Restricted Stock Plan regardless of whether payment for the Restricted Stock units is made in cash or Company Common Stock, (iv) pursuant to the Tax-Deferred Savings Plan, (v) pursuant to the Compensation Plan for Non-Employee Directors, and (vi) any other Company Common Stock and Stock Equivalents outstanding as of the Effective Time; provided, for the purpose of such recalculation the shares of Company Common Stock issued or issuable pursuant to Performance Options and the shares issued or issuable pursuant to the Debt/Equity Replacement Agreement and to TDS and Investor shall be disregarded for purpose of the recalculation. The Conversion Number shall be subject to further adjustment as provided in the third sentence of Section 2.1(c) in the event that the Omnipoint Agreement is terminated or the transactions contemplated by the Omnipoint Agreement are not consummated by the Omnipoint End Date, provided that the Conversion Number determined pursuant to this Section 2.1(e) shall be used in lieu of .455.

Section 2.2 Surrender of Certificates. (a) Exchange Agent. ChaseMellon Shareholder Services LLC shall act as exchange agent in the Merger (the "Exchange Agent"). As and when needed, but no later than twenty-five Business Days after the Effective Time, Parent shall deposit with the Exchange Agent, in trust for the holders of certificates (the "Company Certificates") which immediately prior to the Effective Time represented shares of Company Common Stock converted in the Merger, (i) certificates (the "Parent Certificates") representing the shares of Parent Common Stock issuable pursuant to Section 2.1(c) with respect to shares of Company Common Stock which have been converted into the right to receive Parent Common Stock (such shares of Parent Common Stock, together with cash in lieu of fractional shares and any dividends or distributions with respect thereto in accordance with Section 2.2(d) being hereinafter referred to as the "Stock Consideration Fund"), and (ii) cash with respect to shares of Company Common Stock with respect to which a Cash Election has been properly

made and not withdrawn or lost (the "Cash Consideration Fund") (the Stock Consideration Fund and the Cash Consideration Fund are hereinafter referred to as the "Exchange Fund").

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(b) Exchange Procedure. As soon as reasonably practicable after the Effective Time, but no later than five Business Days after the Effective Time, the Surviving Corporation shall cause the Exchange Agent to mail to each holder of record of a Company Certificate, (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to a Company Certificate shall pass, only upon delivery of such Company Certificate to the Exchange Agent and shall be in a form and have such other provisions as Parent may reasonably specify), (ii) with respect to the Public Holders, the Cash Election Form and (iii) instructions for use in effecting the surrender of Company Certificates in exchange for the property described in the next sentence. Upon surrender for cancellation to the Exchange Agent of all Company Certificate(s) held by any holder of record of a Company Certificate, together with such letter of transmittal duly executed, such holder shall be entitled to receive in exchange therefor (x) the Per Share Cash Consideration if a Cash Election is properly and timely made or (y) a Parent Certificate (which shall not include any restrictive legends) representing the number of whole shares of Parent Common Stock into which the shares of Company Common Stock represented by the surrendered Company Certificate(s) shall have been converted at the Effective Time pursuant to Section 2.1(c), cash in lieu of any fractional share of Parent Common Stock in accordance with Section 2.2(e) and certain dividends and other distributions in accordance with Section 2.2(d); and the Company Certificate(s) so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of shares of Company Common Stock that is not registered in the transfer records of the Company, cash or a Parent Certificate representing shares of Parent Common Stock may be paid to or issued in a name other than that in which the Company Certificate surrendered in exchange therefor is registered, if such Company Certificate shall be properly endorsed or otherwise be in proper form for transfer and the person requesting such payment shall pay any transfer or other Taxes required by reason of the payment to a person other than the registered holder of such Company Certificate or establish to the satisfaction of the Surviving Corporation that such Tax has been paid or is not applicable. Until surrendered as contemplated by this Section 2.2, each Company Certificate shall be deemed at any time after the Effective Time to represent only the right to receive (i) the Per Share Cash Consideration, subject to the delivery of a proper and timely Cash Election Form, or (ii)(A) certificates representing the shares of Parent Common Stock into which the shares of Company Common Stock represented by such Company Certificate have been converted, (B) any dividends and other distributions in accordance with Section 2.2(d) and (C) any cash, without interest, to be paid in lieu of any fractional share of Parent Common Stock in accordance with Section 2.2(e). Parent or the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of Company Common Stock such amounts as Parent or the Exchange Agent is required to deduct and withhold with respect to the making of such payment under the Code or under any provision of state,

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local or foreign Tax law. To the extent that amounts are so withheld by Parent or the Exchange Agent, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of Company Common Stock in respect of which such deduction and withholding was made by Parent or the Exchange Agent.

(c) No Further Ownership Rights in Shares. All shares of Parent Common Stock issued and cash paid upon the surrender of Company Certificates in accordance with the terms of this Article II (including any cash paid pursuant to Section 2.2(d) or Section 2.2(e)) shall be deemed to have been issued (and paid) in full satisfaction of all rights pertaining to the shares of Company Common Stock theretofore represented by such Company Certificates. At the Effective Time, the stock transfer books of the Company shall be closed, and there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of Company Common Stock that were outstanding immediately prior to the Effective Time. If, after the Effective Time, Company Certificates are presented to the Surviving Corporation or the Exchange Agent for any reason, they shall be cancelled and exchanged as provided in this Article II.

(d) Dividends. No dividends or other distributions that are declared on or after the Effective Time on Parent Common Stock, or are payable to the holders of record thereof on or after the Effective Time, shall be paid to any person entitled by reason of the Merger to receive Parent Certificates, and no cash payment in lieu of any fractional share of Parent Common Stock shall be paid to any such person pursuant to Section 2.2(e), until such person shall have surrendered its Company Certificate(s) as provided in Section 2.2(b). Subject to applicable law, there shall be paid to each person receiving a Parent Certificate: (i) at the time of such surrender or as promptly as practicable thereafter, the amount of any dividends or other distributions theretofore paid with respect to the shares of Parent Common Stock represented by such Parent Certificate and having a record date on or after the Effective Time and a payment date prior to such surrender; and (ii) at the appropriate payment date or as promptly as practicable thereafter, the amount of any dividends or other distributions payable with respect to such shares of Parent Common Stock and having a record date on or after the Effective Time but prior to such surrender and a payment date on or subsequent to such surrender. In no event shall the person entitled to receive such dividends or other distributions be entitled to receive interest on such dividends or other distributions.

(e) No Fractional Shares. No certificates or scrip representing fractional shares of Parent Common Stock shall be issued upon the surrender for exchange of Company Certificates pursuant to this Article II; no dividend or other distribution by Parent and no stock split shall relate to any such fractional share; and no such fractional share shall entitle the record or beneficial owner thereof to vote or to any other rights of a stockholder of Parent. In lieu of any such fractional share, each holder of shares of Company Common Stock who would otherwise have been entitled thereto upon the surrender of Company Certificate(s) for exchange pursuant to this Article II (other than

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with respect to shares of Company Common Stock for which an effective Cash Election has been made) will be paid an amount in cash (without interest), rounded to the nearest whole cent, determined by multiplying (i) the per share closing price on the Nasdaq National Market System ("Nasdaq") of Parent Common Stock (as reported on the Nasdaq) on the date on which the Effective Time shall occur (or, if Parent Common Stock shall not trade on the Nasdaq on such date, the first day of trading in Parent Common Stock on the Nasdaq thereafter) by (ii) the fractional share to which such holder would otherwise be entitled.

(f) Termination of Exchange Fund. Any portion of the Exchange Fund which remains undistributed to holders of Company Common Stock for twelve months after the Effective Time shall be delivered to Parent, upon demand, and any holders of Company Common Stock who have not theretofore complied with this Article II and the instructions set forth in the letter of transmittal mailed to such holders after the Effective Time shall thereafter look only to the Surviving Corporation (subject to abandoned property, escheat or other similar laws) for payment of cash pursuant to the Cash Election or shares of Parent Common Stock, any cash in lieu of fractional shares of Parent Common Stock and any dividends or distributions with respect to such shares of Parent Common Stock to which they are entitled.

(g) No Liability. None of Parent, Sub, the Company or the Exchange Agent shall be liable to any person in respect of any cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

Article III - Representations and Warranties of the Company

The Company represents and warrants to Parent and Merger Sub C as follows:

Section 3.1 Organization. The Company and each of its Subsidiaries (collectively, the "Company Subsidiaries") is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has requisite corporate power and authority to carry on its business as now being conducted, except where the failure to be so organized, existing and in good standing or to have such power and authority has not had and would not reasonably be expected to have a Material Adverse Effect on the Company or prevent or materially delay the consummation of the Reorganization. The Company and each of the Company Subsidiaries is duly qualified or licensed to do business and in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, except in such jurisdictions where the failure to be so duly qualified or licensed and in good standing would not reasonably be expected to have a Material Adverse Effect on the Company or prevent or materially delay the consummation of the Reorganization. The Company

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has delivered to Parent complete and correct copies of its Restated Certificate of Incorporation and By-laws and has made available to Parent the Certificate of

Incorporation and By-laws (or similar organizational documents) of each of the Company Subsidiaries.

Section 3.2 Subsidiaries. Item 3.2 of the Company Letter lists each Company Subsidiary and any Investment Entities. All of the outstanding shares of capital stock of each Company Subsidiary that is a corporation have been validly issued and are fully paid and nonassessable. Except as set forth in Item 3.2 of the Company Letter, all of the outstanding shares of capital stock of each Subsidiary of the Company are owned by the Company, by Subsidiaries of the Company or by the Company and Subsidiaries of the Company, free and clear of all Liens. Except as set forth in Item 3.2 of the Company Letter, (i) the Company and its Subsidiaries have no on-going obligations, agreements, commitments, rights, understandings or arrangements with respect to any Investment Entities, including funding obligations; and (ii) all Investment Interests are owned by the Company or its Subsidiaries free and clear of all Liens. Except as set forth in Item 3.2 of the Company Letter and except for the capital stock owned by the Company in its Subsidiaries, neither the Company nor any of its Subsidiaries owns, directly or indirectly, any capital stock or other ownership interest in any corporation, partnership, joint venture, limited liability company or other entity.

Section 3.3 Capital Structure. The authorized capital stock of the Company consists of 60,000,000 Company Series A Common Shares, 100,000,000 Company Common Shares, 60,000,000 Series B Common Shares, $1.00 par value (the "Company Series B Common Shares") and 10,000,000 shares of Preferred Stock, $1.00 par value (the "Company Preferred Stock"). At the close of business on September 16, 1999, (i) no shares of Company Preferred Stock and no Series B Common Shares were outstanding, (ii) 40,000,000 Company Series A Common Shares and 31,930,588 Company Common Shares were issued and outstanding, (iii) no shares of Company Common Stock were held by the Company in treasury, (iv) 40,000,000 Company Common Shares were reserved for issuance upon conversion of the Company Series A Common Shares, (v) 2,960,480 Company Common Shares were reserved for issuance pursuant to outstanding stock options (the "Company Stock Options") to purchase Company Common Shares under the Company's 1996 Long- Term Incentive Plan (the "Company Long-Term Incentive Plan"), (vi) 456,000 Company Common Shares were reserved for issuance pursuant to the Company's Retention Restricted Stock Unit Plan (the "Restricted Stock Plan"), (vii) 114,514 Company Common Shares were reserved for issuance pursuant to the Tax Deferred Savings Plan, (viii) 6,056 Company Common Shares were reserved for issuance pursuant to the Company's Compensation Plan for Non-Employee Directors and (ix) as described in Item 3.2 of the Company Letter, Company Common Shares were reserved for issuance to the Investor in Aerial Operating Company, Inc. ("Operating Company"). Except as set forth above and in Item 3.2 and 3.3 of the Company

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Letter, and except for Company Common Shares which are reserved for issuance in exchange for shares of Company Series A Common Shares in accordance with the Company's Restated Certificate of Incorporation, as of the date hereof, no shares of Company Common Stock or shares of capital stock of any Subsidiary of the Company were issued, reserved for issuance or

outstanding and there are no stock appreciation rights, phantom stock rights or other contractual rights the value of which is determined in whole or in part by the value of any capital stock ("Stock Equivalents") of the Company or any Subsidiary of the Company. Each outstanding share of Company Common Stock is, and each share of Company Common Stock which may be issued pursuant to the Company Benefit Plans and the other agreements and instruments listed above will be, when issued, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. There are no outstanding bonds, debentures, notes or other indebtedness of the Company or any Subsidiary of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matter on which the Company's stockholders may vote. Except as set forth above or in Item 3.3 of the Company Letter, as of the date of this Agreement, there are no securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind obligating the Company or any of the Company Subsidiaries to issue, deliver or sell or create, or cause to be issued, delivered or sold or created, additional shares of capital stock or other voting securities or Stock Equivalents of the Company or of any of the Company Subsidiaries or obligating the Company or any of the Company Subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking.

Except as set forth in Item 3.3 of the Company Letter, as of the date of this Agreement, there are no outstanding contractual obligations of the Company or any of the Company Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of the Company or any of the Company Subsidiaries.

Section 3.4 Authority. The Board of Directors of the Company, at a meeting duly called and held, duly adopted resolutions approving this Agreement, the Reorganization and the Stockholder Agreement, determining that the Reorganization, including the Merger, is fair to, and in the best interests of, the Company's stockholders and recommending that the Company's stockholders adopt this Agreement. The Company has requisite corporate power and authority to execute and deliver this Agreement and, subject to approval by the Company's stockholders of the Reorganization, to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the Reorganization and of the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company, subject to approval by the

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Company's stockholders of this Agreement and the Reorganization. This Agreement has been duly executed and delivered by the Company and (assuming the valid authorization, execution and delivery of this Agreement by Parent and Sub) constitutes the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity.

Section 3.5 Consents and Approvals; No Violations. Except as set forth in Item 3.5 of the Company Letter, except for filings, permits, authorizations, consents and approvals as may be required under the Securities Act, the Exchange Act, the Communications Act, the HSR Act, the DGCL, and under the rules, regulations and published decisions of the FAA, the FCC and state public utility or service commissions or similar agencies, and except as may be required in connection with the Transfer Taxes described in Section 6.11, neither the execution, delivery or performance of this Agreement by the Company nor the consummation by the Company of the transactions contemplated hereby will (i) conflict with or result in any breach of any provision of the Restated Certificate of Incorporation or By-laws of the Company or of the similar organizational documents of any of the Company Subsidiaries, (ii) require any filing with, or permit, authorization, consent or approval of, any Governmental Entity (except where the failure to obtain such permits, authorizations, consents or approvals or to make such filings would not reasonably be expected to have a Material Adverse Effect on the Company or prevent or materially delay the consummation of the Reorganization), (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, license, contract, agreement or other instrument or obligation to which the Company or any of its Subsidiaries is a party or by which any of them or any of their properties or assets may be bound, (iv) violate any order, writ, judgment, injunction, decree, statute, rule or regulation applicable to the Company, any of the Company Subsidiaries or any of their properties or assets, or (v) result in the creation or imposition of any Lien on any asset of the Company or its Subsidiaries except in the case of clauses (iii), (iv) or (v) for violations, breaches or defaults that would not reasonably be expected to have a Material Adverse Effect on the Company or prevent or materially delay the consummation of the Reorganization.

Section 3.6 SEC Documents and Other Reports. The Company has filed with the SEC all documents required to be filed by it since April 25, 1996 under the Securities Act or the Exchange Act (the "Company SEC Documents"). As of their respective filing dates, the Company SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the

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case may be, each as in effect on the date so filed, and at the time filed with the SEC none of the Company SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the Company SEC Documents comply as of their respective dates in all material respects with the then applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles (except in the case of the unaudited statements, as permitted by Form 10-Q under the Exchange Act) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly present

the consolidated financial position of the Company and its consolidated Subsidiaries as at the dates thereof and the consolidated results of their operations and their consolidated cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments and to any other adjustments described therein). The Company and its Subsidiaries have not made any material misstatements of fact, or omitted to disclose any fact, to any Government Entity or in any report, document or certificate filed therewith, which misstatements or omissions, individually or in the aggregate, could reasonably be expected to subject any material licenses or authorizations to revocation or failure to renew, except to the extent that such revocation or failure to renew would not have a Material Adverse Effect on the Company or the transactions contemplated by this Agreement.

Section 3.7 Absence of Material Adverse Change. Except as disclosed in Item 3.7 of the Company Letter or in the documents filed by the Company with the SEC and publicly available prior to the date of this Agreement (the "Company Filed SEC Documents"), since December 31, 1998 the Company and its Subsidiaries have conducted their respective businesses in all material respects only in the ordinary course, consistent with past practices, and there has not been (i) any Material Adverse Change with respect to the Company, (ii) any declaration, setting aside or payment of any dividend or other distribution with respect to its capital stock or any redemption, purchase or other acquisition of any of its capital stock, (iii) any split, combination or reclassification of any of its capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or (iv) any change in accounting methods, principles or practices by the Company affecting its assets, liabilities or business, except insofar as may have been required by a change in generally accepted accounting principles.

Section 3.8 Information Supplied. None of the information supplied or to be supplied by the Company specifically for inclusion or incorporation by reference in (i) the Registration Statement or (ii) the proxy statement (together with any amendments or supplements thereto, the "Joint Proxy

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Statement") relating to the Stockholders Meetings, will, in the case of the Registration Statement, at the time it becomes effective, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading, or in the case of the Joint Proxy Statement, at the time of the mailing of the Joint Proxy Statement, the time of the Stockholders Meetings and at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Stockholders Meetings which has become false or misleading. The Registration Statement will comply (with respect to the Company) as to form in all material respects with the requirements of the Securities Act, and the Joint Proxy Statement will comply (with respect to the Company) as to form in all material respects with the requirements of the Exchange Act.

Section 3.9 Permits; Compliance with Laws. (a) Each of the Company and its Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Entity necessary for the Company or any of its Subsidiaries to own, lease and operate its properties or to carry on its business as it is now being conducted (the "Company Permits"), except where the failure to have any of the Company Permits would not, individually or in the aggregate, have a Material Adverse Effect on the Company, and, as of the date of this Agreement, no suspension or cancellation of any of the Company Permits is pending or, to the knowledge of the Company, threatened, except where the suspension or cancellation of any of the Company Permits would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect on the Company. The businesses of the Company and its Subsidiaries are not being conducted in violation of any law, ordinance or regulation of any Governmental Entity, except for possible violations that would not reasonably be expected to have a Material Adverse Effect on the Company or prevent, or result in a material delay in, the consummation of the Reorganization.

(b)(i) The Company and each of its Subsidiaries holds, and is qualified and eligible to hold, all material licenses, permits and other authorizations issued or to be issued by the FCC to such entity for the operation of their respective businesses, all of which are set forth in Item 3.9(b)(i) of the Company Letter (the "Company FCC Licenses").

(ii) The Company FCC Licenses are valid and in full force and effect and neither the Company nor any of its Subsidiaries is or has been delinquent in payment on or in default under any installment obligation owed to the United States Treasury in connection with the

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Company FCC Licenses. As used herein, the term "full force and effect" means that (i) the orders issuing the Company FCC Licenses have become effective, (ii) no stay of effectiveness of such orders has been issued by the FCC, and (iii) the Company FCC Licenses have not been invalidated by any subsequent published FCC action.

(iii) All material reports and applications required by the Communications Act or required to be filed with the FCC by the Company or any of its Subsidiaries have been filed and are accurate and complete in all material respects.

(iv) The Company and its Subsidiaries are, and have been, in compliance in all material respects with, and the wireless communications systems operated pursuant to the Company FCC Licenses are and have been operated in compliance in all material respects with, the Communications Act.

(v) There is not pending as of the date hereof any application, petition, objection, pleading or proceeding with the FCC or any public service commission or similar body having jurisdiction or authority over the communications

operations of the Company or any of its Subsidiaries which questions the validity of or contests any Company FCC License or which presents a substantial risk that, if accepted or granted, or concluded adversely, could result in (as applicable) the revocation, cancellation, suspension, dismissal, denial or any materially adverse modification of any Company FCC License or imposition of any substantial fine or forfeiture against the Company or any of its Subsidiaries except as set forth in Item 3.9(b)(v) of the Company Letter.

(vi) No facts are known to the Company or its Subsidiaries which if known by a Governmental Entity of competent jurisdiction would present a substantial risk that any Company FCC License could be revoked, cancelled, suspended or materially adversely modified or that any substantial fine or forfeiture could be imposed against the Company or any of its Subsidiaries.

Section 3.10 Tax Matters. Except as set forth in Item 3.10 of the Company Letter or as would not have a Material Adverse Effect on the Company, (i) the Company and each of its Subsidiaries have timely filed (after taking into account any extensions to file) all Tax Returns required to be filed by them either on a separate or combined or consolidated basis; (ii) all such Tax Returns are complete and accurate and disclose all taxes required to be paid for the periods covered thereby; (iii) the Company and its Subsidiaries have paid or caused to be paid all taxes shown as due on such Tax Returns and all Taxes for

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which no Tax Return was required to be filed, and the financial statements contained in the most recent Company SEC Documents reflect an adequate reserve for all Taxes payable by the Company and its Subsidiaries for all taxable periods and portions thereof accrued through the date of such financial statements; (iv) none of the Company or any Subsidiary has waived in writing any statute of limitations in respect of Taxes; (v) the Tax Returns referred to in clause (i) relating to income Taxes have been examined by the appropriate taxing authority or the period for assessment of the Taxes in respect of which such Tax Returns were required to be filed has expired; (vi) there is no action, suit, investigation, audit, claim or assessment pending or proposed in writing with respect to taxes of the Company or any of its Subsidiaries; (vii) there are no liens for Taxes upon the assets of the Company or any Subsidiary except for liens relating to current Taxes not yet due; (viii) all Taxes which the Company or any Subsidiary is required by law to withhold or to collect for payment have been duly withheld and collected, and have been paid or accrued on the books of the Company or such Subsidiary; (ix) none of the Company or any Subsidiary has been a member of any group of corporations filing Tax Returns on a consolidated, combined, unitary or similar basis other than each such group of which it is currently a member; (x) no deduction of any amount that would otherwise be deductible by the Company or any of its Subsidiaries with respect to taxable periods ending on or before the Effective Time could be disallowed under Section 162(m) of the Code; (xi) neither the Company nor any of its Subsidiaries has constituted either a "distributing corporation" or a "controlled corporation" in a distribution of stock qualifying for tax-free treatment under Section 355 of the Code (a) in the two years prior to the date of this Agreement or (b) in a distribution which could otherwise constitute part of a "plan" or

"series of related transactions" (within the meaning of Section 355(e) of the Code) in conjunction with the Reorganization; (xii) neither the Company nor any of its Subsidiaries is a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code; and (xiii) as a result of the Reorganization, neither the Company nor Parent will be obligated to make a payment to an individual that would be a "parachute payment" to a "disqualified individual" as those terms are defined in Section 280G of the Code without regard to whether such payment is reasonable compensation for personal services performed or to be performed in the future.

Section 3.11 Liabilities. Except as set forth in the Company Filed SEC Documents or Item 3.11 of the Company Letter, neither the Company nor any of its Subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required by generally accepted accounting principles to be set forth on a consolidated balance sheet of the Company and its Subsidiaries or in the notes thereto, other than liabilities and obligations incurred in the ordinary course of business since December 31, 1998 and liabilities which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company.

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Section 3.12 Benefit Plans; Employees and Employment Practices. (a) Except as disclosed in the Company Filed SEC Documents or Item 3.12(a) of the Company Letter, neither the Company nor any of its Subsidiaries has adopted or amended in any material respect any Company ERISA Benefit Plan since the date of the most recent audited financial statements included in the Company Filed SEC Documents. Except as set forth in Item 3.12(a) of the Company Letter, the Company does not have any commitment to create, adopt or contribute to any additional plan covering any active, former or retired employees of the Company. Except as disclosed in Item 3.12(a) of the Company Letter or in the Company Filed SEC Documents, as of the date of this Agreement, there exist no material employment, consulting, severance, bonus, incentive or termination agreements between the Company or any of its Subsidiaries and any current or former employee, officer or director of the Company or any of its Subsidiaries.

(b) Item 3.12(b) of the Company Letter contains a list of all ERISA Benefit Plans sponsored by the Company or its ERISA Affiliates. None of the Company, any of its Subsidiaries, any officer of the Company or any of its Subsidiaries or any of the ERISA Benefit Plans has on or before the date of this Agreement engaged in a "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) with respect to any ERISA Benefit Plan that could reasonably be expected to subject the Company, any of its Subsidiaries or any officer of the Company or any of its Subsidiaries to any material Tax on prohibited transactions imposed by Section 4975 of the Code or to any material liability under Section 502(i) or (l) of ERISA where the Tax or liability that would be reasonably expected to occur would have a Material Adverse Effect on the Company. Except as disclosed in Item 3.12(b) of the Company Letter, none of the Company, its Subsidiaries or any ERISA Affiliate has at any time during the five-year period preceding the date hereof contributed to any "multiemployer plan" (as

defined in Section 3(37) of ERISA).

(c) Except as disclosed in Item 3.12(c) of the Company Letter, and except for such matters as could not be reasonably expected to have a Material Adverse Effect on the Company, to the extent applicable, (i) each Company ERISA Benefit Plan complies with the requirements of ERISA and the Code, (ii) each Company ERISA Benefit Plan intended to be qualified under Section 401 (a) of the Code has been determined by the Internal Revenue Service to be so qualified and nothing has occurred since the date of that determination that could reasonably be expected to adversely affect the qualified status of such plan and its related trust is tax-exempt and has been so since its creation, and (iii) each Company ERISA Benefit Plan has been maintained and administered in compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations, including but not limited to ERISA and the Code, which are applicable to such Company ERISA Benefit Plans.

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(d) Except as disclosed in Item 3.12(d) of the Company Letter, all material contributions, reserves or premium payments to the Company ERISA Benefit Plan, accrued to the date hereof have been made or provided for.

(e) Except as disclosed in Item 3.12(e) of the Company Letter, and except for any liability as could not be reasonably expected to have a Material Adverse Effect on the Company, the Company has not incurred any liability under Subtitle C or D of Title IV of ERISA with respect to any "single- employer plan" within the meaning of Section 4001(a)(15) of ERISA, currently or formerly maintained by Company, or any entity which is considered one employer with Company under Section 4001 of ERISA.

(f) Except as disclosed in Item 3.12(f) of the Company Letter, the Company has no obligation for retiree health and life benefits under any Company ERISA Benefit Plan, except as required to avoid excise taxes under Section 4980(B) of the Code and the terms of the Company ERISA Benefit Plans permit the Company to amend or terminate such Company ERISA Benefit Plans without incurring liability thereunder.

(g) Except as disclosed in Item 3.12 (g) of the Company Letter, the Company has not engaged in, nor is it a successor or parent corporation to an entity that has engaged in a transaction described in Section 4069 of ERISA.

(h) Except as disclosed in Item 3.12(h) of the Company Letter or the Company Filed SEC Documents, neither the Company nor any of its ERISA Affiliates has any current or projected liability in respect of post employment or post retirement welfare benefits for retired or former employees of the Company.

(i) Except as disclosed in Item 3.12(i) of the Company Letter, no tax under Section 4980B of the Code has been incurred in respect of any Company ERISA Benefit Plan that is a group health plan, as defined in Section 5000(b)(1) of the Code.

(j) Except as disclosed in Item 3.12(j) of the Company Letter, as of the date of this Agreement there is no pending dispute, arbitration, claim, suit or grievance involving a Company Benefit Plan (other than routine claims for benefits payable under any such Company Benefit Plan) that would reasonably be expected to have a Material Adverse Effect on the Company.

(k) Item 3.12(k) of the Company Letter contains a list setting forth the name and current annual salary and other compensation payable to each Significant Employee, and the profit sharing, bonus or other form of additional compensation paid or payable by the Company or its Subsidiaries to or for the benefit of each such person for the current fiscal year. Except as set forth in

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Item 3.12(k) of the Company Letter, there are no oral or written contracts, agreements or arrangements obligating the Company or any of its Subsidiaries to increase the compensation or benefits presently being paid or hereafter payable to any Significant Employees or any oral employment or consulting or similar arrangements regarding any Significant Employee which are not terminable without liability on thirty days' or less prior notice and lists all written employment and consulting agreements with respect to any Significant Employee. The Company has provided true and correct copies of all employment agreements listed on Item 3.12(k). Except for severance obligations to Significant Employees set forth in Item 3.12(k) of the Company Letter, there is not due or owing and there will not be due and owing at the Effective Time to any Significant Employees, any sick pay, severance pay (whether arising out of the termination of a Significant Employee prior to, on, or subsequent to the Effective Time), compensable time or pay, including salary, commission and bonuses, personal time or pay or vacation time or vacation pay attributable to service rendered on or prior to the Effective Time. Except as disclosed in Item 3.12(k) of the Company Letter and other than claims made in the ordinary course of business consistent with past practice in an aggregate amount not to exceed $500,000 neither the Company nor any of its Subsidiaries have any liability arising out of claims made or suits brought (including workers' compensation claims and claims or suits for contribution to, or indemnification of, third parties, occupational health and safety, environmental, consumer protection or equal employment matters) for injury, sickness, disease, discrimination, death or termination of employment of any Significant Employee, or other employment matter to the extent attributable to an event occurring or a state of facts existing on or prior to the Effective Time.

(l) The Company and each of its Subsidiaries (i) is in compliance with all applicable Federal and state laws, rules and regulations respecting employment, employment practices, terms and conditions of employment and wages and hours, in each case, with respect to Company Employees, except where the failure to be in compliance would not, singly or in the aggregate, have a Material Adverse Effect on the Company or any of its Subsidiaries or their financial condition or business; (ii) has withheld all amounts required by law or by agreement to be withheld from the wages, salaries and other payments to Company Employees; (iii) is not liable for any arrears of wages or any taxes or any penalty for failure to comply with any of the foregoing, except as would reasonably be expected to not have a Material Adverse Effect on the

Company; and (iv) (other than routine payments to be made in the normal course of business and consistent with past practice) is not liable for any payment to any trust or other fund or to any governmental or administrative authority, with respect to unemployment compensation benefits, Social Security or other benefits for Company Employees.

(m) Except as disclosed in Item 3.12(m) of the Company Letter, as of

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the date of this Agreement there are no material controversies, strikes, work stoppages or disputes pending between the Company or any of its Subsidiaries and any current or former employees, and no organizational effort by any labor union or other collective bargaining unit currently is under way with respect to any employee, which in any such case would reasonably be expected to have a Material Adverse Effect on the Company. None of the Company or any of its Subsidiaries is a party to a collective bargaining agreement. Except as set forth in Item 3.12(m) of the Company Letter, there is no, and there is not threatened, any labor dispute, grievance or litigation relating to labor, safety or discrimination matters involving any Company Employee including charges of unfair labor practices or discrimination complaints, which, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company. There has been no engagement in any unfair labor practices by the Company or its Subsidiaries within the meaning of the National Labor Relations Act which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company.

Section 3.13 Litigation. Except with respect to the matters addressed in Annex E hereto or as disclosed in Item 3.13 of the Company Letter or in the Company Filed SEC Documents, as of the date of this Agreement, there is no suit, action, proceeding or investigation pending or, to the Company's knowledge, threatened, against the Company or any of its Subsidiaries that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Company or prevent or materially delay the consummation of the Reorganization. Except as disclosed in Item 3.13 of the Company Letter or in the Company Filed SEC Documents, neither the Company nor any of its Subsidiaries is subject to any outstanding judgment, order, writ, injunction or decree that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company or prevent or materially delay the consummation of the Reorganization.

Section 3.14 Environmental Matters. Except as set forth in the Company Filed SEC Documents or in Item 3.14 of the Company Letter, neither the Company nor any of its Subsidiaries has (i) not been in compliance with any Environmental Laws or Environmental Permits, except for such non-compliance as, taken individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect on the Company or its Subsidiaries; (ii) stored, released or disposed of any Hazardous Substances on, under or at any of the Company's or any of its Subsidiaries' properties or any other properties, other than in a manner that would not, in all such cases taken individually or in the aggregate, reasonably be expected to result in a Material Adverse

Effect on the Company, (iii) any knowledge of the presence of any Hazardous Substances that have been released into the environment on, under or at any of the Company's or any of its Subsidiaries' properties other than that which would

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not reasonably be expected to result in a Material Adverse Effect on the Company, or (iv) received any written notice (A) of any violation of any applicable Environmental Law that has not been resolved or settled with the relevant Governmental Entity and with respect to which there are no continuing material obligations, (B) of the institution or pendency of any suit, action, claim, proceeding or investigation by any Governmental Entity or any third party in connection with any such violation, (C) by any Governmental Entity requiring remediation of Hazardous Substances at or arising from any of the Company's or any of its Subsidiaries' properties or any other properties, (D) alleging noncompliance by the Company or any of its Subsidiaries with the terms of any permit required under any Environmental Law in any manner reasonably likely to require material expenditures or to result in material liability that has not been resolved or settled and with respect to which there are no continuing material obligations or (E) demanding payment for response to or remediation of Hazardous Substances at or arising from any of the Company's or any of its Subsidiaries' properties or any other properties, except in each case for the notices set forth in Item 3.14 of the Company Letter and except in each case for notices that would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect on the Company.

Section 3.15 Section 203 of DGCL. Under the Company's Restated Certificate of Incorporation, Section 203 of the DGCL is inapplicable to the Reorganization, this Agreement and the Stockholder Agreement and, accordingly, neither such Section nor, to the knowledge of the Company, any other antitakeover or similar statute or regulation applies to any such transactions. To the knowledge of the Company, no other "control share acquisition," "fair price," "moratorium" or other antitakeover laws or regulations enacted under U.S. federal or state laws applicable to the Company apply to this Agreement or any of the transactions related thereto.

Section 3.16 Intellectual Property. Item 3.16 of the Company Letter sets forth a complete list of all Intellectual Property Rights. Except as set forth in the Company Filed SEC Documents or in Item 3.16 of the Company Letter, the Intellectual Property Rights consist solely of items and rights which are: (i) owned by the Company or its Subsidiaries, (ii) in the public domain, or (iii) rightfully used by Company or its Subsidiaries pursuant to a license, and, with respect to Intellectual Property Rights owned by the Company or its Subsidiaries, the Company or its Subsidiaries own the entire right, title and interest in and to such Intellectual Property Rights free and clear of any Liens. The Company and its Subsidiaries have all rights in the Intellectual Property Rights necessary to carry out the current and anticipated future (up to the Closing) activities of the Company and its Subsidiaries. The Intellectual Property Rights do not infringe on any proprietary right of any Person. No claims (x) challenging the validity, effectiveness, or ownership by the Company or its Subsidiaries of any of the Intellectual Property Rights, or (y) to the effect that the Intellectual Property Rights infringe or will

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infringe on any intellectual property or other proprietary right of any person have been asserted or, to the Company's knowledge, are threatened by any person nor to the Company's knowledge are there any valid grounds for any bona fide claim of any such kind. To the best of the Company's knowledge, there is no material unauthorized use, infringement or misappropriation of any of the Intellectual Property Rights by any third party, employee or former employee of the Company or its Subsidiaries.

Section 3.17 Opinion of Financial Advisor. The Company has received the opinion of Donaldson Lufkin & Jenrette Securities Corporation ("Company Financial Advisor"), dated the date hereof, to the effect that, as of the date hereof, the consideration to be received in the Reorganization by the Company's stockholders is fair to the Company's stockholders from a financial point of view, a copy of which opinion has been delivered to Parent.

Section 3.18 Brokers. Except for the Company Financial Advisor and Wasserstein Perella & Company, Inc., the financial advisor to the Special Committee of the Board of Directors of the Company, the fees and expenses of each of which will be paid by the Company (and are reflected in agreements with the Company, true and correct copies of which have been furnished to Parent), no broker, investment banker, financial advisor or other person, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company.

Section 3.19 Tax Status. To the knowledge of the Company after due investigation, neither the Company nor any of its Affiliates has taken any action or failed to take any action which action or failure would jeopardize the qualification of either the Merger or the VoiceStream Merger as a reorganization within the meaning of Section 368(a) of the Code and/or as part of a transaction described in Section 351(a) of the Code. To the knowledge of the Company after due investigation, there are no facts or circumstances relating to the Company or its Affiliates, including any covenants or undertakings of the Company pursuant to this Agreement, that would prevent Sidley & Austin from delivering the opinion referred to in Section 7.2(b) as of the date hereof.

Section 3.20 Contracts. Except as set forth in the Company Filed SEC Documents or in Item 3.20 of the Company Letter, neither the Company nor any of its Subsidiaries is a party to or bound by (i) any "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC) or any agreement, contract or commitment the loss or termination of which would have a Material Adverse Effect on the Company; (ii) any non-competition agreement or any other agreement or obligation which materially limits or will materially limit the Company or any of its Subsidiaries from engaging in the business of providing wireless communications services or from developing wireless communications technology anywhere in the world; or (iii) any management agreement, technical services agreement or other agreement whereby the Company or any of its Subsidiaries is provided or is required to provide management or technical services to any other Person. With such exceptions as,

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individually or in the aggregate, have not had, and would not be reasonably expected to have, a Material Adverse Effect on the Company or its Subsidiaries, (x) each of the contracts, agreements and commitments of the Company or its Subsidiaries is valid and in full force and effect and (y) neither the Company nor any of its Subsidiaries has violated any provision of, or committed or failed to perform any act which, with or without notice, lapse of time, or both, would constitute a default under the provisions of any such contract, agreement or commitment. To the knowledge of the Company, no counterparty to any such contract, agreement or commitment has violated any provision of, or committed or failed to perform any act which, with or without notice, lapse of time, or both would constitute a default or other breach under the provisions of, such contract, agreement or commitment, except for defaults or breaches which, individually or in the aggregate, have not had, or would not reasonably be expected to have, a Material Adverse Effect on the Company or its Subsidiaries. Neither the Company nor any of its Subsidiaries is a party to, or otherwise a guarantor of or liable with respect to, any interest rate, currency or other swap or derivative transaction, other than any such transactions which are not material to the business of the Company or its Subsidiaries. The Company has provided or made available to Parent a copy of each agreement described in item (i), (ii) and (iii) above.

Section 3.21 Vote Required. The only vote of the holders of any class or series of capital stock of the Company necessary to approve this Agreement and the transactions contemplated hereby is the affirmative vote of the holders of a majority of the outstanding shares of Company Common Stock.

Section 3.22 Transactions with Affiliates. Except as described in Item 3.22 of the Company Letter or the Company Filed SEC Documents, no Affiliate of the Company nor any stockholder, officer, director, partner, member, consultant or employee of any thereof, is at the date hereof a party to any transaction with the Company or any of its Subsidiaries, including any contract or arrangement providing for the furnishing of services to or by, providing for rental of real or personal property (including intellectual property) to or from, or otherwise requiring payments to or from the Company or any of its Subsidiaries, or any Affiliate thereof.

Article IV - Representations and Warranties of Parent and Sub

Parent and Merger Sub C represent and warrant to the Company as follows:

Section 4.1 Organization. Parent, Sub, Merger Sub A, Merger Sub B and each of Parent's Subsidiaries (collectively, the "Parent Subsidiaries") is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has requisite corporate or other

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organizational power and authority to carry on its business as now being conducted, except where the failure to be so organized, existing and in good standing or to have such power and authority has not had and would not reasonably be expected to have a Material Adverse Effect on Parent

or prevent or materially delay the consummation of the Reorganization. Each of Parent and Merger Sub C is duly qualified or licensed to do business and in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, except in such jurisdictions where the failure to be so duly qualified or licensed and in good standing would not reasonably be expected to have a Material Adverse Effect on Parent or prevent or materially delay the consummation of the Reorganization.

Section 4.2 Ownership of Merger Subs. All of the outstanding shares of capital stock of each Merger Sub have been validly issued and are fully paid and nonassessable. All of the outstanding shares of capital stock of each Merger Sub are owned by Holding.

Section 4.3 Capital Structure. The authorized capital stock of Holding consists of 400,000,000 shares of common stock, par value $0.001 per share ("Holding Common Stock"), of which one share has been issued to VoiceStream at a price of $2.00 as of the date hereof, and 5,000,000 shares of preferred stock, par value $0.001 per share, none of which are outstanding as of the date hereof. The authorized capital stock of VoiceStream consists of 300,000,000 shares of VoiceStream common stock ("VoiceStream Common Stock") and 50,000,000 shares of VoiceStream preferred stock ("VoiceStream Preferred Stock"). As of the close of business on September 15, 1999, (i) there were outstanding 95,765,505 shares of VoiceStream Common Stock (inclusive of all shares of restricted stock granted under any compensatory plans or arrangements); (ii) 7,600,000 shares of VoiceStream common Stock had been authorized pursuant to the VoiceStream stock option plan (the "VoiceStream Option Plan"), of which 4,590,542 shares are issued and outstanding; (iii) 1,000,000 shares of VoiceStream Common Stock had been authorized pursuant to the VoiceStream employee stock purchase plan (the "VoiceStream ESPP"), of which 158,092 shares have been issued; (iv) 200,000 shares of VoiceStream Common Stock had been authorized under the VoiceStream executive restricted stock plan (the "VoiceStream ERSP"), of which no shares have been issued; (v) no phantom shares or stock units had been issued under any stock option, compensation or deferred compensation plan or arrangement with respect to VoiceStream Common Stock; and (vi) there were outstanding no VoiceStream warrants for VoiceStream Common Stock and no shares of VoiceStream Preferred Stock. Each outstanding share of VoiceStream Common Stock is, and each share of VoiceStream Common Stock which may be issued pursuant to the VoiceStream ESPP or VoiceStream ERSP will be, when issued in accordance with the respective terms thereof, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights. There are no outstanding

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bonds, debentures, notes or other indebtedness of Parent or any Subsidiary of Parent having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matter on which Parent's stockholders may vote. Except for this Agreement, as set forth above or in Item 4.3 of the Parent Letter, as of the date of this Agreement, there are no securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind obligating Parent or any of the

Parent Subsidiaries to issue, deliver or sell or create, or cause to be issued, delivered or sold or created, additional shares of capital stock or other voting securities or Stock Equivalents of Parent or of any of the Parent Subsidiaries or obligating Parent or any of the Parent Subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking.

As of the date of this Agreement, there are no outstanding contractual obligations of Parent or any of the Parent Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of Parent or any of the Parent Subsidiaries.

Section 4.4 Authority. The Board of Directors of Parent, at a meeting duly called and held, duly adopted resolutions approving this Agreement, the Reorganization and the Stockholder Agreement, determining that the Reorganization, including the Merger, and the issuance (the "Parent Share Issuance") of shares of Parent Common Stock in accordance with the Reorganization, is fair to, and in the best interests of, Parent's stockholders. The Board of Directors of Merger Sub C has declared the Reorganization advisable and approved this Agreement. Parent and Merger Sub C have the requisite corporate power and authority to execute and deliver this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement by Parent and Merger Sub C and the consummation by Parent and Merger Sub C of the Reorganization and of the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Parent and Merger Sub C subject, in the case of Parent, to the approval of the Reorganization and the Parent Share Issuance by Parent's stockholders. This Agreement has been duly executed and delivered by Parent and Merger Sub C and (assuming the valid authorization, execution and delivery of this Agreement by the Company) constitutes the valid and binding obligation of each of Parent and Merger Sub C enforceable against each of them in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity. The Parent Share Issuance, the filing of a registration statement on Form S-4 with the SEC by Parent under the Securities Act of 1933, as amended, for the purpose of registering the shares of Parent Common Stock to be issued in connection with the Reorganization (together with any amendments or

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supplements thereto, whether prior to or after the effective date thereof, the "Registration Statement") have been duly authorized by Parent's Board of Directors.

Section 4.5 Consents and Approvals; No Violations. Except as set forth in Item 4.5 of the Parent Letter, except for filings, permits, authorizations, consents and approvals as may be required under, and other applicable requirements of, the Securities Act, the Exchange Act, the Communications Act, the HSR Act, the DGCL, and under the rules, regulations and published decisions of the FAA, the FCC and state public utility or service commissions or similar agencies, and except as may be required in connection with the Transfer Taxes described in Section 6.11, neither the execution,

delivery or performance of this Agreement by Parent and Merger Sub C nor the consummation by Parent and Merger Sub C of the transactions contemplated hereby will (i) conflict with or result in any breach of any provision of the respective certificate of incorporation or By-laws of Parent and Sub, (ii) require any filing with, or permit, authorization, consent or approval of, any Governmental Entity (except where the failure to obtain such permits, authorizations, consents or approvals or to make such filings would not reasonably be expected to have a Material Adverse Effect on Parent or prevent or materially delay the consummation of the Reorganization), (iii) result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration) under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, lease, contract, agreement or other instrument or obligation to which Parent or any of its Subsidiaries is a party or by which any of them or any of their properties or assets may be bound, (iv) violate any order, writ, judgment, injunction, decree, statute, rule or regulation applicable to Parent, any of its Subsidiaries or any of their properties or assets, or (v) result in the creation or imposition of any Lien on any asset of the Company or its Subsidiaries except in the case of clauses (iii), (iv) or (v) for violations, breaches or defaults that would not reasonably be expected to have a Material Adverse Effect on Parent or prevent or materially delay the consummation of the Reorganization.

Section 4.6 SEC Documents and Other Reports. Parent has filed with the SEC all documents required to be filed by it since December 31, 1998 under the Securities Act or the Exchange Act (the "Parent SEC Documents"). As of their respective filing dates, the Parent SEC Documents complied in all material respects with the requirements of the Securities Act or the Exchange Act, as the case may be, each as in effect on the date so filed, and at the time filed with the SEC none of the Parent SEC Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The financial statements of Parent

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included in the Parent SEC Documents comply as of their respective dates in all material respects with the then applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with generally accepted accounting principles (except in the case of the unaudited statements, as permitted by Form 10-Q under the Exchange Act) applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly present the consolidated financial position of Parent and its consolidated Subsidiaries as at the dates thereof and the consolidated results of their operations and their consolidated cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments and to any other adjustments described therein). Parent and its Subsidiaries have not made any material misstatements of fact, or omitted to disclose any fact, to any Government Entity or in any report, document or certificate filed therewith, which misstatements or omissions, individually or in the aggregate, could reasonably be expected to subject any material licenses or authorizations to revocation

or failure to renew, except to the extent that such revocation or failure to renew would not have a Material Adverse Effect on Parent or the transactions contemplated by this Agreement.

Section 4.7 Absence of Material Adverse Change. Except as disclosed in Item 4.7 of the Parent Letter or in the documents filed by Parent with the SEC and publicly available prior to the date of this Agreement (the "Parent Filed SEC Documents"), since December 31, 1998 Parent and its Subsidiaries have conducted their respective businesses in all material respects only in the ordinary course, consistent with past practices, and there has not been (i) any Material Adverse Change with respect to Parent, (ii) any declaration, setting aside or payment of any dividend or other distribution with respect to its capital stock (other than regular quarterly cash dividends) or any redemption, purchase or other acquisition of any of its capital stock, (iii) any split, combination or reclassification of any of its capital stock or any issuance or the authorization of any issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock, or (iv) any change in accounting methods, principles or practices by Parent affecting its assets, liabilities or business, except insofar as may have been required by a change in generally accepted accounting principles.

Section 4.8 Information Supplied. None of the information supplied or to be supplied by Parent specifically for inclusion or incorporation by reference in (i) the Registration Statement or (ii) the Joint Proxy Statement, will, in the case of the Registration Statement, at the time it becomes effective, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading, or in the case of the Joint Proxy Statement,

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at the time of the mailing of the Joint Proxy Statement, the time of the Stockholders Meetings and at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading or necessary to correct any statement in any earlier communication with respect to the solicitation of proxies for the Stockholders Meetings which has become false or misleading. The Registration Statement will comply (with respect to Parent) as to form in all material respects with the requirements of the Securities Act and the Joint Proxy Statement will comply (with respect to Parent) as to form in all material respects with the requirements of the Exchange Act.

Section 4.9 Permits; Compliance with Laws. (a) Each of Parent and its Subsidiaries is in possession of all franchises, grants, authorizations, licenses, permits, charters, easements, variances, exceptions, consents, certificates, approvals and orders of any Governmental Entity necessary for Parent or any of its Subsidiaries to own, lease and operate its properties or to carry on its business as it is now being conducted (the "Parent Permits"), except where the failure to have any of the Parent Permits would not, individually or in the aggregate, have a Material Adverse Effect on Parent, and, as of the date of this Agreement, no suspension or cancellation of any of

the Parent Permits is pending or, to the knowledge of Parent, threatened, except where the suspension or cancellation of any of the Parent Permits would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Parent. The businesses of Parent and its Subsidiaries are not being conducted in violation of any law, ordinance or regulation of any Governmental Entity, except for possible violations that would not reasonably be expected to have a Material Adverse Effect on Parent or prevent or materially delay the consummation of the Reorganization.

(b)(i) Parent and each of its Subsidiaries holds, and is qualified and eligible to hold, all material licenses, permits and other authorizations issued or to be issued by the FCC to such entity for the operation of their respective businesses, all of which are set forth in Item 4.9(b)(i) of Parent Letter (the "Parent FCC Licenses").

(ii) Parent FCC Licenses are valid and in full force and effect and neither Parent nor any of its Subsidiaries is or has been delinquent in payment on or in default under any installment obligation owed to the United States Treasury in connection with Parent FCC Licenses. As used herein, the term "full force and effect" means that (i) the orders issuing the Parent FCC Licenses have become effective, (ii) no stay of effectiveness of such orders has been issued by the FCC, and (iii) the Parent FCC Licenses have not been invalidated by any subsequent published FCC action.

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(iii) All material reports and applications required by the Communications Act or required to be filed with the FCC by Parent or any of its Subsidiaries have been filed and are accurate and complete in all material respects.

(iv) Parent and its Subsidiaries are, and have been, in compliance in all material respects with, and the wireless communications systems operated pursuant to Parent FCC Licenses are and have been operated in compliance in all material respects with, the Communications Act.

(v) There is not pending as of the date hereof any application, petition, objection, pleading or proceeding with the FCC or any public service commission or similar body having jurisdiction or authority over the communications operations of Parent or any of its Subsidiaries which questions the validity of or contests any Parent FCC License or which presents a substantial risk that, if accepted or granted, or concluded adversely, could result in (as applicable) the revocation, cancellation, suspension, dismissal, denial or any materially adverse modification of any Parent FCC License or imposition of any substantial fine or forfeiture against Parent or any of its Subsidiaries except as set forth in Item 4.9(b)(v) of Parent Letter.

(vi) No facts are known to Parent or its Subsidiaries which if known by a Governmental Entity of competent jurisdiction would present a substantial risk

that any Parent FCC License could be revoked, cancelled, suspended or materially adversely modified or that any substantial fine or forfeiture could be imposed against Parent or any of its Subsidiaries.

Section 4.10 Tax Matters. Except as set forth in Item 4.10 of the Parent Letter or as would not have a Material Adverse Effect on Parent, (i) Parent and each of its Subsidiaries have timely filed (after taking into account any extensions to file) all Tax Returns required to be filed by them either on a separate or combined or consolidated basis; (ii) all such Tax Returns are complete and accurate and disclose all Taxes required to be paid for the periods covered thereby; (iii) Parent and its Subsidiaries have paid or caused to be paid all Taxes shown as due on such Tax Returns and all Taxes for which no Tax Return was required to be filed, and the financial statements contained in the most recent Parent SEC Documents reflect an adequate reserve for all Taxes payable by Parent and its Subsidiaries for all taxable periods and portions thereof accrued through the date of such financial statements; (iv) none of Parent or any Subsidiary has waived in writing any statute of limitations in respect of Taxes; (v) the Tax Returns referred to in clause (i) relating to

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income taxes have been examined by the appropriate taxing authority or the period for assessment of the Taxes in respect of which such Tax Returns were required to be filed has expired; (vi) there is no action, suit, investigation, audit, claim or assessment pending or proposed in writing with respect to Taxes of Parent or any of its Subsidiaries; (vii) there are no liens for Taxes upon the assets of Parent or any Subsidiary except for liens relating to current Taxes not yet due; (viii) all Taxes which Parent or any Subsidiary is required by law to withhold or to collect for payment have been duly withheld and collected, and have been paid or accrued on the books of Parent or such Subsidiary; (ix) none of Parent or any Subsidiary has been a member of any group of corporations filing Tax Returns on a consolidated, combined, unitary or similar basis other than each such group of which it is currently a member; (x) no deduction of any amount that would otherwise be deductible by Parent or any of its Subsidiaries with respect to taxable periods ending on or before the Effective Time could be disallowed under Section 162(m) of the Code; (xi) neither Parent nor any of its Subsidiaries is a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code; and (xii) as a result of the Reorganization, Parent will not be obligated to make a payment to an individual that would be a "parachute payment" to a "disqualified individual" as those terms are defined in Section 280G of the Code without regard to whether such payment is reasonable compensation for personal services performed or to be performed in the future.

Section 4.11 Liabilities. Except as set forth in the Parent Filed SEC Documents, to the knowledge of Parent, neither Parent nor any of its Subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) required by generally accepted accounting principles to be set forth on a consolidated balance sheet of Parent and its Subsidiaries or in the notes thereto, other than liabilities and obligations incurred in the ordinary course of business since December 31, 1998 and liabilities which would not, individually or in the aggregate, reasonably be expected

to have a Material Adverse Effect on Parent.

Section 4.12 Litigation. Except as disclosed in Item 4.12 of the Parent Letter or in the Parent Filed SEC Documents, as of the date of this Agreement, there is no suit, action, proceeding or investigation pending or, to Parent's knowledge, threatened, against Parent or any of its Subsidiaries that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on Parent or prevent or materially delay the consummation of the Reorganization. Except as disclosed in Item 4.12 of the Parent Letter or in the Parent Filed SEC Documents, neither Parent nor any of its Subsidiaries is subject to any outstanding judgment, order, writ, injunction or decree that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Parent or prevent or materially delay the

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consummation of the Reorganization.

Section 4.13 State Takeover Statutes. To the knowledge of Parent, no state antitakeover statute or similar statute or regulation applicable to Parent is applicable to this Agreement or the transactions contemplated hereby. To the knowledge of Parent, no other "control share acquisition," "fair price," "moratorium" or other antitakeover laws or regulations enacted under U.S. federal or state laws applicable to Parent apply to this Agreement or any of the transactions related thereto.

Section 4.14 Brokers. No broker, investment banker, financial advisor or other person, other than Goldman, Sachs & Co., the fees and expenses of which will be paid by Parent (and are reflected in an agreement between Goldman, Sachs & Co. and Parent, is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Parent.

Section 4.15 Tax Status. To the knowledge of Parent after due investigation, neither Parent nor any of its Affiliates has taken any action or failed to take any action which action or failure would jeopardize the qualification of either the Merger or the VoiceStream Merger as a reorganization within the meaning of Section 368(a) of the Code and/or as part of a transaction described in Section 351(a) of the Code. To the knowledge of Parent after due investigation, there are no facts or circumstances relating to Parent or its Affiliates, including any covenants or undertakings of the Company pursuant to this Agreement, that would prevent Jones, Day, Reavis & Pogue from delivering the opinion referred to in Section 7.3(b) as of the date hereof.

Section 4.16 Interim Operations of Sub. Merger Sub C was formed solely for the purpose of engaging in the transactions contemplated hereby, has engaged in no other business activities and has conducted its operations only as contemplated hereby.

Section 4.17 Vote Required. The only vote of the holders of any class or series of capital stock of Parent necessary to approve this Agreement and the transactions

contemplated hereby is (i) with respect to the transactions contemplated by Sections 1.0(b) or 1.0(c), the affirmative vote of the holders of two-thirds of the outstanding shares of Parent Common Stock and (ii) with respect to the Parent Share Issuance, the affirmative vote of the holders of a majority of the outstanding shares of Parent Common Stock.

Section 4.18 Transactions with Affiliates. Except as described in Item 4.18 of Parent Letter or the Parent SEC Documents, no Affiliate of Parent nor any stockholder, officer, director, partner, member, consultant or employee of

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any thereof, is at the date hereof a party to any transaction with Parent or any of its Subsidiaries, including any contract or arrangement providing for the furnishing of services to or by, providing for rental of real or personal property (including intellectual property) to or from, or otherwise requiring payments to or from Parent or any of its Subsidiaries, or any Affiliate thereof.

Section 4.19 Opinion of Goldman, Sachs & Co. Parent has received the oral opinion of Goldman, Sachs & Co. on the date hereof to the effect that, as of the date hereof, the consideration to be paid by Parent in the Reorganization is fair to the Parent's stockholders from a financial point of view.

Article V - Covenants Relating to Conduct of Business

Section 5.1 Conduct of Business by the Company Pending the Reorganization. During the period from the date of this Agreement until the Effective Time, the Company shall, and shall cause each of its Subsidiaries to, in all material respects, except as contemplated by this Agreement, carry on its business in the ordinary course as currently conducted. Without limiting the generality of the foregoing, and except as otherwise contemplated by this Agreement (including the Annexes hereto) or as disclosed in the Company Letter, during such period, the Company shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of Parent:

(a) (i) declare, set aside or pay any dividends on, or make any other distributions in respect of, or redeem or repurchase, any of its capital stock or other equity interest, except for dividends by a Subsidiary of the Company to its parent or (ii) split, combine or reclassify any of its capital stock or other equity interest or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock;

(b) issue, deliver, sell, pledge or otherwise encumber any shares of its capital stock or other equity interest, any other voting securities or any securities convertible into, or any rights, warrants or options to acquire, any such shares, voting securities or convertible securities, other than the issuance of shares of Company Common Stock under the Company Long-Term Incentive Plan, Company Restricted Stock Plan or Tax Deferred Savings Plan in the ordinary course or pursuant to the Investment Agreement;

(c) amend its Restated Certificate of Incorporation or By-laws or other similar organizational documents;

(d) acquire, or agree to acquire, in a single transaction or in a series of related transactions, any business or assets, other than (i) transactions that are in the ordinary course of business, and which involve individually or in the aggregate a purchase price not in excess of $5,000,000

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and (ii) capital expenditures described in paragraph (e) below;

(e) make or agree to make any new capital expenditure other than expenditures contemplated by the Company's capital budget for fiscal 1999 and expenditures not in excess of the dollar amount included in the Company's business plan for fiscal 2000;

(f) sell, lease, license, encumber or otherwise dispose of, or agree to sell, lease, license, encumber or otherwise dispose of, any of its assets, other than transactions that are in the ordinary course of business and which involve assets having a current value not in excess of $5,000,000 individually or in the aggregate;

(g) increase the salary or wages payable or to become payable to its directors, officers or employees, except for increases required under employment agreements existing on the date hereof, and except for increases for officers and employees in the ordinary course of business consistent with past practices; or enter into any employment or severance agreement with, or establish, adopt, enter into or amend, or make any grants or awards under, any bonus, profit sharing, thrift, stock option, restricted stock, pension, retirement, deferred compensation, employment, termination or severance plan, agreement, policy or arrangement for the benefit of, any director, officer or employee, except, in each case, in the ordinary course of business consistent with past practices (including those with respect to the timing and amount of, and persons entitled to, grants and awards), or as may be required by the terms of any such plan, agreement, policy or arrangement or to comply with applicable law;

(h) except as may be required as a result of a change in law or in generally accepted accounting principles, make any change in its method of accounting or its fiscal year;

(i) enter into, modify in any material respect, amend in any material respect or terminate any material contract or agreement to which the Company or any of its Subsidiaries is a party, or waive, release or assign any material rights or claims, in each case, in any manner adverse to the Company or any of its Subsidiaries;

(j) amend any term of any of its outstanding securities in any material respect;

(k) adopt a plan or agreement of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other material reorganization;

(l) incur, assume or guarantee any material Indebtedness other than pursuant to agreements in effect on the date hereof and listed in the Company

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Letter;

(m) create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than Liens incurred in the ordinary course of business or to secure Indebtedness or other obligations permitted by this Agreement;

(n) create, incur, assume or suffer to exist any obligation whereby the Company or its Subsidiaries guarantees any Indebtedness, leases, dividends or other obligations of any third party;

(o) make any loan, advance or capital contributions to or investment in any Person, other than loans, advances or capital contributions to or investments in its wholly owned Subsidiaries;

(p) enter into any agreement or arrangement that materially limits or otherwise materially restricts the Company, any of its Subsidiaries or any of their respective Affiliates or any successor thereto or that could, after the Effective Time, limit or restrict Parent, any of its Subsidiaries, the Surviving Corporation or any of their Affiliates, from engaging in the business of providing wireless communications services or developing wireless communications technology anywhere in the world or otherwise from engaging in any other business;

(q) settle, or propose to settle, any material litigation, investigation, arbitration, proceeding or other claim;

(r) make any material tax election or enter into any settlement or compromise of any material tax liability;

(s) take any action, other than as expressly permitted by this Agreement, that would make any representation or warranty of the Company hereunder inaccurate in any material respect at the Effective Time; or

(t) enter into any contract, agreement, commitment or arrangement to do any of the foregoing.

Section 5.2 Conduct of Business by Parent Pending the Reorganization. During the period from the date of this Agreement until the Effective Time, except as contemplated by this Agreement or the Omnipoint Agreement, Parent shall not, and shall not permit any of its Subsidiaries to, without the prior written consent of the Company (which consent shall not be unreasonably withheld or delayed):

(a) amend its articles or certificate of incorporation, bylaws or other applicable governing instrument;

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(b) amend any terms of the shares of Parent Common Stock in any material respect;

(c) split, combine, subdivide or reclassify any shares of Parent Common Stock or declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of Parent Common Stock, except for (i) regular quarterly cash dividends, (ii) regular dividends on any future series of preferred stock pursuant to the terms of such securities, or (iii) dividends paid by any Parent Subsidiary to Parent or any Parent Subsidiary that is, directly or indirectly, wholly owned by Parent;

(d) take any action that would or would reasonably be expected to prevent, impair or materially delay the ability of Parent to consummate the transactions contemplated by this Agreement;

(e) change (i) its methods of accounting or accounting practices in any material respect except as required by concurrent changes in generally accepted accounting principles or by law or (ii) its fiscal year;

(f) enter into or acquire any new line of business that (i) is material to Parent and (ii) is not strategically related to the current business or operations of Parent;

(g) agree or commit to do any of the foregoing;

provided, however, that nothing herein shall preclude or restrict Parent from consummating the transactions contemplated by the Omnipoint Agreement.

Section 5.3 No Solicitation. (a) From the date hereof until the termination hereof, the Company will not, and will cause its Affiliates, and the officers, directors, employees, investment bankers, attorneys, accountants, consultants or other agents or advisors of the Company and its Affiliates, not to, directly or indirectly: (i) take any action to solicit, initiate, facilitate or encourage the submission of any Acquisition Proposal; (ii) other than in the ordinary course of business and not related to an Acquisition Proposal, engage in any discussions or negotiations with, or disclose any non-public information relating to the Company or any of its Subsidiaries or afford access to the properties, books or records of the Company or any of its Subsidiaries to, any Person who is known by the Company to be considering making, or has made, an Acquisition Proposal; (iii) (A) approve any transaction under Section 203 of the Delaware Law or (B) approve of any Person's becoming an "interested stockholder" under Section 203 of Delaware Law or (iv) enter into any agreement with respect to an Acquisition Proposal. Nothing contained in this Agreement shall prevent the Board of Directors of the Company from complying with Rule 14e-2 and Rule 14d-9 under the 1934 Act with regard to an Acquisition Proposal; provided, that the Board of Directors of the Company shall not recommend that the stockholders of the Company tender their shares in connection with a tender offer except to the extent the Board of Directors of

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the Company by a majority vote determines in its good faith judgment that such a recommendation is required to comply with the fiduciary duties of the Board of Directors of the Company to shareholders under applicable Delaware Law, after receiving the advice of outside legal counsel.

(b) The Company will notify Parent promptly (but in no event later than 24 hours) after receipt by the Company (or any of its advisors) of any Acquisition Proposal, or of any request (other than in the ordinary course of business and not related to an Acquisition Proposal) for non-public information relating to the Company or any of its Subsidiaries or for access to the properties, books or records of the Company or any of its Subsidiaries by any Person who is known to be considering making, or has made, an Acquisition Proposal. The Company shall provide such notice orally and in writing and shall identify [the Person making, and] the terms and conditions of, any such Acquisition Proposal or request. The Company shall keep Parent fully informed, on a prompt basis (but in any event no later than 24 hours), of the status and details of any such Acquisition Proposal or request. The Company shall, and shall cause its Subsidiaries and the directors, employees and other agents of the Company and the Company Subsidiaries to, cease immediately and cause to be terminated all activities, discussions or negotiations, if any, with any Persons conducted prior to the date hereof with respect to any Acquisition Proposal.

Section 5.4 Third Party Standstill Agreements. Subject to the fiduciary responsibilities of the Board of Directors of the Company, during the period from the date of this Agreement through the Effective Time, the Company shall enforce and shall not terminate, amend, modify or waive any standstill provision of any confidentiality or standstill agreement between the Company and other parties entered into prior to the date hereof in connection with the process conducted by the Company to solicit acquisition proposals for the Company.

Section 5.5 Disclosure of Certain Matters; Delivery of Certain Filings. The Company shall promptly advise Parent orally and in writing if there occurs, to the knowledge of the Company, any change or event which results in the executive officers of the Company having a good faith belief that such change or event has resulted in or is reasonably likely to result in a Material Adverse Effect on the Company or prevent or materially delay the consummation of the Reorganization. Parent shall promptly advise the Company orally and in writing if there occurs, to the knowledge of Parent, any change or event which results in the executive officers of Parent having a good faith belief that such change or event has resulted in or is reasonably likely to result in a Material Adverse Effect on Parent. The Company shall provide to Parent, and Parent shall provide to the Company, copies of all filings made by the Company or Parent, as the case may be, with any Governmental Entity in connection with this Agreement and the transactions contemplated hereby.

Section 5.6 Tax Status. During the period from the date of this Agreement through the Effective Time, each of Parent, the Company and their respective Affiliates

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shall use its reasonable best efforts (i) to cause each of the Merger and the VoiceStream Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code and/or as part of a transaction described in Section 351(a) of the Code and (ii) to obtain the opinions of counsel referred to in Section 7.2(b) and Section 7.3(b), including the execution of the tax certificates referenced therein.

Article VI - Additional Agreements

Section 6.1 Employee Benefits. (a) Parent shall take all necessary action so that each person who is an employee of the Company or any of its Subsidiaries as of the Effective Time (including each such person who is on vacation, temporary layoff, approved leave of absence, sick leave or short- or long-term disability) (a "Retained Employee") shall remain an employee of the Company or the Surviving Corporation or a Subsidiary of the Company or of the Surviving Corporation, as the case may be, immediately following the Effective Time. If any person who (a) is receiving, as of the Effective Time, long-term disability benefits and (b) was employed by Aerial or any of its Subsidiaries immediately before becoming eligible to receive long-term disability benefits ceases to be totally and permanently disabled and is able to return to employment, Parent shall take all necessary action so that, to the extent required by law, such person becomes an employee of the Company or the Surviving Corporation or a Subsidiary of the Company or of the Surviving Corporation, as the case may be. Prior to the Effective Time, TDS and the Company shall enter into an Employee Benefit Plans Separation Agreement whereby certain TDS employee benefit plans in which the Company participates shall be spun-off to allow the Company to become the sole sponsor. The terms of the Employee Benefit Plans Separation Agreement shall provide, inter alia, for the termination (without the establishment of any similar plan) of the Company's participation in the Telephone and Data Systems, Inc. Wireless Companies' Pension Plan and Telephone and Data Systems, Inc. Supplemental Executive Retirement Plan. Parent shall not be subject to any liability with respect to the Telephone and Data Systems, Inc. Wireless Companies' Pension Plan. Parent shall take all necessary action so that each employee benefit plan maintained by the Company or any of its Subsidiaries immediately before the Effective Time shall be continued immediately following the Effective Time. Parent shall take all necessary action so that, throughout the period beginning at the Effective Time and ending on September 30, 2000, the Company, the Surviving Corporation and their Subsidiaries will provide for each Retained Employee and former employee of the Company and its Subsidiaries, a level of employee benefits and aggregate compensation that is substantially comparable in the aggregate with that provided by the Company immediately prior to the Effective Time. Parent shall take all necessary action so that each Retained Employee shall after the Effective Time continue to be credited with the unused vacation and sick leave credited to such employee through the Effective Time under the applicable vacation and sick leave policies of the

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Company and its Subsidiaries, and Parent shall permit or cause the Company, the Surviving Corporation and their Subsidiaries to permit such employees to use such vacation and sick leave.

Parent shall take all necessary action so that, for all purposes under each employee benefit plan maintained by Parent or any of its Subsidiaries in which employees or former employees of the Company and its Subsidiaries become eligible to participate upon or after the Effective Time, each such person shall be given credit for all service with the Company and its Subsidiaries (or all service credited by the Company or its Subsidiaries) to the same extent as if rendered to Parent or any of its Subsidiaries. As of the Effective Time, the Company will have no Company Benefit Plans except for those Company Benefit Plans listed in Items 3.12(a) and 3.12(b) of the Company Letter. Item 6.1(a) of the Company Letter contains a true and complete list of each director, officer and employee of the Company and its Subsidiaries holding options under any Company Benefit Plan, and the dollar or share amounts thereof.

(b) Except as otherwise provided in this Section or in Section 6.2, nothing in this Agreement shall be interpreted as limiting the power of the Surviving Corporation to amend or terminate any particular Company Benefit Plan or any other particular employee benefit plan, program, agreement or policy or as requiring the Surviving Corporation to offer to continue (other than as required by its terms) any written employment contract or to continue the employment of any specific person, provided, however, that no such termination or amendment may take away benefits or any other payments already accrued as of the time of such termination or amendment without the consent of such person, except as allowed by law.

(c) As of the Effective Time and subject to the applicable time limitations contained herein, Parent shall honor or cause to be honored by the Company, the Surviving Corporation and their Subsidiaries all employment agreements, bonus agreements, severance agreements and non-competition agreements with the persons who are directors, officers and employees of the Company and its Subsidiaries.

(d) Without limitation of Parent's or the Company's obligations under any existing employment agreement, bonus agreement, severance agreement or non-competition agreement, Parent shall maintain, or shall cause the Company and the Surviving Corporation to maintain, the Company's bonus programs through at least September 30 of the calendar year in which the Reorganization is consummated, with bonuses to be paid to each Retained Employee still employed at such time participating thereunder at the greater of (A) such employee's target level and (B) the bonus such employee would have earned under the applicable Company bonus program if the transactions contemplated by this Agreement had not occurred, in all events on a basis consistent with past practice, and in either case prorated on the basis of the portion of the

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calendar year elapsed as of the time of termination of the relevant bonus program.

(e) Parent shall, or shall cause the Company and the Surviving Corporation to, (A) waive all limitations as to preexisting conditions, exclusions and waiting periods with respect to participation and coverage requirements applicable to the Retained Employees and former employees of the Company and its Subsidiaries

under any welfare or fringe benefit plan in which such employees and former employees may be eligible to participate after the Effective Time, other than limitations or waiting periods that are in effect with respect to such employees and that have not been satisfied under the corresponding welfare or fringe benefit plan maintained by the Company for the Retained Employees and former employees prior to the Effective Time, and (B) provide each Retained Employee and former employee with credit under any welfare plans in which such employee or former employee becomes eligible to participate after the Effective Time for any co-payments and deductibles paid by such Retained Employee or former employee for the then current plan year under the corresponding welfare plans maintained by the Company prior to the Effective Time.

Section 6.2 Options; Restricted Stock Awards. (a) Prior to the Effective Time, the Board of Directors of the Company (or the Stock Option Compensation Committee of the Board of Directors) shall adopt such resolutions or shall take such other actions as may be required, with respect to Company Stock Options and Company Restricted Stock Units, to specifically approve the transactions contemplated by this Section 6.2. The Company shall use reasonable efforts to obtain any necessary consents of the holders of such Company Stock Options and Company Restricted Stock Units to effect this Section 6.2.

(b) At the Effective Time, each Company Stock Option which is outstanding immediately prior to the Effective Time pursuant to any Company Stock Plan shall become and represent an option to purchase the number of shares of Parent Common Stock (a "Substitute Option") determined by multiplying the number of Company Common Shares subject to such Company Stock Option immediately prior to the Effective Time by the Conversion Number, at an exercise price per share of Parent Common Stock (increased to the nearest whole cent) equal to the exercise price per Company Common Share subject to such Company Stock Option immediately prior to the Effective Time divided by the Conversion Number. All other terms and conditions applicable to the Company Stock Options, including vesting, shall remain unchanged with respect to the Substitute Options. No fractional shares of Parent Common Stock will be issued upon the exercise of Substitute Options. In lieu of such issuance, the shares of Parent Common Stock issued pursuant to the terms of this Agreement shall be rounded to the closest whole share of Parent Common Stock. After the Effective Time, except as otherwise provided in this Section 6.2, each Substitute Option shall be

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exercisable upon the same terms and conditions as were applicable to the related Company Stock Option immediately prior to the Effective Time, after giving effect to the resolutions and other actions described in this Section 6.2. Not later than ten days following the Effective Time, Parent shall file a registration statement on Form S-8 or otherwise included in an existing registration statement with respect to the shares of Parent Common Stock to be issued upon exercise of the Substitute Options and shall use its best efforts to maintain the effectiveness of such registration statement for so long as the Substitute Options shall remain outstanding.

(c) Pursuant to the Company Restricted Stock Plan, as of the date of

approval by the stockholders of the Company of this Agreement, each Company Restricted Stock Unit shall become fully vested and each holder of a Company Restricted Stock Unit shall be entitled to receive from the Company a payment in an amount equal to the Fair Market Value (as defined by the Restricted Stock Unit Plan) of such Restricted Stock Unit determined on such vesting date. Such payment shall be made in cash or Company Common Shares, as determined in the sole discretion of the Chairman of the Company.

Section 6.3 Company Stockholders Meeting. (a) The Company shall call a meeting of the holders of Company Common Stock (the "Company Stockholders Meeting") to be held as promptly as practicable for the purpose of voting upon the Reorganization. Except as provided below, the Board of Directors of each party shall recommend approval and adoption of this Agreement and the transactions contemplated hereby by its respective stockholders and Parent and the Company shall each take all lawful action to solicit such approval, including timely mailing of the Proxy Statement/Prospectus. The Board of Directors of the Company shall be permitted to withdraw, or modify in a manner adverse to Parent, its recommendation to its stockholders, but only if (i) the Board of Directors of the Company determines in good faith by majority vote of all directors entitled to vote on the approval of this Agreement, on the basis of the advice of the Company's outside counsel that it is required under Delaware law to take such action in order for the Board of Directors to comply with its fiduciary duties under applicable Delaware Law, (ii) the Company shall have delivered to Parent three Business Days' prior written notice advising Parent that it intends to take such action and the Company's Board of Directors has considered any proposed changes to this Agreement (if any) proposed by Parent and (iii) the Company has fully and completely complied with Section 5.3 and this Section. Unless this Agreement is previously terminated in accordance with Section 8.1, the Company shall submit this Agreement to its stockholders at the meeting required to be called and held pursuant to this Section 6.3(a), even if the Company's Board of Directors determines at any time after the date hereof that it is no longer advisable or recommends that its stockholders reject it.

(b) Parent shall call a meeting of its stockholders (the "Parent

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Stockholder Meeting" and, together with the Company Stockholder Meeting, the "Stockholder Meetings"), to be held as promptly as practicable for the purpose of voting upon the Reorganization and Parent Share Issuance. Unless waived by the Company, Parent shall use its reasonable commercial efforts to cause the Parent Stockholder Meeting to be coordinated with and held at the same time and place as the vote of the Parent Stockholders, as defined below, with respect to the Omnipoint Agreement. Parent shall, though its Board of Directors, recommend to the holders of Parent Common Stock approval of the Reorganization and Parent Share Issuance. Unless this Agreement is previously terminated in accordance with Section 8.1, Parent shall submit the Reorganization and Parent Share Issuance to its stockholders at the meeting required to be called and held pursuant to this Section 6.3(a), even if Parent's Board of Directors determines at any time after the date hereof that it is no longer advisable or

recommends that its stockholders reject it.

(c) The Company and Parent shall coordinate and cooperate with respect to the timing of the Stockholder Meetings and shall use their reasonable commercial efforts to hold such meetings on the same day. Parent shall use its reasonable best efforts to cause the record date for the Parent Stockholder Meeting to be set as of a date prior to the consummation of the transactions contemplated by the Omnipoint Agreement.

Section 6.4 Preparation of the Registration Statement and Joint Proxy Statement. The Company and Parent shall promptly prepare and file with the SEC the Joint Proxy Statement and Parent shall prepare and file with the SEC the Registration Statement, in which the Joint Proxy Statement will be included as a prospectus. Unless waived by the Company, the Company and Parent shall use their reasonable commercial efforts to cause the Joint Proxy Statement to be combined with the proxy statement of Parent and Omnipoint relating to the Omnipoint Agreement. Each of the Company and Parent shall use its reasonable efforts to have the Registration Statement declared effective under the Securities Act as promptly as practicable after such filing. Parent shall also take any reasonable action (other than qualifying to do business in any jurisdiction in which it is now not so qualified) required to be taken under any applicable state securities laws in connection with the issuance of Parent Common Stock in connection with the Reorganization and upon any exercise of the Substitute Options. The Company shall furnish all information concerning the Company and the holders of shares of Company Common Stock as may be reasonably requested by Parent in connection with any such action. Parent shall notify the Company promptly of the receipt of any comments from the SEC or its staff and of any request by the SEC or its staff for amendments or supplements to the Registration Statement or the Joint Proxy Statement or for additional information and will supply the Company with copies of all correspondence between Parent or any of its representatives, on the one hand, and the SEC or its staff, on the other hand, with respect to the Registration Statement, the Joint Proxy Statement or the Reorganization. If at

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any time prior to the Company Stockholders Meeting there shall occur any event that should be set forth in an amendment or supplement to the Registration Statement or the Joint Proxy Statement, each of Parent and the Company shall promptly prepare and mail to the stockholders of the Company and Parent such an amendment or supplement. Parent and the Company shall cooperate in the preparation of the Registration Statement, the Joint Proxy Statement or any amendment or supplement thereto.

Section 6.5 Comfort Letters. (a) The Company shall use reasonable efforts to cause to be delivered to Parent "comfort" letters of Arthur Andersen LLP, the Company's independent public accountants, dated the date on which the Registration Statement shall become effective and as of the Effective Time, and addressed to Parent and the Company, in form and substance reasonably satisfactory to Parent and as is reasonably customary in scope and substance for letters delivered by independent public accountants in connection with transactions such as those contemplated by this

Agreement.

(b) Parent shall use reasonable efforts to cause to be delivered to the Company "comfort" letters of Arthur Andersen LLP, Parent's independent public accountants, dated the date on which the Registration Statement shall become effective and as of the Effective Time, and addressed to the Company and Parent, in form and substance reasonably satisfactory to the Company and as is reasonably customary in scope and substance for letters delivered by independent public accountants in connection with transactions such as those contemplated by this Agreement.

Section 6.6 Access to Information. Upon reasonable notice and subject to restrictions contained in confidentiality agreements to which the Company is subject and subject to the terms of the Reciprocal Non-Disclosure and Confidentiality Agreement dated December 28, 1998, between Series A Stockholder on behalf of itself and its Affiliates, including the Company, and Parent, as the same may be amended, supplemented or modified (the "Confidentiality Agreement"), (a) the Company shall, and shall cause each of its Subsidiaries to, afford to Parent and to the officers, employees, accountants, counsel and other representatives of Parent all reasonable access, during normal business hours during the period prior to the Effective Time, to all their respective lenders, agents and other representatives, properties, assets, books, contracts, commitments and records and, during such period, the Company shall (and shall cause each of its subsidiaries to) furnish promptly to Parent all information concerning its business, properties and personnel as Parent may reasonably request, including a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of the federal or state securities laws or the federal Tax laws and (b) Parent shall, and shall cause each of its Subsidiaries to, afford to the

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Company and to the officers, employees, accountants, counsel and other representatives of the Company all reasonable access, during normal business hours during the period prior to the Effective Time, to all their respective properties, books, contracts, commitments and records and, during such period, Parent shall (and shall cause each of its Subsidiaries to) furnish promptly to the Company all information concerning its business, properties and personnel as the Company may reasonably request, including a copy of each report, schedule, registration statement and other document filed or received by it during such period pursuant to the requirements of the federal or state securities laws or the federal Tax laws.

Section 6.7 Compliance with the Securities Act. (a) No later than thirty days following the date of this Agreement, the Company shall cause to be prepared and delivered to Parent a list identifying all persons who, at the time of the Company Stockholders Meeting, may be deemed to be an "affiliate" of the Company, as such term is used in paragraphs (c) and (d) of Rule 145 under the Securities Act (the "Rule 145 Affiliates"). The Company shall use reasonable efforts to cause each person who is identified as a Rule 145 Affiliate in such list (except Series A Stockholder and Investor) to deliver to Parent on or prior to the Effective Time a written agreement, in a

form to be approved by the parties hereto, that such Rule 145 Affiliate shall not sell, pledge, transfer or otherwise dispose of any shares of Parent Common Stock issued to such Rule 145 Affiliate in connection with the Reorganization, except pursuant to an effective registration statement or in compliance with such Rule 145 or another exemption from the registration requirements of the Securities Act.

(b) Prior to the Effective Time, the Board of Directors of Parent (or the committee of the Board of Directors of Parent composed solely of two or more "Non- Employee Directors," as that term is defined in Rule 16b-3(b)(3)(i) under the Exchange Act, administering the stock plans of Parent) shall adopt such resolutions or shall take such other actions as are required to specifically approve the acquisitions of Parent Common Stock and Substitute Options at the Effective Time, as contemplated by Sections 2.1(c) and 6.2, by directors, officers or employees of the Company who may become directors or officers of Parent, such approvals to be given for the purpose of exempting such acquisitions under Rule 16b-3 under the Exchange Act, it being acknowledged that such approvals shall not adversely affect Parent's ability subsequently to determine that any such person has not in fact become a director or officer of Parent.

Section 6.8 Stock Exchange Listings. Parent shall use reasonable efforts to be included on Nasdaq, upon notification of issuance, the shares of Parent Common Stock to be issued in connection with the Reorganization and upon any exercise of the Substitute Options.

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Section 6.9 Fees and Expenses. (a) Except as provided below in this Section 6.9, all fees and expenses incurred in connection with the Reorganization, this Agreement and the transactions contemplated hereby shall be paid by the party incurring such fees or expenses, whether or not the Reorganization is consummated.

(b) In the event that Parent terminates this Agreement pursuant to Section 8.1(c)(i) or Section 8.1(e), the Company shall pay, or cause to be paid, in same day funds to Parent within five (5) Business Days of such termination, $40,000,000 (the "Termination Fee").

Section 6.10 Public Announcements. Parent and the Company will consult with each other before issuing any press release or otherwise making any public statements with respect to the transactions contemplated by this Agreement and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law, fiduciary duties or by obligations pursuant to any listing agreement with any national securities exchange.

Section 6.11 Real Estate Transfer Tax. Parent and the Company agree that either the Surviving Corporation or the Company (without any liability to any of the Company's stockholders) will pay any state or local Tax which is attributable to the transfer of the beneficial ownership of the Company's or its Subsidiaries' real property,

if any (collectively, the "Transfer Taxes"), and any penalties or interest with respect to the Transfer Taxes, payable in connection with the consummation of the Reorganization. The Company agrees to cooperate with Parent in the filing of any returns with respect to the Transfer Taxes, including supplying in a timely manner a complete list of all real property interests held by the Company and its Subsidiaries and any information with respect to such property that is reasonably necessary to complete such returns. The portion of the consideration allocable to the real property of the Company and its Subsidiaries shall be determined by Parent in its reasonable discretion. To the extent permitted by law, the Company's stockholders shall be deemed to have agreed to be bound by the allocation established pursuant to this Section 6.11 in the preparation of any return with respect to the Transfer Taxes.

Section 6.12 State Takeover Laws. If any "fair price" or "control share acquisition" statute or other similar statute or regulation shall become applicable to the transactions contemplated hereby, Parent and the Company and their respective Boards of Directors shall use reasonable efforts to grant such approvals and take such actions as are necessary so that the transactions contemplated hereby may be consummated as promptly as practicable on the terms contemplated hereby and otherwise act to minimize the effects of any such

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statute or regulation on the transactions contemplated hereby.

Section 6.13 Indemnification; Directors and Officers Insurance. (a) Parent shall, or shall cause the Surviving Company to, continue to provide all rights to indemnification or exculpation, existing in favor of a director, officer, employee or agent (an "Indemnified Person") of the Company or any of its Subsidiaries (including, without limitation, rights relating to advancement of expenses and indemnification rights to which such persons are entitled because they are serving as a director, officer, agent or employee of another entity at the request of the Company or any of its Subsidiaries), as provided in the Restated Certificate of Incorporation of the Company, the By-laws of the Company or any indemnification agreement, in each case, as in effect on the date of this Agreement, and relating to actions or events through the Effective Time, and such rights to indemnification shall survive the Reorganization and shall continue in full force and effect, without any amendment thereto; provided, however, that neither Parent nor the Surviving Corporation shall be required to indemnify any Indemnified Person in connection with any proceeding (or portion thereof) to the extent involving any claim initiated by such Indemnified Person unless the initiation of such proceeding (or portion thereof) was authorized by the Board of Directors of the Company or unless such proceeding is brought by an Indemnified Person to enforce rights under this Section 6.13; provided further that any determination required to be made with respect to whether an Indemnified Person's conduct complies with the standards set forth under the DGCL, the Restated Certificate of Incorporation of the Company, the By-laws of the Company or any such agreement, as the case may be, shall be made by independent legal counsel selected by Parent and reasonably acceptable to such Indemnified Person; and provided further that nothing in this Section 6.13 shall impair any rights of any Indemnified Person. Without limiting the generality of the preceding sentence, in

the event that any Indemnified Person becomes involved in any actual or threatened action, suit, claim, proceeding or investigation after the Effective Time relating to actions prior to the Effective Time, Parent shall, or shall cause the Surviving Corporation to, promptly advance to such Indemnified Person his or her legal and other expenses (including the cost of any investigation and preparation incurred in connection therewith), subject to the providing by such Indemnified Person of an undertaking to reimburse all amounts so advanced in the event of a non-appealable determination of a court of competent jurisdiction that such Indemnified Person is not entitled thereto.

(b) Subject to the prior written approval by Parent, which shall not be unreasonably withheld, prior to the Effective Time, the Company shall have the right to obtain and pay for in full a "tail" coverage directors' and officers' liability insurance policy ("D&O Insurance") covering a period of not more than six years after the Effective Time and providing coverage in amounts and on terms consistent with the Company's existing D&O Insurance. In the event the

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Company does not obtain such insurance, Parent shall cause the Surviving Corporation to continue to provide D&O Insurance relating to actions or events through the Effective Time (through Series A Stockholder or directly with an insurance carrier), for a period of not more than six years after the Effective Time; provided, that the Surviving Corporation may substitute therefor policies of substantially similar coverage and amounts containing terms no less advantageous to such former directors or officers; provided further that if the existing D&O Insurance expires or is cancelled during such period, Parent or the Surviving Corporation shall make reasonable commercial efforts to obtain substantially similar D&O Insurance; and provided further that the Company shall not be required to expend, in order to maintain or procure an annual D&O Insurance policy, an amount in excess of 200% of the last annual premium paid prior to the date hereof, but in such case shall purchase as much coverage as possible for such amount.

(c) The provisions of this Section 6.13 are intended to be for the benefit of, and shall be enforceable by, each Indemnified Person, his or her heirs and his or her personal representatives and shall be binding upon the successors and assigns of Parent, the Company and the Surviving Company.

Section 6.14 Best Efforts. (a) Subject to the provisions hereof, each of the Company, Parent and Merger Sub C agrees to use best efforts to consummate and make effective, in the most expeditious manner practicable, the Reorganization and the other transactions contemplated by this Agreement; provided, however, that neither Parent nor any of its Subsidiaries shall be required, nor, without the consent of Parent, shall the Company or its Subsidiaries be permitted, to divest or hold separate or otherwise take or commit to take any action that limits its freedom of action with respect to the Company, Parent or any of their Subsidiaries or any material portion of the assets of the Company, Parent or any of their Subsidiaries or any of the business, product lines, or assets of the Company, Parent or any of their Subsidiaries. Without limiting the foregoing, (i) each of the Company, Parent and Merger Sub C agrees to use best efforts to take, or cause to be taken, all actions necessary to comply promptly with

all legal requirements that may be imposed on itself with respect to the Reorganization (which actions shall include furnishing all information required under the HSR Act and all actions required in connection with approvals of or filings with the FCC, state public utility or service commissions or similar agencies and any other Governmental Entity) and shall promptly cooperate with and furnish information to each other in connection with any such requirements imposed upon any of them or any of their Subsidiaries in connection with the Reorganization and (ii) each of the Company, Parent and Merger Sub C shall, and shall cause its Subsidiaries to, use best efforts to obtain (and shall cooperate with each other in obtaining) any consent, authorization, order or approval of, or any exemption by, the FCC, state public utility or service commissions or

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similar agencies and any other Governmental Entity or other public or private third party required to be obtained or made by Parent, Sub, the Company or any of their Subsidiaries in connection with the Reorganization or the taking of any action contemplated thereby or by this Agreement. Notwithstanding anything to the contrary contained in this Agreement, in connection with any filing or submission required or action to be taken by Parent, the Company or any of its respective Subsidiaries to consummate the Reorganization or the other transactions contemplated in this Agreement, the Company shall not, without Parent's prior written consent, commit to any divestiture of assets or businesses of the Company and its Subsidiaries if such divested assets and/or businesses are material to the assets or profitability of the Company and its Subsidiaries taken as a whole.

(b) As promptly as practicable after the execution and delivery of this Agreement, Parent and the Company shall prepare all appropriate applications for FCC approval, and such other documents as may be required, with respect to the transfer of control of the Company and Parent to Holding Company (collectively, the "FCC Applications"). Not later than the tenth Business Day following execution and delivery of this Agreement, the Company and Parent will exchange with each other their respective completed portions of the FCC Applications. Not later than the fifteenth Business Day following the execution and delivery of this Agreement, the Company and Parent shall file, or cause to be filed, the FCC Applications. If the Effective Time shall not have occurred for any reason within any applicable initial consummation period, and neither the Company nor Parent shall have terminated this Agreement pursuant to Section 8.1, Parent and the Company shall jointly request one or more extensions of the consummation period of such grant. No party hereto shall knowingly take, or fail to take, any action if the intent or reasonably anticipated consequence of such action or failure to act is, or would be, to cause the FCC not to grant approval of the FCC Applications or delay either such approval or the consummation of the transfer of control of the Company. Parent and the Company shall each pay one-half (1/2) of any FCC fees, if applicable, in connection with the filing or granting of approval of the FCC Applications. Each of Parent and the Company shall bear its own expenses in connection with the preparation and prosecution of the FCC Applications. Parent and the Company shall each use all commercially reasonable efforts to prosecute the FCC Applications in good faith and with due diligence before the FCC and in connection therewith shall take such action or actions as may be necessary or reasonably required

in connection with the FCC Applications, including furnishing to the FCC any documents, materials or other information requested by the FCC in order to obtain such FCC approval as expeditiously as practicable.

(c) Promptly after the date hereof, Parent and the Company (as may be required pursuant to the HSR Act) will complete all documents required to be filed with the Federal Trade Commission and the Department of Justice in order

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to comply with the HSR Act and, not later than 20 Business Days after the date hereof, together with the Persons who are required to join in such filings, shall file the same with the appropriate Governmental Entities. Parent and the Company shall each pay one-half (1/2) of any fees that may be payable in connection with the filing pursuant to the HSR Act. Parent and the Company shall promptly furnish all materials thereafter required by any of the Governmental Entities having jurisdiction over such filings. and shall take all reasonable actions and shall file and use all reasonable efforts to have declared effective or approved all documents and notifications with any such Governmental Entities, as may be required under the HSR Act or other federal antitrust laws for the consummation of the Transactions and any other transactions contemplated hereby.

(d) Each of the Company and Parent shall promptly notify the other of:

(i) any notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(ii) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement;

(iii) the occurrence, or non-occurrence, of any event the occurrence or non-occurrence of which would be reasonably be expected to cause any representation or warranty made by it and contained herein to be untrue or inaccurate in any material respect at any time during the period commencing on the date hereof and ending at the Effective Time;

(iv) any failure of such party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 6.14(d) shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice;

(v) any actions, suits, claims, investigations or proceedings commenced or, to its knowledge threatened against such party which, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to Section 3.13, in the case of the Company, or Section 4.12, in the case of Parent, or which relate to the consummation of the Transactions; and

(vi) any event, condition or state of facts which could have a Material Adverse Effect on such party.

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Section 6.15 Certain Litigation. The Company agrees that it shall not settle any litigation commenced after the date hereof against the Company or any of its directors by any stockholder of the Company relating to the Reorganization, this Agreement or the Stockholder Agreement without the prior written consent of Parent, which consent shall not be unreasonably withheld or delayed.

Section 6.16 Transition Services Agreement. Parent, Company and Series A Stockholder shall enter into the Transition Services Agreement in the form attached hereto as Annex C on or prior to the Effective Time.

Section 6.17 Registration Rights Agreement. Parent and Series A Stockholder shall enter into the Registration Rights Agreement in the form attached hereto as Exhibit A to the Stockholder Agreement on or prior to the Effective Time.

Section 6.18 Investor Claim. Matters relating to the investment and claim by the Investor are set forth on Annex E hereto.

Section 6.19 Intercompany Service Agreements. Each of the following agreements ("Intercompany Service Agreements") and, except as provided in the Transition Services Agreement or in this Agreement, all other agreements between the Company and its Subsidiaries, on the one hand, and Series A Stockholder and its Subsidiaries (other than the Company and its Subsidiaries) on the other hand, shall be terminated as of the Effective Time and, as provided in Section 6.23, all amounts due from one party to another thereunder shall be settled in cash on or prior to the Effective Time:

(i) Cash Management Agreement;

(ii) Insurance Cost Sharing Agreement;

(iii) Intercompany Agreement;

(iv) Exchange Agreement;

(v) Employee Benefit Plan Agreement; and

(vi) Company Registration Rights Agreement.

Following such termination, except as otherwise provided in this Agreement or the Transition Services Agreement, the Company and Series A Stockholder shall release each other with respect to any Loss relating to or arising from the foregoing agreements and all amounts due thereunder on and after the Effective Time.

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Section 6.20 Revolving Credit Agreement. On the date of this Agreement, the Company, Operating Company, Series A Stockholder and Parent shall enter into the Debt/Equity Replacement Agreement attached hereto as Annex F.

Section 6.21 Series A and B Notes. Prior to the Effective Time, Parent shall, with the assistance of the Company, acquire all of the Series A Notes and Series B Notes. Any investment banking firm engaged in connection with such acquisition shall be selected by the Series A Stockholder subject to the consent of Parent (including such investment banking firm's fees and expenses), which shall not be unreasonably withheld. Unless otherwise determined pursuant to the preceding sentence, the parties hereto agree that Credit Suisse First Boston Corporation ("CSFB") shall be engaged to assist Parent in acquiring the Series A Notes and Series B Notes. Parent shall bear the fees and expenses of acquiring the Series A Notes and Series B Notes (including the fees and reasonable expenses of counsel and of CSFB or other investment banking firm selected pursuant to this Section), and shall be responsible for and pay any make-whole premium (the "Make-Whole Premium"), to the extent the amount of the Make-Whole Premium is less than or equal to the difference (the "Parent Cost") between the Redemption Present Value and accreted value of the Notes on the date such Notes are acquired. The Redemption Present Value of the Notes shall be computed by CSFB in accordance with standard market practice, and shall equal the present value of the redemption price of such Notes corresponding to the earliest Optional Redemption Date, as defined in the Series A Indenture and the Series B Indenture (November 1, 2001 in the case of the Series A Notes and February 1, 2003 in the case of the Series B Notes), discounted from such date to the date of acquisition, using a discount rate equal to a comparable Treasury rate with respect to such Note plus 50 basis points. Series A Stockholder shall be responsible for and shall pay the amount of any Make-Whole Premium in excess of the Parent Cost. Following the acquisition of the Series A Notes and Series B Notes, on or prior to the Effective Time, Series A Stockholder shall be released and discharged in full from the Series A Guaranty and the Series B Guaranty and such guarantees shall be terminated.

Section 6.22 Nokia Credit Agreement. At the Effective Time, Parent shall cause all obligations, including accrued interest, under the Nokia Credit Agreement to be repaid in full and the Nokia Credit Agreement and the Nokia Guaranty shall be terminated, or Parent shall obtain an amendment to the Nokia Credit Agreement (including the substitution of Parent as guarantor thereunder and the release and discharge in full of the Series A Stockholder's obligations under the Nokia Guaranty), to permit the Reorganization to occur without resulting in a default under the Nokia Credit Agreement. Parent shall bear the expense of refinancing all borrowings under the Nokia Credit Agreement. Following such action, on or prior to the Effective Time, Series A Stockholder shall be released and discharged in full from the Nokia Guaranty.

Section 6.23 Intercompany Accounts. All intercompany accounts payable, receivables, loans, including accrued interest and any penalties, accrued but unpaid guarantee fees and other intercompany accounts ("Intercompany Accounts") between

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the Company and its Subsidiaries, on the one hand, and Series A Stockholder and its Subsidiaries (other than the Company and its Subsidiaries), on the other hand, including amounts due from one party to another under the Intercompany Service Agreements, shall be settled and paid in cash on or prior to the Effective Time. To the extent necessary Parent shall advance funds to the Company on or prior to the Effective Time to permit the Company to settle all Intercompany Accounts with Series A Stockholder. The parties acknowledge and agree that the preparation of financial statements and accounts will necessarily require the parties to estimate the amounts of certain Intercompany Accounts and, accordingly, except as otherwise provided in the Transition Services Agreement, the parties agree that they will cooperate after the Effective Time to true-up such estimates considering actual experience or information learned after the Effective Time. The parties hereto agree to true-up and settle such estimates in cash within 30 days after notice from the other party specifying in reasonable detail the final amount of any such Intercompany Account. Following such settlement, the Company and Series A Stockholder shall release each other with respect to any Loss relating to or arising from any such intercompany accounts on and after the Effective Time.

Section 6.24 Tax Allocation Agreement and Tax Settlement Agreement. The Tax Allocation Agreement shall terminate as of the Effective Time and none of the parties thereto shall have any liability to any other party thereunder following the Effective Time. The Tax Settlement Agreement shall remain in full force and effect in accordance with its terms following the Effective Time, and the Company shall withdraw its contention, made in a letter dated June 8, 1999 from the Company to the Series A Stockholder, that an error in the application of the federal income tax law was made in the tax settlement model referred to in Section 2 of the Tax Settlement Agreement.

Section 6.25 Parent Stockholder Voting Agreement. Hellman & Friedman Investors, L.P., H & F Orchard Partners, L.P., H & F International Partners, L.P., John W. Stanton, Theresa E. Gillespie, PNCellular, Inc., Stanton Family Trust, Stanton Communications Corporation, GS Capital Partners, L.P., The Goldman Sachs Group, Inc., Bridge Street Fund 1992, L.P., Stone Street Fund 1992, L.P., Providence Media Partners, L.P., Hutchinson Telecommunications Holdings (USA) Limited and Hutchinson Telecommunications PCS (USA) Limited ("Parent Stockholders"), who hold 46% of the fully diluted voting power of the Parent Company Stock on the date hereof, shall enter into the Parent Stockholder Voting Agreement with the Company in the form attached hereto as Annex G pursuant to which such stockholders of Parent shall agree to vote for the Reorganization and Parent Share Issuance.

Section 6.26 Agreements Regarding Taxes.

(a) Series A Stockholder Liability for Taxes. The Series A Stockholder shall be liable for and shall indemnify Parent and the Company and its Subsidiaries for all Taxes (including any obligation to contribute to the payment of a Tax determined on a consolidated, combined or unitary basis with respect to a group of corporations that

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includes or included the Company or any of its Subsidiaries and Taxes resulting from the Company and its Subsidiaries ceasing to be a member of the Series A Stockholder's Group), (i) imposed on the Series A Stockholder's Group or any member thereof (other than the Company and its Subsidiaries) for any taxable year, (ii) imposed on the Company or any of its Subsidiaries or for which the Company or any of its Subsidiaries may otherwise be liable for any taxable year or period that ends on or before the date on which the Effective Time occurs (the "Effective Date"), and with respect to any taxable year or period beginning before and ending after the Effective Date, the portion of such taxable year ending on and including the Effective Date, or (iii) imposed on Parent or the Company or any of its Subsidiaries as a result of the receipt of any payment made to it pursuant to the provisions of this Section 6.26. Except as set forth in Section 6.26(d), the Series A Stockholder shall be entitled to any refund of Taxes of the Company and its Subsidiaries received for such periods.

(b) Parent Liability for Taxes. Parent shall be liable for and indemnify the Series A Stockholder for (i) the Taxes of the Company and any of its Subsidiaries for any taxable year or period that begins after the Effective Date and, with respect to any taxable year or period beginning before and ending after the Effective Date, the portion of such taxable year beginning after the Effective Date and (ii) Taxes imposed on the Series A Stockholder as a result of any payment made to it pursuant to the provisions of this Section 6.26. Parent shall be entitled to any refund of Taxes of the Company and any of its Subsidiaries received for such periods.

(c) Taxes for Short Taxable Year. For purposes of paragraphs (a) and (b), whenever it is necessary to determine the liability for Taxes of the Company or any of its Subsidiaries for a portion of a taxable year or period that begins before and ends after the Effective Date, the determination of the Taxes of such entity for the portion of the year or period ending on, and the portion of the year or period beginning after, the Effective Date shall be determined by assuming that the entity had a taxable year or period which ended at the close of the Effective Date, except that exemptions, allowances or deductions that are calculated on an annual basis, such as the deduction for depreciation, shall be apportioned on a time basis.

(d) Refunds from Carrybacks. If the Series A Stockholder becomes entitled to a refund or credit of Taxes for any period for which it is liable under Section 6.26(a) to indemnify Parent and such Taxes are attributable solely to the carryback of losses, credits or similar items from a taxable year or period that begins after the Effective Date and attributable to the Company or any of its Subsidiaries, the Series A Stockholder shall promptly pay to Parent the amount of such refund or credit together with any interest thereon. In the event that any refund or credit of Taxes for which a payment has been made is subsequently reduced or disallowed, Parent shall indemnify and hold harmless the

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Series A Stockholder for any Tax liability, including interest and penalties, assessed against the Series A Stockholder by reason of the reduction or disallowance.

(e) Tax Returns. The Series A Stockholder shall file or cause to be filed

when due all Tax Returns with respect to Taxes that are required to be filed by or with respect to the Company and any of its Subsidiaries for taxable years or periods ending on or before the Effective Date and shall pay any Taxes due in respect of such Tax Returns, and Parent shall file or cause to be filed when due all Tax Returns with respect to Taxes that are required to be filed by or with respect to the Company and any of its Subsidiaries for taxable years or periods ending after the Effective Date and shall remit any Taxes due in respect of such Tax Returns. The Series A Stockholder shall pay Parent the Taxes for which the Series A Stockholder is liable pursuant to Section 6.26(a) but which are payable with Tax Returns to be filed by Parent pursuant to the previous sentence within 10 days prior to the due date for the filing of such Tax Returns.

(f) Contest Provisions. Parent shall promptly notify the Series A Stockholder in writing upon receipt by Parent, any of its Affiliates or the Company or any of its Subsidiaries of notice of any pending or threatened federal, state, local or foreign income or franchise tax audit or assessment which may materially affect the Taxes of the Company or any of its Subsidiaries for which the Series A Stockholder would be required to indemnify Parent pursuant to Section 6.26(a), provided that failure to comply with this provision shall not affect Parent's right to indemnification hereunder. The Series A Stockholder shall have the sole right to represent the Company and its Subsidiaries' interests in any tax audit or administrative or court proceeding relating to taxable periods ending on or before the Effective Date, and to employ counsel of its choice at its expense. Notwithstanding the foregoing, the Series A Stockholder shall not be entitled to settle, either administratively or after the commencement of litigation, any claim for Taxes which would adversely affect the liability for Taxes of Parent or the Company or any of the Company's Subsidiaries for any period after the Effective Date to any extent (including the imposition of income tax deficiencies, the reduction of asset basis or cost adjustments, the lengthening of any amortization or depreciation periods, the denial of amortization or depreciation deductions, or the reduction of loss or credit carryforwards) without the prior written consent of Parent. Such consent shall not be unreasonably withheld, and shall not be necessary to the extent that the Series A Stockholder has indemnified Parent against the effects of any such settlement.

(g) Assistance and Cooperation. After the Closing Date, each of the Series A Stockholder and Parent shall:

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(i) assist (and cause their respective Affiliates to assist) the other party in preparing any Tax Returns or reports which such other party is responsible for preparing and filing in accordance with this Section 6.26;

(ii) cooperate fully in preparing for any audits of, or disputes with taxing authorities regarding, any Tax Returns of the Company or any of its Subsidiaries;

(iii) make available to the other party and to any taxing authority as

reasonably requested all information, records, and documents relating to Taxes of the Company and its Subsidiaries;

(iv) provide timely notice to the other in writing of any pending or threatened tax audits or assessments of the Company or any of its Subsidiaries for taxable periods for which the other party may have a liability under this Section 6.26; and

(v) furnish the other party with copies of all correspondence received from any taxing authority in connection with any tax audit or information request with respect to any such taxable period.

(h) Payment. Any indemnity payment required to be made pursuant to this Section 6.26 shall be paid within 15 days after the indemnified party makes written demand upon the indemnifying party, but in no case earlier than five Business Days prior to the date on which the relevant Taxes are required to be paid to the relevant taxing authority (including estimated Tax payments).

(i) Adjustment to Purchase Price. Parent and the Series A Stockholder agree to report any indemnification payment made by the Series A Stockholder under this Section 6.26 as an adjustment to purchase price, contribution to capital, or other non-taxable amount to the extent that there is substantial authority for such reporting position under applicable law, it being understood that if such reporting position is disallowed in any administrative or court proceeding, the Series A Stockholder shall indemnify Parent under Section 6.26(a) for the effects of such disallowance.

(j) Survival of Obligations. The obligations of the parties set forth in this Section 6.26 shall be unconditional and absolute and shall remain in effect without limitation as to time.

Article VII - Conditions Precedent

Section 7.1 Conditions to Each Party's Obligation to Effect the

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Reorganization. The respective obligations of each party hereto to effect the Reorganization shall be subject to the fulfillment at or prior to the Effective Time of the following conditions:

(a) Stockholder Approval. The Reorganization shall have been duly approved by the requisite vote of the stockholders of the Company in accordance with applicable law and the Restated Certificate of Incorporation and By-laws of the Company and the Parent Share Issuance shall have been duly approved by the requisite vote of the stockholders of Parent in accordance with applicable law and the Certificate of Incorporation and Bylaws of Parent.

(b) No Injunction or Restraint. No statute, rule, regulation, executive order, decree, temporary restraining order, preliminary or permanent injunction or other order

issued by any court of competent jurisdiction or other Governmental Entity preventing the consummation of the Reorganization or which could reasonably be expected to have a Material Adverse Effect on the Company shall be in effect; provided, however, that each of the parties shall have used their commercially reasonable efforts to prevent the entry of any such temporary restraining order, injunction or other order, including, without limitation, taking such action as is required to comply with Section 6.14, and to appeal as promptly as possible any injunction or other order that may be entered.

(c) Stock Exchange Listings. The shares of Parent Common Stock issuable in accordance with the Reorganization and pursuant to Section 6.2 shall have been authorized for listing on the Nasdaq, subject to official notice of issuance.

(d) HSR. Any waiting period (and any extension thereof) under the HSR Act applicable to the Reorganization shall have expired or been terminated.

(e) Registration Statement. The Registration Statement shall have become effective in accordance with the provisions of the Securities Act. No stop order suspending the effectiveness of the Registration Statement shall have been issued by the SEC and no proceedings for that purpose shall have been initiated or, to the knowledge of Parent or the Company, threatened by the SEC. All necessary state securities authorizations (including state takeover approvals) shall have been received unless the failure to receive any such authorization would not have a Material Adverse Effect on the Company or Parent or the transactions contemplated by this Agreement.

(f) Governmental Approvals. All necessary consents or authorizations from Governmental Entities which may be required in connection with the transactions contemplated hereby, including but not limited to the FCC and state public utility or service commissions or similar agencies, shall have been

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received and, in the case of the FCC, shall have become Final Orders, unless the failure to receive any such consent or authorization would not have a Material Adverse Effect on the Company or Parent or the transactions contemplated by this Agreement, and such consents or authorizations shall not contain any conditions which would reasonably be expected to have a Material Adverse Effect on the Company or Parent or the transactions contemplated by this Agreement.

(g) Investor Agreement. Parent and the Series A Stockholder shall have executed and delivered the Investor Agreement attached hereto as Exhibit H.

(h) Omnipoint Agreement. The transactions contemplated by the Omnipoint Agreement shall have been consummated or terminated, provided that this condition shall be deemed to have been satisfied on the Omnipoint End Date if the transactions contemplated by the Omnipoint Agreement shall have not been consummated or terminated by such date.

(i) Public Announcement. In the event the Omnipoint Agreement shall have

been terminated or the condition specified in Section 7.1(h) shall have been deemed to be satisfied pursuant to the proviso thereof, twenty business days shall have elapsed following public announcement of such event.

Section 7.2 Conditions to Obligation of the Company to Effect the Reorganization. The obligation of the Company to effect the Reorganization shall be subject to the fulfillment at or prior to the Effective Time of the following additional conditions:

(a) Performance of Obligations; Representations and Warranties. Each of Parent and Merger Sub C shall have performed each of its agreements contained in this Agreement required to be performed at or prior to the Effective Time, and each of the representations and warranties of Parent and Merger Sub C contained in this Agreement (disregarding all qualifications and exceptions contained therein relating to materiality or a Material Adverse Effect or any similar standard or qualification) shall be true and correct at and as of the Effective Time as if made at and as of the Effective Time in each case except as contemplated or permitted by this Agreement and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company or Parent or the transactions contemplated by this Agreement; and the Company shall have received a certificate signed on behalf of Parent by its Chief Executive Officer and its Chief Financial Officer to such effect.

(b) Tax Opinion. The Company shall have received an opinion of Sidley & Austin, in form and substance reasonably satisfactory to the Company, dated the Effective Time, substantially to the effect that, on the basis of facts,

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representations and assumptions set forth in such opinion which are consistent with the state of facts existing as of the Effective Time, for federal income tax purposes:

(i) The Merger will constitute either (A) a "reorganization" within the meaning of Section 368(a) of the Code, to which the Company, Merger Sub C and Parent will each be a party, within the meaning of Section 368(b) of the Code or (B) part of a transaction described in Section 351(a) of the Code;

(ii) No gain or loss will be recognized by Parent, Merger Sub C or the Company as a result of the Merger;

(iii) A stockholder of the Company that does not elect to receive any cash pursuant to the Merger will recognize no gain or loss solely as a result of the conversion of shares of Company Common Stock into shares of Parent Common Stock pursuant to the Merger, except with respect to cash, if any, received in lieu of fractional shares of Parent Common Stock;

(iv) A stockholder of the Company that elects to receive cash pursuant to the Merger will recognize any gain (but not loss) realized as a result of the Merger in an amount equal to the lesser of (A) the difference between (x) the fair

market value of Parent Common Stock received pursuant to the Merger plus cash received pursuant to the Merger and (y) the basis of such stockholder's Company Common Stock surrendered in the Merger or (B) the amount of cash received pursuant to the election to receive cash;

(v) The aggregate tax basis of the shares of Parent Common Stock received in exchange for shares of Company Common Stock pursuant to the Merger (including fractional shares of Parent Common Stock for which cash is received) will be the same as the aggregate tax basis of such shares of Company Common Stock, (A) decreased by the amount of cash received in exchange for shares of Company Common Stock pursuant to an election to receive cash and (B) increased by the amount of gain recognized (determined under clause (iv) above);

(vi) The holding period for shares of Parent Common Stock received in exchange for shares of Company Common Stock pursuant to the Merger will include the period that such shares of Company Common Stock were held by the stockholder, provided such shares of Company Common Stock were held as capital assets by such stockholder at the Effective Time; and

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(vii) A stockholder of the Company who receives cash in lieu of a fractional share of Parent Common stock will recognize gain or loss equal to the difference, if any, between such stockholder's basis in such fractional share (as described in clause (v) above) and the amount of cash received.

In rendering such opinion, Sidley & Austin may receive and rely upon representations from others, including representations from the Company and Holding contained in certificates substantially in the form of the Company Tax Certificate and the Tax Matters Certificate attached hereto as Annex M and Annex M-2, representations from Holding contained in a certificate substantially in the form of the Parent Tax Certificate attached hereto as Annex N, and representations in a certificate substantially in the form of the Tax Matters Certificate attached hereto as Annex O from certain persons who own, as of the Effective Time, five percent (5%) or more of the total number of shares of the Company or of VoiceStream (or, in such counsel's discretion, of Omnipoint).

(c) Consents Under Agreements. Parent shall have obtained the consent or approval of each person whose consent or approval shall be required in connection with the transactions contemplated hereby under any indenture, mortgage, evidence of indebtedness, lease or other agreement or instrument to which Parent or one of its Subsidiaries is a party, except where the failure to obtain the same would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect on Parent or the Company or upon the transactions contemplated by this Agreement.

(d) Intercompany Services Agreements. The Intercompany Services

Agreements shall have been terminated.

(e) Debt/Equity Replacement Agreement. The transactions contemplated by the Debt/Equity Replacement Agreement shall have been consummated.

(f) Series A and B Notes. The Series A Notes and Series B Notes shall have been acquired by Parent and/or Parent shall have obtained consents from the requisite number of holders of Series A Notes and Series B Notes to the amendment of the Series A Indenture and Series B Indenture (including the substitution of Parent as guarantor thereunder and the elimination of Section 3.8 in such indentures), and Parent shall have taken such other action as may be necessary to permit the Reorganization to occur without resulting in a default under the Series A Indenture or the Series B Indenture, to cause the Series A Stockholder to be released and discharged in full from the Series A Guarantee and the Series B Guarantee and to terminate such guarantees on or prior to the Effective Time.

(g) Nokia Credit Agreement. Parent shall have caused all obligations

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under the Nokia Credit Agreement to be repaid in full and the Nokia Credit Agreement and Nokia Guaranty shall have been terminated; or Parent shall have obtained an amendment to the Nokia Credit Agreement (including the substitution of Parent as guarantor thereunder and the release and discharge in full of the Nokia Guaranty), to permit the Reorganization to occur without resulting in a default under the Nokia Credit; and, in either event, the Series A Stockholder shall have been released and discharged in full from the Nokia Guaranty on or prior to the Effective Time.

(h) Intercompany Accounts. All Intercompany Accounts shall have been settled and paid in cash based on financial information available at the Effective Time.

(i) Tax Allocation Agreement. The Tax Allocation Agreement shall have been terminated.

(j) Parent Stockholder Agreement. The Parent Stockholders shall have executed and delivered the Parent Stockholder Voting Agreement.

(k) Omnipoint Agreement. There shall have been no amendments to the Omnipoint Agreement or the transactions contemplated thereby except for amendments which would not, individually or in the aggregate, have a Material Adverse Effect on Parent or on the transactions contemplated by this Agreement.

(l) Registration Rights Agreement. Parent shall have executed and delivered the Registration Rights Agreement.

(m) FCC Opinion. The Company shall have received an opinion of FCC counsel to Parent, dated the Effective Time, substantially in the form attached hereto as Annex I.

(n) Corporate Opinion. The Company shall have received an opinion of corporate and state regulatory counsel to Parent, dated the Effective Time, in substantially the form attached hereto as Annex J.

(o) Nasdaq. The shares of Parent Company Stock to be issued pursuant to Section 2.1(c) shall have been listed on the Nasdaq National Market.

(p) Year 2000. There shall not have occurred and be continuing a Material Adverse Effect with respect to Parent relating to the Year 2000 Issue, provided, however, that for purposes of this condition, clauses (i) and (ii) of the definition of Material Adverse Effect shall be disregarded.

Notwithstanding anything contained to the contrary in Section 7.2(a) or anywhere else in this Agreement, Parent may enter into any Subsequent Transaction, and no changes of any representation or warranty of Parent

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contained in this Agreement as a result of any Subsequent Transaction shall result in a failure of the conditions set forth in Section 7.2(a); provided, in each case, that any such Subsequent Transaction would not, or would reasonably not be expected to prevent, impair or materially delay the ability of the Company or Parent to consummate the transactions contemplated by this Agreement.

Section 7.3 Conditions to Obligations of Parent and Merger Sub C to Effect the Reorganization. The obligation of Parent and Merger Sub C to effect the Reorganization shall be subject to the fulfillment at or prior to the Effective Time of the following additional conditions:

(a) Performance of Obligations; Representations and Warranties. The Company shall have performed each of its agreements contained in this Agreement required to be performed at or prior to the Effective Time, and each of the representations and warranties of the Company contained in this Agreement (disregarding all qualifications and exceptions contained therein relating to materiality or a Material Adverse Effect or any similar standard or qualification) shall be true and correct at and as of the Effective Time as if made at and as of the Effective Time, in each case except as contemplated or permitted by this Agreement and except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the Company or Parent or the transactions contemplated by this Agreement; and Parent shall have received a certificate signed on behalf of the Company by its Chief Executive Officer and its Chief Financial Officer to such effect.

(b) Tax Opinion. Parent shall have received an opinion of Jones, Day, Reavis & Pogue, in form and substance reasonably satisfactory to Parent, dated the Effective Time, substantially to the effect that, on the basis of facts, representations and assumptions set forth in such opinion which are consistent with the state of facts existing as of the Effective Time,

(i) for federal income tax purposes, no gain or loss will be recognized by Holding, Merger Sub C or the Company solely as a result of the Reorganization; and

(ii) in the case of the VoiceStream Merger, (x) such merger will be treated for federal income tax purposes as a reorganization described in section 368(a) of the Code, and each of VoiceStream, Holding and, in the case of a reorganization described in section 368(a)(2)(E) of the Code, Merger Sub A, will be a party to the reorganization within the meaning of section 368(b) of the Code, or (y) such merger will be treated as a transfer of property by the VoiceStream stockholders, other than holders of dissenting shares, to Holding described in section 351(a) of the Code.

In rendering such opinion, Jones, Day, Reavis & Pogue may receive and rely upon

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representations from others, including representations from the Company and VoiceStream contained in certificates substantially in the form of the Company Tax Certificate, the VoiceStream Certificate and the Tax Matters Certificate attached hereto as Annex M, Annex M-1 and Annex M-2, representations from Holding contained in certificates substantially in the form of the Parent Tax Certificate and the VoiceStream Wireless Holding Certificate attached hereto as Annex N and Annex N-1, and representations substantially in the form of the Tax Matters Certificate attached hereto as Annex O from certain persons who own, as of the Effective Time, five percent (5%) or more of the total number of shares of the Company or of VoiceStream (or, in such counsel's discretion, of Omnipoint).

(c) FCC Opinion. Parent shall have received an opinion of FCC counsel of the Company, dated the Effective Time substantially in the form attached hereto as Annex K.

(d) Corporate Opinion. Parent shall have received an opinion of corporate and state regulatory counsel to the Company in form and substance reasonably acceptable to Parent substantially in the form attached hereto as Annex L.

(e) Consents Under Agreements. The Company shall have obtained the consent or approval of each person whose consent or approval shall be required in connection with the transactions contemplated hereby under any indenture, mortgage, evidence of indebtedness, lease or other agreement or instrument to which the Company or one of its Subsidiaries is a party, except where the failure to obtain the same would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect on the Company or Parent or upon the transactions contemplated by this Agreement.

(f) Indemnity Agreement. The Indemnity Agreement shall have been authorized, executed and delivered by the parties thereto.

(g) Year 2000. There shall not have occurred and be continuing a Material Adverse Effect with respect to the Company relating to the Year 2000 Issue, provided,

however, that for purposes of this condition, clauses (i) and (ii) of the definition of Material Adverse Effect shall be disregarded.

(h) Dissenting Shares. No more than 7.5% of the shares of VoiceStream Common Stock outstanding immediately prior to the Effective Time shall be Dissenting Shares.

(i) Parent shall have received from the Company, the Series A Stockholder and the Investor, a Certificate, dated the Effective Date, in

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substantially the same form as Annex O (in the case of the Series A Stockholder and the Investor) or Annex M-2 (in the case of the Company).

(j) Parent shall have received a written fairness opinion from Goldman, Sachs & Co. confirming its oral fairness opinion referred to in Section 4.19, within 5 Business Days of the execution of this Agreement.

Article VIII - Termination and Amendment

Section 8.1 Termination. This Agreement may be terminated at any time prior to the Effective Time, whether before or after any approval by the stockholders of Parent or the Company of the matters presented in connection with the Reorganization:

(a) by mutual written consent of Parent, Merger Sub C and the Company;

(b) by either Parent or the Company:

(i) if the Reorganization has not been effected on or prior to the close of business on September 17, 2000 (the "Termination Date"); provided, however, that if the Reorganization has not occurred by such date due to the fact that the condition set forth in Section 7.1(f) has not been satisfied but all other conditions hereto have been satisfied or waived or are then capable of promptly being satisfied, the Termination Date shall be December 17, 2000; provided, further, that the right to terminate this Agreement pursuant to this Section 8.1(b)(i) shall not be available to any party whose failure to fulfill any obligation of this Agreement has been the cause of, or resulted in, the failure of the Reorganization to have occurred on or prior to such date; or

(ii) if any Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree or ruling or other action shall have become final and nonappealable; provided, however, that the right to terminate this Agreement pursuant to this Section 8.1(b)(ii) shall not be available to any party who has not used its best efforts to cause such order to be lifted or otherwise taken such action as is required to comply with Section 6.14;

(c) by Parent if (i) the Company shall have failed to comply with any of its covenants or agreements contained in this Agreement required to be complied with prior to the date of such termination, except as would not reasonably be expected to have a Material Adverse Effect on the Company or Parent or the transactions contemplated by this Agreement, which failure to

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comply cannot be or has not been cured within 30 days after receipt by the Company of written notice of such failure to comply or (ii) the stockholders of the Company shall not approve the Reorganization at the Company Stockholders Meeting or any adjournment thereof;

(d) by the Company if (i) Parent or Merger Sub C shall have failed to comply with any of its respective covenants or agreements contained in this Agreement required to be complied with prior to the date of such termination, except as would not reasonably be expected to have a Material Adverse Effect on the Company or Parent or the transactions contemplated by this Agreement, which failure to comply cannot be or has not been cured within 30 days after receipt by Parent of written notice of such failure to comply or (ii) the stockholders of Parent shall not approve the Parent Share Issuance at the Parent Stockholders Meeting or any adjournment thereof; or

(e) by either Parent or the Company if there has been a breach by the other (or Merger Sub C if the Company is the terminating party) of any representation or warranty (disregarding all qualifications and exceptions contained therein relating to materiality or a Material Adverse Effect or any similar standard or qualification) except any breach that would not reasonably be expected to have a Material Adverse Effect on the Company or Parent or the transactions contemplated by this Agreement, in each case which breach cannot be or has not been cured within 30 days after receipt by the breaching party of written notice of the breach.

Section 8.2 Effect of Termination. In the event of a termination of this Agreement by either the Company or Parent as provided in Section 8.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of Parent, Merger Sub C or the Company or their respective officers or directors, except with respect to Section 3.18, Section 4.14, Section 6.9, this Section 8.2 and Article IX); provided, however, that nothing in this Article VIII shall relieve any party for liability for any breach of this Agreement; provided, further, that the parties hereto agree that any damages for a breach of this Agreement by the Company shall be reduced by the amount of any payment to Parent pursuant to Section 6.9(b)(ii).

Section 8.3 Amendment. This Agreement may be amended by the parties hereto, by or pursuant to action taken by their respective Boards of Directors, at any time before or after approval by the stockholders of Parent and the Company of the matters presented to them in connection with the Reorganization; provided, however, that after any such approval, no amendment shall be made if applicable law would require further approval by such stockholders, unless such further approval shall be obtained. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

Section 8.4 Extension; Waiver. At any time prior to the Effective Time,

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the parties hereto, by action taken or authorized by their respective Board of Directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto or (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

Article IX - General Provisions

Section 9.1 Non-Survival of Representations and Warranties and Agreements. None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time or, except as set forth in Section 8.2 hereof, the termination of this Agreement pursuant to the terms hereof. This Section 9.1 shall not limit any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time of the Reorganization.

Section 9.2 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, sent by overnight courier (providing proof of delivery) or telecopied (with a confirmatory copy sent by overnight courier) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Parent or Sub, to:

VoiceStream Wireless Corporation
3650 131st Avenue SE, Suite 400
Bellevue, WA 98006
Attn: General Counsel
Telecopy No.: 425-586-8080

with a copy to:

Preston Gates & Ellis LLP
5000 Columbia Center
701 Fifth Avenue
Seattle, WA 98104
Attn: Richard B. Dodd, Esq.
Telecopy No: 206-623-7022

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(b) if to the Company, to:

Aerial Communications, Inc.
8410 West Bryn Mawr, Suite 1100
Chicago, Illinois 60631
Attn: President
Telecopy No.: 773-399-4147

with a copy to:

Aerial Communications, Inc.
c/o Telephone and Data Systems, Inc.
30 North LaSalle, Suite 4000
Chicago, Illinois 60602
Attn: Chairman
Telecopy No.: 312-853-9299

with a copy to:

Sidley & Austin
One First National Plaza
Chicago, Illinois 60603
Attn: Michael G. Hron, Esq.
Telecopy No.: 312-853-7036

Section 9.3 Interpretation; Definitions. When a reference is made in this Agreement to an Article, Section, Schedule, Annex or Exhibit, such reference shall be to an Article, Section, Schedule, Annex or Exhibit of this Agreement unless otherwise indicated or unless the context otherwise requires. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." References to a Person are also references to its assigns and successors in interest (by means of merger, consolidation or sale of all or substantially all the assets of such Person or otherwise, as the case may be). References to a document are to such document as amended, waived and otherwise modified from time to time and references to a statute or other governmental rule are to such statute or rule as amended and otherwise modified from time to time (and references to any provision thereof shall include references to any successor provision). The definitions set forth herein are equally applicable both to the singular and plural forms and the feminine, masculine and neuter forms of the terms defined. The term "hereof" and similar terms refer to this Agreement as a whole. As used in this Agreement, the phrase "made available" shall mean that the information referred to has been made available if requested by the party to whom such information is to be made available.

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As used in this Agreement, the following terms have the meanings specified or referred to in this Section 9.3.

"Acquisition Proposal" means any offer or proposal for, or any indication of interest in (i) a merger, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving the Company or any of its Subsidiaries; (ii) the acquisition, directly or indirectly, in a single transaction or series of related transactions, of (A) an equity interest representing greater than 15% of the voting power of the Company or any of its Subsidiaries or (B) assets, securities or ownership interests representing an amount equal to or greater than 15% of the consolidated assets or earning power of the Company and its Subsidiaries, other than the transactions contemplated by this Agreement; or (iii) the consummation of any other transaction or the entering into of any other agreement or arrangement with respect to any other transactions, the effect of which would have the same result as the occurrence of (i) or (ii).

"Action" shall mean any action, suit, arbitration, inquiry, proceeding or investigation by or before any court, any governmental or other regulatory or administrative agency or commission or any arbitration tribunal.

"Adjusted Fully Diluted Shares" shall have the meaning set forth in Section 2.1(e).

"Affiliate" shall mean with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person provided that, for purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"Agreement" shall mean this Agreement and Plan of Reorganization dated the date hereof among Parent, Merger Sub C and the Company and shall include the Schedules, Annexes, Exhibits and disclosure letters attached or related thereto.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City, Chicago, Illinois or Seattle, Washington are authorized or required by law to close.

"Cash Consideration Fund" shall have the meaning set forth in Section 2.2(a).

"Cash Election" shall have the meaning set forth in Section 2.1(c).

"Cash Election Form" shall have the meaning set forth in Section 2.1(d)

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"Cash Management Agreement" shall mean the Cash Management Agreement, dated April 15, 1996, between Series A Stockholder and the Company, as amended.

"Certificate of Merger" shall have the meaning set forth in Section 1.3

"Closing" shall have the meaning set forth in Section 1.2.

"Closing Date" shall have the meaning set forth in Section 1.2.

"Closing Date Market Price" means with respect to one share of Parent Common Stock, the average of the Mean Price (calculated on a weighted average based upon the volume of shares traded on each day) for such share during the period of the 15 most recent trading days ending on the Business Day prior to the Effective Time.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Communications Act" shall mean the Communications Act of 1934, as amended, and the Telecommunications Act of 1996, as amended, together with the rules, regulations and published decisions of the FCC promulgated thereunder.

"Company" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Company Benefit Plan" shall mean any bonus, pension, profit sharing, deferred compensation, incentive compensation, stock ownership, stock purchase, stock option, phantom stock, retirement, vacation, severance, disability, death benefit, hospitalization, medical, life insurance, supplemental unemployment benefits, employee stock purchase, stock appreciation, restricted stock or other employee benefit plan, policy or arrangement providing benefits to any current or former employee, officer or director of the Company or any of its Subsidiaries.

"Company Certificates" shall have the meaning set forth in Section 2.2(a).

"Company Common Shares" shall have the meaning set forth in the first recital of this Agreement.

"Company Common Stock" shall have the meaning set forth in the recital provision of this Agreement.

"Company Employee" shall mean any employee of the Company or any of its Subsidiaries.

"Company Filed SEC Documents" shall have the meaning set forth in

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Section 3.7.

"Company Financial Advisor" shall have the meaning set forth in Section 3.17.

"Company Letter" shall mean the letter from the Company to Parent dated the date hereof, which letter relates to this Agreement and is designated therein as the Company Letter.

"Company Permits" shall have the meaning set forth in Section 3.9.

"Company Preferred Stock" shall have the meaning set forth in Section 3.3.

"Company Registration Rights Agreement" shall mean the Registration Rights Agreement, dated April 15, 1996, between Series A Stockholder and the Company, as amended.

"Company Restricted Stock Units" shall mean restricted stock units granted under the Company Restricted Stock Unit Plan.

"Company SEC Documents" shall have the meaning set forth in Section 3.6.

"Company Series A Common Shares" shall have the meaning set forth in the first recital of this Agreement.

"Company Stockholders Meeting" shall have the meaning set forth in Section 6.3.

"Company Stock Options" shall have the meaning set forth in Section 3.3.

"Company Subsidiaries" shall have the meaning set forth in Section 3.1.

"Confidentiality Agreement" shall have the meaning set forth in Section 6.6.

"Constituent Corporations" shall have the meaning set forth in the introductory paragraph of this Agreement.

"Conversion Number" shall have the meaning set forth in Section 2.1(c).

"D&O Insurance" shall have the meaning set forth in Section 6.13(b).

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"Debt/Equity Replacement Agreement" shall mean the Debt/Equity Replacement Agreement in the form attached hereto as Annex F.

"DGCL" shall mean the General Corporation Law of the State of Delaware.

"Dissenting Shares" shall have the meaning set forth in Section 1.0(c)(vii).

"Effective Date" shall have the meaning set forth in Section 6.26(a).

"Effective Time" shall have the meaning set forth in Section 1.3.

"Election Deadline" shall have the meaning set forth in Section 2.1(e).

"Employee Benefit Plans Agreement" shall mean the Employee Benefit Plans Agreement, dated April 15, 1996, between Series A Stockholder and the Company, as amended.

"Employee Benefit Plans Separation Agreement" shall mean the Employee Benefit Plans Separation Agreement in the form attached hereto as Annex D.

"Environmental Laws" shall mean any applicable statute, law, ordinance, regulation, rule, judgment, decree or order of any Governmental Entity relating to or regulating or imposing liability or standards of conduct with respect to pollution, protection of the environment or environmental regulation or control or regarding Hazardous Substances or occupational health or safety.

"Environmental Permits" shall mean, with respect to any Person, all permits, licenses, franchises, certificates, approvals and other similar authorizations of any Governmental Entity relating to or required by Environmental Laws and affecting, or relating in any way to, the business of such Person or any of its Subsidiaries as currently conducted.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, together with the rules and regulations promulgated thereunder.

"ERISA Affiliate" shall mean (i) any corporation which is a member of the same controlled group of corporations (within the meaning of Section 414(b) of the Code) as the Company; (ii) any partnership, trade or business (whether or not incorporated) which on the day before the Closing Date was under common control (within the meaning of Section 414(c) of the Code) with the Company; and (iii) any entity which is a member of the same affiliated service group (within the meaning of Section 414(m) of the Code as either the Company, any corporation described in clause (i) or any partnership, trade or business described in clause (ii).

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"ERISA Benefit Plan" shall mean a Company Benefit Plan maintained as of the date of this Agreement which is also an "employee pension benefit plan" (as defined in Section 3(2) of ERISA) or which is also an "employee welfare benefit plan" (as defined in Section 3(1) of ERISA).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

"Exchange Agent" shall have the meaning set forth in Section 2.2(a).

"Exchange Agreement" shall mean the Exchange Agreement, dated April 15, 1996, between Series A Stockholder and the Company, as amended.

"Exchange Fund" shall have the meaning set forth in Section 2.2(a).

"Exchange Rate" shall mean the "Exchange Rate Applicable to Aerial Common Shares" as defined in Section 7.2 of the Investment Agreement as adjusted pursuant to Section 7.3 of the Investment Agreement, as specified in Item 3.2 of the "Company Letter."

"FAA" shall mean the Federal Aviation Administration and any successor agency or body.

"FCC" shall mean the Federal Communications Commission and any successor agency or body.

"Final Order" shall mean action by the applicable regulatory authority (the "Agency") which is in full force and effect, with respect to which no petition or other request for Agency or court stay, reconsideration or review of any kind is pending, and as to which all time periods have expired within which the Agency or a court may be asked to stay, reconsider or review the action or may stay, reconsider or review the action sua sponte.

"Governmental Entity" shall mean any federal, state or local government or any court, tribunal, administrative agency or commission or other governmental or other regulatory authority or agency, domestic, foreign or supranational, including the FAA, FCC and any state public utility or service commission or similar agency.

"Hazardous Substance" shall mean any material defined as toxic or hazardous, including any petroleum and petroleum products, under any applicable Environmental Law.

"Holding" shall have the meaning set forth in the recitals hereto.

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"Holding Common Stock" shall have the meaning set forth in Section 4.3.

"HSR Act" shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"Indebtedness" of any Person at any date shall mean (a) all indebtedness of such Person for borrowed money or for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), (b) any other indebtedness of

such Person which is evidenced by a note, bond, debenture or similar instrument, (c) all obligations of such Person under financing leases, (d) all obligations of such Person in respect of acceptances issued or created for the account of such Person and with respect to unpaid reimbursement obligations related to letters of credit issued for the account of such Person and (e) all liabilities secured by any Lien on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof.

"Indemnified Person" shall have the meaning set forth in Section 6.13(a).

"Insurance Cost Sharing Agreement" shall mean the Insurance Cost Sharing Agreement, dated April 15, 1996, between Series A Stockholder and the Company, as amended.

"Intellectual Property Rights" shall mean any right to use, all patents, patent rights, trademarks, trade names, trade dress, logos, service marks, copyrights, know how and other proprietary intellectual property rights and computer programs held or used by the Company or any of its Subsidiaries.

"Intercompany Accounts" shall have the meaning set forth in Section 6.23.

"Intercompany Agreement" shall mean the Intercompany Agreement, dated April 15, 1996, by and between the Company and Series A Stockholder, as amended.

"Intercompany Service Agreements" shall have the meaning set forth in Section 6.19.

"Investment Agreement" shall mean the Investment Agreement, dated as of September 8, 1998, by and among the Company, Series A Stockholder, Operating Company and Investor, as amended.

"Investment Entity" shall mean an entity in which the Company or any of

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its Subsidiaries has an Investment Interest.

"Investment Interest" shall mean a direct or indirect ownership of (i) capital stock, bonds, debentures, partnership, membership interests or other ownership interests or other securities of any Person; (ii) any deposit with or advance, loan or other extension of credit (including the purchase of property from another Person subject to an understanding or agreement, contingent or otherwise to resell such property to such other Person) to any other Person; (iii) any revenue or profit interests pursuant to any agreement or license or (iv) any agreement, commitment, right, understanding or arrangement with respect to any of the items referred to in (i), (ii) or (iii) of this definition.

"Investor" shall mean Sonera, Ltd., a Finnish limited liability company, which holds an investment in Operating Company.

"Joint Proxy Statement" shall have the meaning set forth in Section 3.8.

"Joint Venture Agreement" shall mean the Joint Venture Agreement dated as of September 8, 1998, by and among the Company, Operating Company and Sonera Corporation U.S.

"knowledge" shall mean the actual knowledge of the executive officers of the Company or its Subsidiaries or the executive officers of Parent, as the case may be who have exercised reasonable due diligence with respect to the representation and warranty to which such knowledge statement is made.

"Liabilities" shall mean any and all debts, liabilities and obligations, absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, whenever arising (unless otherwise specified in this Agreement), including all costs and expenses relating thereto, and including, without limitation, those debts, liabilities and obligations arising under any law, rule, regulation, Action, threatened Action, order or consent decree of any governmental entity or any award of any arbitrator of any kind, and those arising under any contract, commitment or undertaking.

"Liens" shall mean any pledges, claims, liens, charges, encumbrances and security interests of any kind or nature whatsoever.

"Long-Term Incentive Plan" shall mean the Company's 1996 Long-Term Incentive Plan.

"Losses" shall mean losses, Liabilities, claims, damages, payments, absolute or contingent, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown (including, without limitation, the costs and expenses of any and all Actions, threatened Actions, demands, assessments,

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judgments, settlements and compromises relating thereto and attorneys' fees and any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any such Actions or threatened Actions.

"Management Side Letter" shall mean the letter dated September 8, 1998, among Series A Stockholder, the Company and Investor.

"Material Adverse Change" or "Material Adverse Effect" shall mean, when used in connection with the Company or Parent, as the case may be, any change or effect (or any development that, insofar as can reasonably be foreseen, is likely to result in any change or effect) or fact or condition that is materially adverse to the business, properties, assets, financial condition or results of operations of the Company and its Subsidiaries taken as a whole, or Parent and its Subsidiaries taken as a whole, as the case may be, provided, however, that (i) any adverse change, effect or development that is primarily caused by conditions affecting the United States economy generally or the economy of any nation or region in which the Company or Parent, as the case may

be, or its Subsidiaries conducts business that is material to the business of the Company or Parent, as the case may be, and its Subsidiaries, taken as a whole, shall not be taken into account in determining whether there has been (or whether there could reasonably be foreseen) a "Material Adverse Change" or "Material Adverse Effect" with respect to the Company or Parent, as the case may be, (ii) any adverse change, effect or development that is primarily caused by conditions generally affecting the industries in which the Company or Parent, as the case may be, conducts its business shall not be taken into account in determining whether there has been (or whether there could reasonably be foreseen) a "Material Adverse Change" or "Material Adverse Effect" with respect to the Company or Parent, as the case may be, and (iii) any adverse change, effect or development that is primarily caused by the announcement or pendency of this Agreement, the Reorganization or the transactions contemplated hereby shall not be taken into account in determining whether there has been (or whether there could reasonably be foreseen) a "Material Adverse Change" or "Material Adverse Effect" with respect to the Company or Parent, as the case may be; and a "Material Adverse Effect" with respect to the transactions contemplated by this Agreement shall mean any event, fact or condition which would reasonably be expected to materially delay, interfere with, impair or prevent the transactions contemplated by this agreement in a manner which would have a material adverse effect on such transactions taken as a whole considering the intentions and expectations of the parties hereto; provided, however, that for the purpose of Section 7.1(b), clause (iii) above shall not be excluded.

"Mean Price" means, on any day in which shares are traded on Nasdaq, the average of the high and low trading prices for which one share of Parent Common Stock is traded on Nasdaq as reported by The Wall Street Journal.

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"Merger" shall have the meaning set forth in the recitals to this Agreement.

"Merger Documents" shall have the meaning set forth in Section 1.0.

"Merger Sub A" shall have the meaning set forth in the recitals to this Agreement.

"Merger Sub B" shall have the meaning set forth in the recitals to this Agreement.

"Merger Sub C" shall have the meaning set forth in the recitals to this Agreement.

"Nasdaq" shall have the meaning set forth in Section 2.2(e).

"Nokia" shall mean Nokia Telecommunications, Inc., a Delaware corporation.

"Nokia Credit Agreement" shall mean the Credit Agreement dated as of June 30,

1998 among the Company, Nokia and the financial institutions named therein, as amended.

"Nokia Guaranty" shall mean the Guaranty, dated June 30, 1998, by Series A Stockholder of the obligations of the Company to Nokia under the Nokia Credit Agreement.

"Omnipoint Agreement" shall mean the transactions contemplated by the Agreement and Plan or Reorganization dated as of June 23, 1999 by and among Parent, VoiceStream Wireless Holding Corporation and Omnipoint Corporation.

"Omnipoint Merger" shall have the meaning set forth in the recitals to this Agreement.

"Omnipoint Reorganization" shall have the meaning set forth in the recitals hereto.

"Omnipoint End Date" shall mean the "End Date", as defined in the Omnipoint Agreement, provided that such date shall be no later than June 30, 2000.

"Operating Company" shall mean Aerial Operating Company, Inc., a Delaware corporation and Subsidiary of the Company.

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"Operating Company Shares" shall mean shares of common stock, $.001 par value, of Operating Company.

"Parent" shall have the meaning set forth in Section 1.0.

"Parent Certificates" shall have the meaning set forth in Section 2.2(a).

"Parent Common Stock" shall have the meaning set forth in the recitals of this Agreement.

"Parent Filed SEC Documents" shall have the meaning set forth in Section 4.7.

"Parent Letter" shall mean the letter from Parent to the Company dated the date hereof, which letter relates to this Agreement and is designated therein as the Parent Letter.

"Parent Permits" shall have the meaning set forth in Section 4.9.

"Parent SEC Documents" shall have the meaning set forth in Section 4.6.

"Parent Share Issuance" shall have the meaning set forth in Section 4.4.

"Parent Stockholders" shall have the meaning set forth in Section 6.25.

"Parent Stockholder Meeting" shall have the meaning set forth in Section 6.3(b).

"Parent Subsidiaries" shall have the meaning set forth in Section 4.1.

"Per Share Cash Consideration" shall have the meaning set forth in Section 2.1(c).

"Per Share Cash Value" shall have the meaning set forth in Section 2.1(c).

"Per Share Stock Consideration" shall have the meaning set forth in Section 2.1(d).

"Person" shall mean an individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative, governmental authority or agency,

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political subdivision, or any group of Persons acting in concert.

"Public Holders" shall have the meaning set forth in Section 2.1(d).

"Registration Rights Agreement" shall mean the Registration Rights Agreement attached to the Stockholder Agreement to be entered into between Series A Stockholder and Parent.

"Registration Statement" shall have the meaning set forth in Section 4.4.

"Reorganization" shall have the meaning set forth in the recitals to this Agreement.

"Restricted Stock Plan" shall mean the Company's Retention Restricted Stock Unit Plan.

"Retained Employee" shall have the meaning set forth in Section 6.1(a).

"Revolving Credit Agreement" shall mean the Revolving Credit Agreement, dated August 31, 1998, between Series A Stockholder and Operating Company, as amended.

"Revolving Credit Agreement Guaranty" shall mean the Guaranty dated August 31, 1998 by the Company of the obligations of Operating Company to Series A Stockholder under the Revolving Credit Agreement, as reaffirmed in connection with any amendment to the Revolving Credit Agreement.

"Rule 145 Affiliates" shall have the meaning set forth in Section 6.7.

"SEC" shall mean the Securities and Exchange Commission.

"Securities Act" shall mean the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Series A Guaranty" shall mean the Guaranty by the Series A Stockholder of the obligations of the Company under the Series A Notes.

"Series A Indenture" shall mean the Indenture dated as of November 4, 1996, among the Company, Series A Stockholder and The First National Bank of Chicago, as supplemented, relating to the Series A Notes.

"Series A Notes" shall mean the Series A Zero Coupon Notes due 2006, of the Company.

"Series A Stockholder" shall mean Telephone and Data Systems, Inc., a

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Delaware corporation, the parent of the Company.

"Series A Stockholder's Group" shall mean any "affiliated group" (as defined in Section 1504 of the Code without regard to the limitations contained in Section 1504(b) of the Code) that includes the Series A Stockholder or any predecessor of or successor to the Series A Stockholder (or another such predecessor or successor).

"Series B Guaranty" shall mean the Guaranty by the Series A Stockholder of the obligations of the Company under the Series B Notes.

"Series B Indenture" shall mean the Indenture dated as of February 5, 1998 among the Company, Series A Stockholder and The First National Bank of Chicago, as supplemented, relating to the Series B Notes.

"Series B Notes" shall mean the Series B Zero Coupon Notes due 2008, of the Company.

"Significant Employee" shall mean any Employee of the Company or any of its Subsidiaries who (i) is an officer of the Company or any of its Subsidiaries, (ii) has a written employment contract with the Company or any of its Subsidiaries which calls for annual compensation in excess of $90,000, or (iii) is compensated by the Company and/or its Subsidiaries at an annual rate greater than $90,000.

"Stock Consideration Fund" shall have the meaning set forth in Section 2.2(a).

"Stock Equivalents" shall have the meaning set forth in Section 3.3.

"Stockholder Agreement" shall mean the Stockholder Agreement to be entered into between Series A Stockholder and Parent attached hereto as Annex D.

"Subsequent Transaction" shall mean any transaction, including the Omnipoint Transaction, whereby (i) Parent or any of its Subsidiaries would acquire (by merger, consolidation, acquisition of stock or assets or otherwise) any corporation, limited liability company, partnership, other business organization or assets or division thereof, which is in the business of providing wireless communication services, (ii) Parent or any of its Subsidiaries would acquire an Investment Interest in any of the foregoing, (iii) Parent or any of its Subsidiaries would issue any equity interest or incur any Indebtedness whether in connection with any item described in (i) or (ii) or otherwise, (iv) Parent or any of its Subsidiaries enters into or engages in a strategic alliance or other commercial relationship or (v) Parent or any of its Subsidiaries is acting in the ordinary course consistent with past practice; provided, however, in connection with a Subsequent Transaction described in

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items (i), (ii), (iii) or (iv) of this definition, Parent must receive an opinion from a nationally recognized investment bank, acting as financial advisor to Parent, to the effect that, from a financial point of view, such Subsequent Transaction is fair to the holders of Parent Common Stock or, if applicable, Parent.

"Subsidiary" or "subsidiary" shall mean a person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, 50% or more of the equity interests of which) is owned directly or indirectly by another Person.

"Substitute Options" shall have the meaning set forth in Section 6.2(b)

"Supplemental Agreement" shall mean the Supplemental Agreement, dated as of September 8, 1998, by and among the Company, Operating Company and Investor.

"Surviving Corporation" shall have the meaning set forth in Section 1.1

"Tag-Along Right" shall have the meaning set forth in Section 2.1(c).

"Tax" and "Taxes" shall mean any federal, state, local or foreign net income, gross income, gross receipts, windfall profit, severance, property, production, sales, use, license, excise, franchise, employment, payroll, withholding, alternative or add-on minimum or any other tax, custom, duty, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or penalty, addition to Tax or additional amount imposed by any Governmental Entity.

"Tax Allocation Agreement" shall mean the Tax Allocation Agreement, dated September 8, 1998, between Series A Stockholder and the Company, as amended.

"Tax Deferred Savings Plan" shall mean the Telephone and Data Systems, Inc. Tax Deferred Savings Plan.

"Tax Return" shall mean any return, report or similar statement required to be filed with respect to any Tax including, without limitation, any information return, claim for refund, amended return or declaration of estimated tax.

"Tax Settlement Agreement" shall mean the Tax Settlement Agreement dated March 12, 1999 among Series A Stockholder, the Company and Operating

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Company, as amended.

"Termination Fee" shall have the meaning set forth in Section 6.9(b).

"Transfer Taxes" shall have the meaning set forth in Section 6.11.

"Transition Services Agreement" shall mean the Transition Services Agreement in the form attached hereto as Annex C.

"VoiceStream Common Stock" shall have the meaning set forth in Section 4.3.

"VoiceStream ESPP" shall have the meaning set forth in Section 4.3.

"VoiceStream ERSP" shall have the meaning set forth in Section 4.3.

"VoiceStream Merger" shall have the meaning set forth in the recitals to this Agreement.

"VoiceStream Option Plan" shall have the meaning set forth in Section 4.3.

"VoiceStream Preferred Stock" shall have the meaning set forth in Section 4.3.

"Year 2000 Issue" means a failure of a system to recognize and properly process date-sensitive functions involving dates prior to, on and after December 31, 1999 (including, but not limited to calculation, comparison and sequencing, and including, without limitation, leap year calculations).

Section 9.4 Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart.

Section 9.5 Entire Agreement; No Third-Party Beneficiaries. Except for the Confidentiality Agreement, this Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof. This Agreement, except for the provisions of Sections 6.1, 6.13, and 6.19 through 6.24, is not intended to confer upon any person other than the parties hereto any rights or remedies hereunder.

SECTION 9.6 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, REGARDLESS OF

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THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS.

Section 9.7 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns.

Section 9.8 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic and legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement may be consummated as originally contemplated to the fullest extent possible.

Section 9.9 Enforcement of this Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached in any material respect. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the material terms and provisions hereof in any court of the United States or any state having jurisdiction, such remedy being in addition to any other remedy to which any party is entitled at law or in equity.

Section 9.10 Obligations of Subsidiaries. Whenever this Agreement requires any Subsidiary of Parent (including Sub) or of the Company to take any action, such requirement shall be deemed to include an undertaking on the part of Parent or the Company, as the case may be, to cause such Subsidiary to take such action.

Section 9.11 Reliance on Representations. Notwithstanding any investigation, knowledge or review made at any time by or on behalf of any party hereto, the parties acknowledge and agree that all representations and warranties contained in this Agreement, the Annexes, the Company Letter, the Parent Letter or in any of the documents, certification or agreements delivered in connection therewith, are being relied upon as a material inducement to enter into this Agreement and the transactions contemplated hereby.

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In Witness Whereof, Parent, Merger Sub C and the Company have caused this Agreement to be signed by their respective officers thereunto duly authorized all as of the date first written above.

VOICESTREAM WIRELESS CORPORATION

By: /s/ Cregg B. Baumbaugh

Name: Cregg B. Baumbaugh
Title: Executive Vice President - Strategy, Finance and Development

VOICESTREAM WIRELESS HOLDING CORPORATION

By: /s/ Cregg B. Baumbaugh

Name: Cregg B. Baumbaugh
Title: Executive Vice President - Strategy, Finance and Development

VOICESTREAM SUBSIDIARY III CORPORATION

By: /s/ Cregg B. Baumbaugh

Name: Cregg B. Baumbaugh
Title: Executive Vice President - Strategy, Finance and Development

AERIAL COMMUNICATIONS, INC.

By: /s/ LeRoy T. Carlson, Jr.

Name: LeRoy T. Carlson, Jr.
Title: Chairman

In addition, this Agreement is signed by the undersigned solely for the purposes of Sections 6.16, 6.17, 6.18, 6.19, 6.20, 6.21, 6.23, 6.24, and 6.26.

TELEPHONE AND DATA SYSTEMS, INC.

By: /s/ LeRoy T. Carlson

Name: LeRoy T. Carlson
Title: Chairman

SIGNATURE PAGE TO AGREEMENT AND PLAN OF REORGANIZATION

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Exhibit 99.3

STOCKHOLDER AGREEMENT

STOCKHOLDER AGREEMENT, dated as of September 17, 1999 (this "Agreement") by and between Telephone and Data Systems, Inc., a Delaware corporation and stockholder (the "Stockholder") of Aerial Communications, Inc., a Delaware corporation (the "Company"), and VoiceStream Wireless Corporation, a Washington corporation, and VoiceStream Wireless Holding Corporation, a Delaware corporation (collectively, "Parent").

RECITALS

WHEREAS, the Company, Parent, VoiceStream Subsidiary III Corporation, a Delaware corporation and a wholly-owned subsidiary of Parent ("Sub"), and Stockholder are entering into an Agreement and Plan of Reorganization, dated as of September 17, 1999 (the "Reorganization Agreement"), providing for, among other things, the merger of Sub with and into the Company and the conversion of shares of Company Common Stock into shares of Parent Common Stock;

WHEREAS, the Stockholder owns beneficially and of record 40,000,000 Company Series A Common Shares and 19,086,000 Company Common Shares (such shares of Company Common Stock, together with any other shares of capital stock of the Company of which such Stockholder acquires beneficial ownership after the date hereof and during the term of this Agreement, being collectively referred to herein as the "Subject Shares");

WHEREAS, as a condition to its willingness to enter into the Reorganization Agreement, Parent has required that the Stockholder agree, and in order to induce Parent to enter into the Reorganization Agreement, the Stockholder has agreed, to enter into this Agreement; and

WHEREAS, a condition of its willingness to enter into this Agreement, Stockholder has required that Parent agree, and in order to induce Stockholder to enter this Agreement, Parent has agreed, to enter into the Registration Rights Agreement attached hereto as Exhibit A.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. Capitalized Terms. Capitalized terms used in this Agreement that are not defined herein shall have such meanings as set forth in the Reorganization Agreement.

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2. Covenants of Stockholder. Until the termination of this Agreement in accordance with Section 6, Stockholder agrees as follows:

(a) At any stockholders meeting (or at any adjournment thereof) or in any other circumstances upon which a vote, consent or other approval with respect to the Reorganization or the Reorganization Agreement is sought, the Stockholder shall vote (or cause to be voted) the Subject Shares in favor of the Reorganization, the approval and adoption of the Reorganization Agreement and the approval of the terms thereof and each of the other transactions contemplated by the Reorganization Agreement.

(b) At any meeting of stockholders of the Company (or at any adjournment thereof) or in any other circumstances upon which a vote, consent or other approval is sought, other than with respect to the Reorganization or Reorganization Agreement, the Stockholder shall vote (or cause to be voted) the Subject Shares against any merger agreement or merger, consolidation, sale of all or substantially all of the assets of the Company, or reorganization, recapitalization, dissolution, liquidation or winding up of or by the Company or any Subsidiary of the Company or any other Acquisition Proposal. The Stockholder further agrees not to commit or agree to take any action inconsistent with the foregoing.

(c) The Stockholder agrees not to (i) sell, transfer, pledge, encumber, assign or otherwise dispose of (including by gift) (collectively, "Transfer"), or enter into any contract, option or other arrangement (including any profit-sharing arrangement) with respect to any Transfer of the Subject Shares to any person (other than Parent) or (ii) enter into any voting arrangement, whether by proxy, voting agreement or otherwise (collectively, "Voting Agreement"), in relation to the Subject Shares, and agrees not to commit or agree to take any of the foregoing actions.

(d) The Stockholder shall not, nor shall the Stockholder authorize any affiliate, director, officer, employee, investment banker, attorney or other advisor or representative of the Stockholder to, (i) directly or indirectly solicit, initiate or encourage the submission of, any Acquisition Proposal or, (ii) directly or indirectly participate in any discussions or negotiations regarding, or furnish to any person any information with respect to, or take any other action to facilitate any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to, any Acquisition Proposal or (iii) directly or indirectly take or

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participate in any actions set forth in Section 5.3 of the Reorganization Agreement.

(e) The Stockholder shall not convert any Company Series A Common Shares into Company Common Shares.

(f) The Stockholder shall use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with Parent in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Reorganization and the other transactions contemplated by the Reorganization Agreement.

(g) Stockholder hereby irrevocably waives any rights of appraisal or rights to dissent from the Reorganization that Stockholder may have.

(h) At or prior to the Effective Time, Stockholder shall take the following actions contemplated by the Reorganization Agreement:

(i) execute and deliver the Transition Services Agreement;

(ii) execute and deliver the agreement attached as Annex E to the Reorganization Agreement;

(iii) agree to the termination of the Intercompany Service Agreements;

(iv) execute and deliver the agreement attached as Annex F to the Reorganization Agreement;

(v) agree to the action set forth in Section 6.21 of the Reorganization Agreement relating to the Series A Notes and Series B Notes, subject to the release and discharge in full of the Series A Guaranty and the Series B Guaranty;

(vi) agree to the action set forth in Section 6.22 of the Reorganization Agreement, subject to the release and discharge in full of the Nokia Guaranty;

(vii) settle all Intercompany Accounts in cash on or prior to the Effective Time; and

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(viii) execute and deliver the Investor Agreement attached as Annex H to the Reorganization Agreement; and

(ix) agree to the termination of the Tax Allocation Agreement on or prior to the Effective Time.

(i) In the event the Company is required to pay the Termination

Fee to Parent pursuant to Section 6.9 of the Reorganization Agreement, Series A Stockholder agrees to increase the amount available for borrowing under the Revolving Credit Agreement to the extent the Company has insufficient funds to make such payment.

Notwithstanding anything to the contrary herein, nothing herein shall limit or restrict the exercise of the fiduciary obligations of the Company's Board of Directors or the actions which the Company is permitted to take under the terms of the Reorganization Agreement, provided, however, Stockholder shall continue to be bound by the terms of this Agreement.

3. Covenant of Parent. On or prior to the Effective Time (as defined in the Reorganization Agreement), Parent shall enter into the Registration Rights Agreement with Stockholder in the form attached hereto as Exhibit A.

4. Representations and Warranties of Stockholder. The Stockholder represents and warrants (which representations shall continue for the term of this Agreement) to Parent as follows:

(a) Stockholder has the legal capacity, power and authority to enter into and perform all of Stockholder's obligations under this Agreement. The execution, delivery and performance of this Agreement by Stockholder has been duly authorized by all requisite corporate action and does not violate Stockholder's charter, bylaws or any other instrument or agreement or any law, regulation or order applicable to Stockholder or its assets, including, without limitation, any voting agreement, stockholders agreement or voting trust. This Agreement has been duly and validly executed and delivered by Stockholder and constitutes a valid and binding agreement of Stockholder, enforceable against Stockholder in accordance with its terms.

(b) (i) the Stockholder is the record and beneficial owner of, and has good and marketable title to, the Subject Shares, (ii) the Stockholder does not own, of record or beneficially, any shares of capital stock of the Company other than the Subject Shares

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and (iii) the Stockholder has the sole right to vote, the sole power of disposition with respect to, and the sole power to demand appraisal rights with respect to, the Subject Shares, and none of the Subject Shares is subject to any voting trust, proxy or other agreement, arrangement or restriction with respect to the voting or disposition of such Subject Shares, except as contemplated by this Agreement.

(c) The Subject Shares and the certificates representing such Shares are now held by Stockholder, or by a nominee or custodian for the benefit of such Stockholder, free and clear of all liens, claims, security interests or other encumbrances.

5. Representations and Warranties of Parent. Parent represents and warrants to Stockholder as follows:

(a) Parent has the legal capacity, power and authority to enter into and perform all of Parents's obligations under this Agreement. The execution, delivery and performance of this Agreement by Parent has been duly authorized by all requisite corporate action and does not violate Parent's charter, bylaws or any other instrument or agreement or any law, regulation or order applicable to Parent or its assets. This Agreement has been duly and validly executed and delivered by Parent and constitutes a valid and binding agreement of Parent, enforceable against Parent in accordance with its terms.

(b) Parent has the legal capacity, power and authority to enter into and perform all of Parents's obligations under the Registration Rights Agreement. The execution, delivery and performance of the Registration Rights Agreement by Parent has been duly authorized by all requisite corporate action and does not violate Parent's charter, bylaws or any other instrument or agreement or any law, regulation or order applicable to Parent or its assets. Upon the due and valid execution and delivery of the Registration Rights Agreement by the parties thereto, the Registration Rights Agreement shall constitute a valid and binding agreement of Parent, enforceable against Parent in accordance with its terms.

6. Termination. This Agreement shall terminate as follows:

(a) By Stockholder. The obligations of the Stockholder hereunder shall terminate upon the earlier of (i) the Effective Time or (ii) the termination of the Reorganization Agreement pursuant to Section 8.1 thereof.

(b) By Parent. The obligations of Parent hereunder

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shall terminate in the event of the termination of the Reorganization Agreement pursuant to Section 8.1.

7. Further Assurances. Stockholder and Parent will, from time to time, execute and deliver, or cause to be executed and delivered, such additional or further consents, proxies, documents and other instruments as the other may reasonably request for the purpose of effectively carrying out the transactions contemplated by this Agreement.

8. Successors, Assigns and Transferees Bound. This Agreement shall be binding upon the successors, assigns and transferees of the parties hereto, and the parties hereto shall take any and all actions necessary to obtain the written confirmation from any such successor, assignee or transferee that it is bound by the

terms hereof.

9. Remedies. Each party hereto acknowledges that money damages would be both incalculable and an insufficient remedy for any breach of this Agreement by it, and that any such breach would cause the other party irreparable harm. Accordingly, each party agrees that in the event of any breach or threatened breach of this Agreement, the other party, in addition to any other remedies at law or in equity it may have, shall be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance.

10. Submission to Jurisdiction. Each party hereto hereby irrevocably submits in any suit, action or proceeding arising out of or related to this Agreement or any of the transactions contemplated hereby or thereby to the exclusive jurisdiction of the United States District Court for the District of Delaware and the jurisdiction of the courts of the State of Delaware and waive any and all objections to jurisdiction that they may have under the laws of the State of Delaware or the United States and any claim or objection that any such court is an inconvenient forum.

11. Severability. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement in such jurisdiction, or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

12. Amendment. This Agreement may be amended only by means of a written instrument executed and delivered by each of the Stockholder and Parent.

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13. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS.

14. Counterparts. For the convenience of the parties, this Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, sent by overnight courier (providing proof of delivery) or telecopied (with a confirmatory copy sent by overnight courier) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Parent, to

VoiceStream Wireless Corporation
3650 131st Avenue SE, Suite 400
Bellevue, WA 98006
Attn: General Counsel
Telecopy No.: 425-586-8080

with a copy to:

Preston Gates, & Ellis LLP
5000 Columbia Center
701 Fifth Avenue
Seattle, WA 98104
Attn: Richard B. Dodd, Esq.
Telecopy No: 206-623-7022

(b) if to the Stockholder, to:

Telephone and Data Systems, Inc.
30 North LaSalle, Suite 4000
Chicago, Illinois 60602
Attn: Chairman
Telecopy No.: 312-853-9299

with a copy to:

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Sidley & Austin
One First National Plaza
Chicago, Illinois 60603
Attention: Michael G. Hron, Esq.
Facsimile No.: 312-853-7036

* * * * * *

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date noted above.

TELEPHONE AND DATA SYSTEMS, INC.

By: /s/ LeRoy T. Carlson, Jr.

Name: LeRoy T. Carlson, Jr.
Title: President

VOICESTREAM WIRELESS CORPORATION

By: /s/ Cregg B. Baumbaugh

Name: Cregg B. Baumbaugh
Title: Executive Vice President
Strategy, Finance and Development

VOICESTREAM WIRELESS HOLDING CORPORATION

By: /s/ Cregg B. Baumbaugh

Name: Cregg B. Baumbaugh
Title: Executive Vice President -
Strategy, Finance and Development

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SIGNATURE PAGE TO STOCKHOLDER AGREEMENT

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Exhibit 99.4

INDEMNITY AGREEMENT

This INDEMNITY AGREEMENT (the "Agreement"), is dated as of September 17, 1999, among VOICESTREAM WIRELESS CORPORATION, a Washington corporation ("VoiceStream"), VOICESTREAM WIRELESS HOLDING CORPORATION, a Delaware corporation ("Holding"), (VoiceStream and Holding are hereinafter referred to collectively as "Parent"), AERIAL COMMUNICATIONS, INC., a Delaware corporation (the "Company"), AERIAL OPERATING COMPANY, INC., a Delaware corporation ("Operating Company"), and TELEPHONE AND DATA SYSTEMS, INC., a Delaware corporation ("TDS").

W I T N E S S E T H:

WHEREAS, the Company, Parent and VoiceStream Subsidiary III Corporation, a Delaware corporation and a wholly-owned subsidiary of Parent ("Sub"), are parties to that certain Agreement and Plan of Reorganization dated the date hereof (the "Reorganization Agreement"), providing for, among other things, the merger (the "Merger") of Sub with and into the Company, with the Company surviving as a wholly-owned subsidiary of Parent (as such, the "Surviving Corporation");

WHEREAS, on June 1, 1998, TDS, the Company and Operating Company entered into a Purchase Agreement (the "Purchase Agreement") with Sonera Ltd., a limited liability company organized under the laws of the Republic of Finland ("Investor"), pursuant to which Investor agreed to purchase an aggregate of 2,410,482 shares (the "Purchased Shares") of common stock of Operating Company ("Operating Company Shares") for an aggregate purchase price of $200,000,000 (the "Purchase Price");

WHEREAS, on August 31, 1998, in anticipation of the closing of the Purchase Agreement, (1) TDS and Operating Company entered into a Revolving Credit Agreement (the "Revolving Credit Agreement"); and (2) the Company executed a Guaranty, dated as of August 31, 1998 (the "Company Guaranty"), in favor of TDS;

WHEREAS, on September 8, 1998 (the "Investor Closing Date"), the parties consummated the closing of the Purchase Agreement by taking the following actions: (1) Investor purchased the Purchased Shares from Operating Company in consideration for the transfer by Investor to Operating Company of

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the Purchase Price; (2) Investor, TDS, the Company and Operating Company entered into an Investment Agreement (the "Investment Agreement"); (3) Investor and the Company entered into a Registration Rights

Agreement (the "Investor Registration Rights Agreement"); (4) Investor, TDS and the Company entered into a side letter (the "Management Side Letter"); (5) Sonera Corporation U.S., a Delaware corporation and wholly-owned subsidiary of Investor ("Sonera U.S."), the Company and Operating Company entered into a Joint Venture Agreement (the "Joint Venture Agreement"); (6) Investor, the Company and Operating Company entered into a Supplemental Agreement (the "Supplemental Agreement"); and (7) TDS, the Company and Operating Company entered into a Tax Allocation Agreement (the "Tax Allocation Agreement") (the Purchase Agreement, Investment Agreement, Investor Registration Rights Agreement, Management Side Letter, Joint Venture Agreement, Supplemental Agreement, Tax Allocation Agreement, Revolving Credit Agreement and Company Guaranty being hereafter collectively referred to as the "Investor Arrangements");

WHEREAS, following the Investor Closing Date, Investor asserted that the Company and TDS misrepresented and failed to disclose certain material facts to Investor, thereby inducing it to pay an excessive price for the Operating Company Shares, and has requested that certain provisions of the Investor Arrangements be renegotiated, including the Purchase Price for the Operating Company Shares, and has raised the possibility of litigation in connection therewith;

WHEREAS, under the Purchase Agreement, the number of Operating Company Shares purchased by Investor is subject to reduction if the average price of the Company Common Shares exceeds certain threshold prices;

WHEREAS, as of July 7, 1999, the average price of the Company Common Shares exceeded all of the threshold prices set forth in the Purchase Agreement and, pursuant to the Purchase Agreement, the Company has requested that Investor surrender for cancellation an aggregate of 634,216 Operating Company Shares (the "Cancelled Shares");

WHEREAS, Investor has refused to surrender the Cancelled Shares and has objected to the application of such adjustments in connection with the assertions that it has made;

WHEREAS, TDS, the Company, and Operating Company expressly deny that they have any liability to Investor in connection with the assertions made by Investor with respect to the Investor Arrangements or otherwise, and deny that Investor has any right to refuse to surrender the Cancelled Shares;

WHEREAS, as a condition of entering into the Reorganization

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Agreement, Parent has required that Parent and its Affiliates be indemnified and held harmless with respect to any Claims by Investor; and

WHEREAS, TDS has agreed to indemnify Parent and its Affiliates pursuant to the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions.

"Affiliate" when used with respect to a specified Person, shall mean another Person that controls, is controlled by, or is under common control with the Person specified. As used in this Agreement, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract or otherwise.

"Claim" shall mean any demand, action, claim, counterclaim, cross-claim, cause of action, or lawsuit existing now or in the future, asserted by an Investor Group Member against any Potential Party, whether currently known or unknown, accrued or unaccrued, foreseen or unforeseen, arising out of or resulting from any alleged act or failure to act occurring prior to the Effective Time. Notwithstanding anything to the contrary in this Agreement, the definition of "Claim": (a) is intended to include any Claim by an Investor Group Member with respect to (i) any asserted right of an Investor Group Member to the Cancelled Shares, or (ii) in connection with the exercise of the tag-along rights pursuant to Section 10.6 of the Investment Agreement (the "Tag-Along Rights") with respect to the Operating Company Shares owned by Investor on the date hereof, any asserted right of an Investor Group Member to receive shares of Company Common Stock in excess of the number of shares indicated in the Company Letter to which Investor is entitled upon the exercise of the Tag-Along Rights with respect to such Operating Company Shares; and (b) is not intended to include any Claim by an Investor Group Member with respect to the Investor Agreement to be executed among Investor, Holding and Wireless, the Stock Subscription Agreement to be executed between Investor and Holding or the Registration Rights Agreement to be executed between Investor and Holding, in each case to be dated on or about the date hereof.

"Dispute" shall have the meaning set forth in Section 4.1.

"Indemnity Claim" shall have the meaning set forth in Section 2.2.

"Indemnity Claim Notice" shall have the meaning set forth in

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Section 2.2.

"Indemnity Claim Notice Termination Date" shall have the meaning set forth in Section 2.3(a).

"Investor Arrangements" shall have the meaning set forth in the recitals to this Agreement.

"Investor Group Member" shall mean Investor, Sonera U.S. and their parents,

Subsidiaries and Affiliates, and their respective successors and permitted assigns.

"Loss" or "Losses" shall mean any loss, liability, judgment, settlement payment, damage, fee, cost or expense (including interest, penalties, and the reasonable fees, disbursements and expenses of attorneys, accountants and other professional advisors) imposed on or incurred by a Parent Indemnitee, resulting from or arising out of either: (i) a Claim asserted by an Investor Group Member against such Parent Indemnitee; or (ii) a claim asserted by an officer, director, employee or agent of a Parent Indemnitee against such Parent Indemnitee for indemnification with respect to a Claim asserted by an Investor Group Member against such officer, director, employee or agent, but only to the extent that such Parent Indemnitee determines in good faith that indemnification of such officer, director, employee or agent with respect thereto is required by the applicable indemnification provisions set forth in the certificate or articles of incorporation or bylaws of such Parent Indemnitee or by the applicable corporation law of the state in which such Parent Indemnitee is incorporated. Notwithstanding anything to the contrary in this Agreement, the definition of "Loss": (a) is intended to include any Loss imposed on or incurred by a Parent Indemnitee with respect to (i) any asserted right of an Investor Group Member to the Cancelled Shares, or (ii) in connection with the exercise of the Tag-Along Rights pursuant to Section 10.6 of the Investment Agreement with respect to the Operating Company Shares owned by Investor on the date hereof, any asserted right of an Investor Group Member to receive shares of Company Common Stock in excess of the number of shares indicated in the Company Letter to which Investor is entitled upon the exercise of the Tag-Along Rights with respect to such Operating Company Shares; and (b) is not intended to include any Loss imposed on or incurred by a Parent Indemnitee with respect to the Investor Agreement to be executed among Investor, Holding and Wireless, the Stock Subscription Agreement to be executed between Investor and Holding or the Registration Rights Agreement to be executed between Investor and Holding, in each case to be dated on or about the date hereof.

"Parent Indemnitees" shall have the meaning set forth in

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Section 2.1.

"Potential Party" or "Potential Parties" shall mean the Company, Operating Company, Parent, each of their respective parents, Subsidiaries and Affiliates, each of their respective successors and permitted assigns, and each of their respective officers, directors, employees and agents.

All other capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Reorganization Agreement.

Section 2. Indemnification of Parent

2.1 Indemnification. Except as otherwise provided herein, TDS shall defend, indemnify, hold harmless, and reimburse Parent and its Subsidiaries, including the Company and its Subsidiaries, and each of their respective Affiliates, successors and

permitted assigns (collectively, the "Parent Indemnitees"), from and against any Claim or Loss imposed on or incurred by Parent Indemnitees in the manner provided in this Agreement.

2.2 Notice and Payment of Indemnity Claim by TDS.

(a) Parent shall give prompt written notice (an "Indemnity Claim Notice") to TDS on behalf of any Parent Indemnitee seeking indemnification hereunder of any Claim or Loss with respect to which the Parent Indemnitee seeks to be indemnified (the "Indemnity Claim"). Such Indemnity Claim Notice shall state the nature of the Indemnity Claim and the amount of any Claim, if known, or Loss. With respect to an Indemnity Claim Notice delivered to TDS in connection with a Claim, TDS shall, subject to paragraph (b) hereof, assume the defense thereof pursuant to Section 3.1. With respect to an Indemnity Claim Notice delivered to TDS in connection with a Loss, TDS shall, subject to paragraph (b) hereof, promptly reimburse Parent with respect to such Loss.

(b) If TDS does not agree that the Parent Indemnitee is entitled to indemnification with respect to any such Claim or Loss hereunder, TDS shall give prompt notice to Parent and such dispute shall be resolved in the manner described in Section 4 hereof. TDS shall be required to give such notice to Parent no later than the date (the "TDS Response Date") occurring ten (10) days prior to the date on which any action is required to be taken by any Parent Indemnitee with respect to any Claim or Loss, provided that each of the following

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conditions is satisfied: (1) the Indemnity Claim Notice clearly identifies such TDS Response Date; and (2) Parent provides the Indemnity Claim Notice to TDS sufficiently in advance of the TDS Response Date to enable TDS to adequately assess the Claim or Loss and reach a determination regarding the obligations of TDS with respect thereto, taking into account the time at which Parent became aware of the Claim or Loss.

2.3 Limitations. Notwithstanding anything to the contrary herein:

(a) TDS shall not have any liability to any Parent Indemnitee under this Agreement or otherwise for any Claim or Loss thirty (30) days after the expiration of all statutes of limitations applicable to such Claim or Loss (the "Indemnity Claim Notice Termination Date"), except to the extent that such Claim or Loss results from a lawsuit filed or arbitration proceeding commenced by an Investor Group Member against a Potential Party of which TDS receives an Indemnity Claim Notice pursuant to Section 2.2 prior to the Indemnity Claim Notice Termination Date.

(b) This Agreement shall serve as the sole and exclusive remedy, and shall be in lieu of any other right or remedy, of any Parent Indemnitee for Claims or Losses and for any other claims by any Parent Indemnitee against TDS and its Subsidiaries, and any of their respective Affiliates, officers, directors, employees, agents, successors and permitted assigns, in any way relating to the Investor

Arrangements.

Section 3. Responsibilities and Duties of Parties.

3.1 Control of Litigation or Settlement of Claim.

(a) Subject to the provisions in Sections 3.1(b) and 3.1(c) hereof, TDS shall have the sole right and obligation to conduct and control, on behalf of any and all Potential Parties, the litigation or settlement of any Claim, including the assumption of the defense thereof, the choosing and hiring of counsel and the payment of all associated fees and expenses.

(b) Parent, on behalf of the Potential Parties, shall have the right to employ separate counsel and to monitor (but not control) the litigation of any Claim, but the fees and expenses of monitoring such litigation, including the fees and expenses of such separate counsel, shall be at the expense of Parent; provided, however, that Parent shall

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be entitled to be indemnified by TDS for its fees and expenses of counsel if each of the following conditions is satisfied: (1) TDS has given notice pursuant to Section 2.2 hereof asserting that TDS does not agree that a Parent Indemnitee is entitled to indemnification; (2) Parent has promptly submitted such dispute for resolution pursuant to Section 4 hereof, provided that Parent shall be deemed to have satisfied this condition by giving notice of a dispute to TDS; and (3) it is ultimately determined pursuant to Section 4 hereof that such Parent Indemnitee is entitled to indemnification by TDS under this Agreement.

(c) Notwithstanding anything to the contrary in the Agreement, in the event that an action or proceeding is brought by an Investor Group Member against a Potential Party which includes both a Claim and, separately or as a part of the Claim, a cause of action, claim, counterclaim or cross-claim against a Potential Party which is not a Claim as defined herein (an "Unindemnified Cause"), then TDS shall have the right, but not the obligation, to conduct and control the defense of such action or proceeding in its entirety on behalf of the Potential Parties. In the event that TDS elects to conduct and control the defense of such action or proceeding on behalf of the Potential Parties, TDS shall be solely responsible for the payment of the fees and expenses of the litigation counsel or any experts retained for the litigation together with other litigation costs. In the event that TDS elects not to conduct and control the defense of such action or proceeding on behalf of the Potential Parties, then Parent shall have the obligation to conduct and control the defense of the action or proceeding on behalf of the Potential Parties and shall be solely responsible for payment of the fees and expenses of the litigation counsel or any experts retained for the litigation together with other litigation costs. Regardless of whether TDS elects to conduct and control on behalf of Potential Parties the defense of an action or proceeding that is subject to this Section 3.1(c), TDS and Parent agree that the responsibility for any damages award, other

monetary judgment or settlement obligation incurred by a Parent Indemnitee as a result of such an action or proceeding subject to this Section 3.1(c) shall be allocated between TDS and Parent either by agreement of the parties or, in the absence of such agreement, pursuant to the arbitration provisions set forth in Section 4.4 of this Agreement, based on an assessment and determination of the amount of the damages award, other monetary judgment or settlement obligation incurred by a Parent Indemnitee attributable to the Claim compared to the amount of the damages award, other monetary judgment or settlement obligation incurred by the Parent Indemnitee attributable to an

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Unindemnified Cause.

(d) Anything in this Agreement to the contrary notwithstanding, TDS shall have the sole right, without the prior consent of any Potential Party, to settle or compromise any Claim or consent to the entry of any judgment with respect to any Claim unless such settlement, compromise or judgment imposes a criminal penalty or equitable remedy on or with respect to such Potential Party, or a non-monetary condition or obligation which could reasonably be expected to have a material adverse effect on the ongoing business operations of a Potential Party. No Potential Party shall settle or compromise any Claim without the prior written consent of TDS, which consent may be withheld at the sole discretion of TDS; provided that, in the event that such Claim is the subject of a dispute regarding the obligation of TDS to provide indemnification pursuant to Section 2.2(b) hereof and it is ultimately determined pursuant to Section 4 hereof that TDS is not obligated to provide such indemnification, then such consent may not be unreasonably withheld by TDS.

(e) Each Potential Party shall reasonably cooperate in all respects with TDS in all matters relating to the litigation or settlement of any Claim, including without limitation, making documents and witnesses reasonably available to TDS, entering into a joint defense agreement, and taking all such other actions as TDS may reasonably request to enable it to prepare for, conduct, and control any litigation or potential litigation relating to such Claim.

(f) Notwithstanding anything to the contrary in this Agreement, but subject to the provisions of Section 3.1(b) hereof, if for any reason TDS is prevented by any Potential Party, or any Person purporting to act on behalf of any of them, from conducting and controlling in a material manner the defense of any Claim, including without limitation the failure of a Potential Party to fully comply with Section 3.1(e) hereof, TDS shall, at its sole election, have no obligations under this Agreement to any party with respect to such Claim or any Loss incurred in connection therewith. The right of TDS to make the election provided for in this Section 3.1(f) with respect to such Claim or Loss shall be subject to the dispute resolution provisions of Section 4 hereof.

3.2 Authority of TDS. Not in limitation of the general authority granted to TDS

pursuant to Section 3.1 but subject to all limitations included in this Agreement, TDS shall have full power and authority on behalf of all Potential

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Parties (i) to take all actions which TDS considers necessary or desirable in connection with the defense, pursuit or settlement of any Claim, including to arbitrate, sue, defend, claim, counterclaim, cross-claim, negotiate, settle, compromise and otherwise handle any such dispute or claim, and to amend or terminate any of the Investor Arrangements, (ii) to engage and employ agents and representatives (including accountants, legal counsel and other professionals) and to incur such other expenses as it shall deem necessary or prudent in connection with the administration of the foregoing, and (iii) to take all other actions and exercise all other rights which TDS in its sole discretion considers necessary or appropriate in connection with the foregoing. All decisions and acts by TDS within the scope of Section 3.1 and this Section 3.2 shall be binding upon all of the Potential Parties.

3.3 No Admission. Neither this Agreement nor any of the negotiations in connection herewith or any prior negotiations or discussions shall be construed as or deemed to be an admission of the truth of any allegation or the validity of any claim by any Investor Group Member against TDS or any Potential Party or by TDS or any Potential Party against any other Potential Party or TDS or used in any other proceeding except one brought to enforce the terms of this Agreement.

Section 4. Resolution of Disputes Relating to this Agreement.

4.1 Informal Dispute Resolution. Subject to Section 4.5, any dispute, controversy, claim or disagreement between TDS, on the one hand, and any Parent Indemnitee, on the other hand, arising from, relating to or in connection with this Agreement, including questions regarding the interpretation, meaning or performance of the Agreement, and including claims based on contract, tort, common law, equity, statute, regulation, order or otherwise ("Dispute") shall be resolved in accordance with this Section 4.

4.2 Level 1 Review. Upon written request of either TDS or Parent, each of TDS, on its own behalf, and Parent, on behalf of itself and each other Parent Indemnitee, shall appoint a designated representative whose task it will be to meet within twenty days for the purpose of endeavoring to resolve such Dispute ("Level 1 Review"). The designated representatives shall meet as often as the parties reasonably deem necessary to discuss the Dispute and negotiate in good faith in an effort to resolve the Dispute without the necessity of any formal proceeding.

4.3 Mediation. If the Dispute cannot be resolved within thirty days after the first Level 1 Review meeting ("Level 1 Termination Date"), TDS and Parent shall submit the Dispute to mediation in accordance with the Commercial Mediation Rules of the American Arbitration Association ("AAA") and shall bear equally the costs of the mediation. TDS and Parent will act in good faith to jointly appoint a mutually acceptable mediator, seeking assistance in such regard from the AAA within thirty days of the Level 1 Termination Date.

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TDS and Parent agree to participate in good faith in the mediation and negotiations related thereto for a period of thirty calendar days commencing with the selection of the mediator and any extension of such period as mutually agreed to by TDS and Parent.

4.4 Arbitration.

(a) If TDS and Parent cannot agree to a mediator within thirty calendar days after the Level 1 Termination Date or if the Dispute is not resolved within thirty calendar days after the beginning of the mediation and any extension of such periods as mutually agreed to by TDS and Parent, the Dispute shall be submitted to, and finally determined by, binding arbitration in accordance with the following provisions of this Section 4.4, regardless of the amount in controversy or whether such Dispute would otherwise be considered justiciable or ripe for resolution by a court or arbitration panel.

(b) Any such arbitration shall be conducted by the AAA in accordance with its current Commercial Rules ("AAA Rules"), except to the extent that the AAA Rules conflict with the provisions of this Agreement, in which event the provisions of this Agreement shall control.

(c) The arbitration panel (the "Panel") shall consist of three neutral arbitrators ("Arbitrators"), each of whom shall be an attorney having ten or more years experience, and shall be appointed in accordance with the AAA Rules (the "Basic Qualifications").

(d) Should an Arbitrator refuse or be unable to proceed with arbitration proceedings as called for by this Agreement, a substitute Arbitrator possessing the Basic Qualifications shall be appointed by the AAA. If an Arbitrator is replaced after the arbitration hearing has commenced, then a rehearing shall take place in accordance with the provisions of this Agreement and the AAA Rules.

(e) The arbitration shall be conducted in Denver, Colorado, or in such other location as TDS and Parent may designate by mutual written consent; provided, that the Panel may from time to time convene, carry on hearings, inspect property or documents and take evidence at any location which the Panel deems appropriate.

(f) The Panel may in its discretion order a pre-exchange of information including production of documents, exchange of summaries of testimony or exchange of statements of position, and shall schedule promptly all discovery and other procedural steps and otherwise assume case management initiative and control to effect an efficient and expeditious resolution of the Dispute.

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(g) At any oral hearing of evidence in connection with any arbitration conducted pursuant to this Agreement, each of TDS and Parent and their respective legal counsel shall have the right to examine their own witnesses and to cross-examine the witnesses of the other party. No testimony of any witness shall be presented in written form unless the opposing party shall have the opportunity to cross-examine such witness, except as TDS and Parent otherwise agree in writing and except under extraordinary circumstances where, in the opinion of the Panel, the interests of justice require a different procedure.

(h) Within thirty calendar days after the closing of the arbitration hearing, the Panel shall prepare and distribute to TDS and Parent a written award, setting forth the Panel's findings of fact and conclusions of law relating to the Dispute, including the reasons for the giving or denial of any requested remedy or relief. The Panel shall have the authority to award any remedy or relief that a court of competent jurisdiction could order or grant, and shall award interest on any monetary award from the date that the loss or expense was incurred by the successful party. In addition, the Panel shall have the authority to decide issues relating to the interpretation, meaning or performance of this Agreement or the relationships of the parties hereunder, even if such decision would constitute an advisory opinion in a court proceeding or if the issues would otherwise not be ripe for resolution in a court proceeding, and any such decision shall bind the parties in their performance of this Agreement. The decision of the arbitrators as to the validity and amount of any Indemnity Claim shall be binding and conclusive.

(i) Except as necessary in court proceedings to enforce this arbitration provision or an award rendered hereunder, or to obtain interim relief, or as provided in Section 4.5, or as otherwise required by law (including the federal securities laws and the rules of any applicable securities exchange), neither any party nor any arbitrator shall disclose the existence, content or results of any arbitration conducted hereunder without the prior written consent of the other parties.

(j) To the extent that the relief or remedy granted in an award rendered by the Panel is relief or a remedy on which a court could enter judgment, a judgment upon the award rendered by the Panel may be entered in any court having jurisdiction thereof. Otherwise, the award shall be binding on the parties in connection with their

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obligations under this Agreement and in any subsequent arbitration or judicial proceedings among any of the parties.

(k) The prevailing party in any arbitration shall be entitled to an award of reasonable attorneys' fees and costs, and all costs of arbitration shall be paid by the losing party, subject in each case to a determination by the Panel as to which party is the prevailing party and the amount of such fees and costs to be allocated to such party, taking into consideration the relative merits of the positions advocated by each party in such arbitration proceeding.

(l) Notwithstanding the choice of law provision set forth in Section 6.4, The Federal Arbitration Act, 9 U.S.C. Sections 1 to 14, except as modified hereby, shall govern the interpretation and enforcement of this Agreement.

4.5 Recourse to Courts and Other Remedies. Notwithstanding the Dispute resolution procedures contained in Sections 4.1, 4.2, 4.3 and 4.4, any party may apply to any court having jurisdiction (i) to enforce this agreement to negotiate, mediate and arbitrate, (ii) to seek provisional injunctive relief so as to maintain the status quo until the arbitration award is rendered or the Dispute is otherwise resolved, (iii) to avoid the expiration of any applicable limitation period, (iv) to preserve a superior position with respect to other creditors or (v) to challenge or vacate any final judgment, award or decision of the Panel that does not comport with the express provisions of this Agreement.

4.6 Expenses. Each of TDS and Parent shall be responsible for such party's costs and expenses related to such Dispute, including attorneys' fees, except as otherwise set forth herein.

Section 5. Representations and Warranties. Each of the parties hereto represents and warrants to each of the other parties hereto that it is a corporation duly organized, validly existing and in good standing (to the extent such concept exists) under the laws of its jurisdiction of formation; that it has the corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder; that the execution, delivery and performance of this Agreement by it has been duly authorized and approved by all necessary corporate action; that this Agreement constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms; and that the execution, delivery and performance of this Agreement by it will not result in a breach of or loss of rights under or constitute a default under or a violation of its charter or bylaws or any trust (constructive or other), agreement, judgment, decree, order or other instrument to which it is a party or it or its properties or assets may be bound.

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Section 6. Miscellaneous.

6.1 Benefit; Successor and Assigns; Parties in Interest. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns but shall not be assignable by any party hereto without the written consent of all of the other parties hereto; provided, however, that Parent may assign its rights and delegate its obligations hereunder to any successor corporation in the event of a merger, consolidation or transfer or sale of all or substantially all of Parent's stock or assets. Nothing in this Agreement, expressed or implied, is intended or shall be construed to confer upon any Person, other than the parties hereto and their successors and permitted assigns, any right, remedy or claim under or by reason of this Agreement.

6.2 Termination.

(a) This Agreement shall be terminated prior to the Effective Time on the occurrence of either of the following events:

(i) the mutual written agreement of each of the parties hereto; or

(ii) the termination of the Reorganization Agreement pursuant to Section 8.1 thereof.

(b) This Agreement shall terminate at the Effective Time if both of the following conditions are satisfied:

(i) each of VoiceStream, Holding, the Company, Operating Company, TDS, Investor and Sonera U.S. have entered into the Settlement Agreement and Release currently under negotiation among the parties; and

(ii) each of the parties thereto executes and delivers the Bring-Down Amendment pursuant to Section 8.4 of the Settlement Agreement and Release.

(c) Following the Effective Time, this Agreement shall terminate on the occurrence of either of the following events:

(i) the mutual written agreement of each of the parties hereto; or

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(ii) the first date on which there has been a final determination of all unresolved Indemnity Claims set forth in each Indemnity Claim Notice received by TDS prior to the Indemnity Claim Notice Termination Date and, if applicable, payment thereof to Parent.

6.3 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, sent by overnight courier (providing proof of delivery) or telecopied (with a confirmatory copy sent by overnight courier) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to any Parent Indemnitee (including the Company and Operating Company after the Effective Time) to:

VoiceStream Wireless
3650 131st Avenue SE, Suite 400
Bellevue, WA 98006

Attention: General Counsel
Facsimile No.: (425) 586-8040

With copy to:

Preston Gates & Ellis LLP
5000 Columbia Center
701 Fifth Avenue
Seattle, WA 98104
Attention: Richard B. Dodd, Esq.
Facsimile No.: (206) 623-7022

If to TDS or its Affiliates (including the Company and Operating Company prior to the Effective Time) to:

Telephone and Data Systems, Inc.
30 North LaSalle Street, Suite 4000
Chicago, IL 60602
Attention: LeRoy T. Carlson, Chairman
Facsimile No.: (312) 630-9299

With copy to:

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Sidley & Austin
One First National Plaza
Chicago, IL 60603
Attention: Michael G. Hron, Esq.
Facsimile No.: (312) 853-7036

or such other address as any such party shall designate in writing to the parties hereto.

6.4 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.

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

6.6 Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of

this Agreement.

6.7 Partial Invalidity. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective in the jurisdiction involved to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

6.8 Entire Agreement; Modification and Waiver. This Agreement together with the Reorganization Agreement and the agreements contemplated thereby embody the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersede any and all prior agreements and understandings relating to the subject matter hereof. No amendment, modification or waiver of this Agreement shall be binding or effective for any purpose unless it is made in a writing signed by the party against whom enforcement of such amendment, modification or waiver is sought. No course of dealing between the parties to this Agreement shall be deemed to affect or to modify, amend or discharge any provision or term of this Agreement. No delay by any party to or any beneficiary of this Agreement in the exercise of any of its rights or

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remedies shall operate as a waiver thereof, and no single or partial exercise by any party to or any beneficiary of this Agreement of any such right or remedy shall preclude any other or further exercise thereof. A waiver of any right or remedy on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any other occasion.

* * * *

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

TELEPHONE AND DATA SYSTEMS, INC.

By: /s/ LeRoy T. Carlson

Name: LeRoy T. Carlson
Title: Chairman

AERIAL COMMUNICATIONS, INC.

By: /s/ LeRoy T. Carlson, Jr.

Name: LeRoy T. Carlson, Jr.
Title: Chairman

AERIAL OPERATING COMPANY, INC.
By: /s/ Don W. Warkentin

Name: Don W. Warkentin
Title: President

VOICESTREAM WIRELESS CORPORATION

By: /s/ Cregg B. Baumbaugh

Name: Cregg B. Baumbaugh
Title: Executive Vice President - Strategy, Finance and Development

VOICESTREAM WIRELESS HOLDING CORPORATION

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By: /s/ Cregg B. Baumbaugh

Name: Cregg B. Baumbaugh
Title: Executive Vice President-Strategy, Finance and Development

SIGNATURE PAGE TO INDEMNITY AGREEMENT RELATING TO MERGER OF AERIAL COMMUNICATIONS INC.

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Exhibit 99.5

DEBT/EQUITY REPLACEMENT AGREEMENT

THIS DEBT/EQUITY REPLACEMENT AGREEMENT (the "Agreement"), dated as of September 17, 1999, is made by and among TELEPHONE AND DATA SYSTEMS, INC., a Delaware corporation ("TDS"), AERIAL COMMUNICATIONS, INC., a Delaware corporation (the "Company"), AERIAL OPERATING COMPANY, INC., a Delaware corporation ("Operating Company"), VOICESTREAM WIRELESS CORPORATION, a Washington corporation ("VoiceStream"), and VOICESTREAM WIRELESS HOLDING CORPORATION, a Delaware corporation ("Holding") (Wireless and Holding being referred to herein collectively as "Parent").

RECITALS:

WHEREAS, the Company, TDS, Parent and VoiceStream Subsidiary III Corporation, a Delaware corporation and a wholly-owned subsidiary of Parent ("Sub"), are parties to that certain Agreement and Plan of Reorganization dated the date hereof (the "Reorganization Agreement"), providing for, among other things, the merger (the "Merger") of Sub with and into the Company and the conversion of shares of Company Common Stock into shares of Parent Common Stock;

WHEREAS, TDS and Operating Company are parties to a Revolving Credit Agreement dated as of August 31, 1998, as amended (the "Revolving Credit Agreement");

WHEREAS, the obligations ("Obligations") of Operating Company to TDS under the Revolving Credit Agreement have been fully and unconditionally guaranteed by the Company pursuant to a guaranty dated August 31, 1998 (the "Revolving Credit Agreement Guaranty");

WHEREAS, as of the date hereof, Operating Company has outstanding indebtedness to TDS under the Revolving Credit Agreement in the principal amount of $605,239,046;

WHEREAS, the Reorganization Agreement provides that TDS will acquire Company Common Shares and Company Series A Common Shares prior to the Effective Time of the Merger in consideration for the assignment to the Company by TDS of a portion of the debt due by Operating Company to TDS under the Revolving Credit Agreement (the "Debt/Equity Replacement");

WHEREAS, pursuant to the Investment Agreement, dated as of September 8, 1998 (the "Investment Agreement"), among TDS, the Company, Operating Company and Sonera Ltd. ("Investor"), the Company will acquire Operating Company Shares

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prior to the Effective Time in consideration for the assignment to Operating Company by the Company

of such debt and, if applicable, cash from Investor;

WHEREAS, pursuant to the Investment Agreement, Investor may acquire Company Common Shares and Operating Company Shares prior to the Effective Time by exercising certain subscription rights set forth therein;

WHEREAS, at the Effective Time, the Revolving Credit Agreement will be amended and restated as provided herein and all remaining Obligations outstanding to TDS after the Debt/Equity Replacement under such amended and restated Revolving Credit Agreement will mature on the first anniversary of the Effective Time;

WHEREAS, such amended and restated Revolving Credit Agreement will remain in effect until the repayment in full of such remaining Obligations, at which time such amended and restated Revolving Credit Agreement will be terminated; and

WHEREAS, all capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Reorganization Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements herein set forth, and subject to the conditions hereof, the parties hereto agree as follows:

Section 1. The Transactions.

1.1 Issuance of Company Shares in Connection with Assignment of Debt.

(a) On the tenth Business Day (as defined in Section 5.12 hereof) occurring after the execution of this Agreement, the Company shall deliver to Investor a notice pursuant to Section 9.1(a) of the Investment Agreement (the "Section 9.1(a) Notice"), unless TDS, the Company, Operating Company and Investor shall agree in writing that the Section 9.1(a) Notice either may be delivered on a different date or is not required.

(b) Subject to the terms and conditions of this Agreement, at and as of the First Closing (as defined herein), TDS shall acquire from the Company, and the Company shall issue and sell to TDS, fully paid and nonassessable Company Common Shares and fully paid and

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nonassessable Company Series A Common Shares (the "Company Shares") in exchange for the consideration set forth in paragraph (c) of this Section 1.1. The ratio of the number of Company Common Shares issued to TDS to the number of Company Series A Common Shares issued to TDS shall equal the ratio of the number of Company Common Shares owned by TDS to the number of Company Series A Common Shares owned by TDS, determined as of the date of the Section 9.1(a) Notice.

(c) The aggregate purchase price for the purchase by TDS of the Company Shares as contemplated in paragraph (b) of Section 1.1 (the "TDS Purchase Price") shall be determined in accordance with Section 1.3 hereof and shall represent a purchase price per share of $22.00 (the "TDS Price Per Company Share"). The TDS Purchase Price shall be paid by the assignment by TDS to the Company of Obligations equal to the amount of the TDS Purchase Price (the "Assigned Obligations"), pursuant to an instrument in the form attached hereto as Exhibit 1 (the "First Assignment and Acceptance"). Effective as of such assignment, (1) the Assigned Obligations will cease to be evidenced and governed by the Revolving Credit Agreement and will instead be evidenced and governed by a separate Credit Agreement in the form attached hereto as Exhibit 2 (the "New Credit Agreement") and (2) the Revolving Credit Agreement will be amended pursuant to a Fourth Amendment to the Revolving Credit Agreement in the form attached hereto as Exhibit 3 (the "Fourth Amendment").

(d) If Investor elects to exercise its subscription rights pursuant to Section 9.2 of the Investment Agreement (the "Section 9.2 Subscription Rights"), then the Company shall issue to Investor on the First Closing Date (as defined herein) that number of Company Common Shares for which Investor has subscribed (the "Investor Subscription Shares"), subject to Section 4.5(c) of the Investment Agreement, and subject to the receipt of the proceeds from Investor as required pursuant to Section 9.2 of the Investment Agreement (the "Investor Proceeds"). The price per share of the Investor Subscription Shares (the "Investor Price Per Company Share") shall be equal to the average of the daily means of the high and low sales prices for Company Common Shares as reported in The Wall Street Journal (the "Aerial Average") for the five consecutive trading day period ending on the last trading day prior to the date of the Section 9.1(a) Notice.

(e) If Investor elects to exercise the AOC Option pursuant to Section 4.5 of the Investment Agreement (as defined therein), then Operating Company shall issue to Investor on the First Closing Date that number of Operating Company Shares for which Investor has

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subscribed (the "Investor AOC Option Shares"), subject to the receipt of the proceeds from Investor as required pursuant to Section 4.5(b) of the Investment Agreement (the "Investor AOC Option Proceeds"). The price per share of the Investor AOC Option Shares (the "Investor Price Per AOC Option Share") shall be equal to the product of (1) the Exchange Rate (as determined pursuant to the Investment Agreement) multiplied by (2) the Investor Price Per Company Share (as calculated pursuant to paragraph (d) of this Section 1.1.

(f) Notwithstanding the provisions of paragraphs (d) and (e) of this Section 1.1, TDS, the Company, Operating Company and Investor may agree in writing prior to the First Closing Date that the Investor Price Per Company Share, both for purposes of paragraph (d) of this Section 1.1 and for purposes of calculating the Investor Price Per AOC Option Share pursuant to paragraph (e) of this Section 1.1, shall be equal to the TDS Price Per Company Share.

1.2 Issuance of Operating Company Shares in Connection with Assignment of Debt and Transfer of Investor Proceeds.

(a) On the First Closing Date, the Company shall deliver to Investor a notice pursuant to Section 4.1(d) of the Investment Agreement (the "Section 4.1(d) Notice"), unless TDS, the Company, Operating Company and Investor shall agree in writing that the Section 4.1(d) Notice either may be delivered on a different date or is not required.

(b) Subject to the terms and conditions of this Agreement, at and as of the Second Closing (as defined herein), the Company shall acquire from Operating Company, and Operating Company shall issue and sell to the Company, that number of fully paid and nonassessable Operating Company Shares (the "Company Subscription Shares") as determined in accordance with the immediately following sentence, in exchange for the consideration set forth in paragraph (c) of this Section 1.2. The number of Company Subscription Shares shall be equal to the quotient of (1) the Company Subscription Price (as defined herein) divided by (2) a price per share (the "Company Price Per Operating Company Share") equal to the product of (A) the Exchange Rate multiplied by (B) the Aerial Average for the twenty consecutive trading day period ending on the last trading day prior to the First Closing Date.

(c) The aggregate purchase price for the purchase by the Company of the Company Subscription Shares as contemplated in paragraph

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(b) of this Section 1.2 (the "Company Subscription Price") shall be equal to the sum of (1) the TDS Purchase Price and (2) the Investor Proceeds, if any. The Company Subscription Price shall be paid by (A) the assignment by the Company to Operating Company of the Assigned Obligations (exclusive of interest accrued thereon for the period commencing on the First Closing Date and terminating on the Second Closing Date (as defined herein)), pursuant to an instrument in the form attached hereto as Exhibit 4 (the "Second Assignment and Acceptance") and (B) if applicable, the transfer by the Company to Operating Company of immediately available funds equal to the Investor Proceeds. Effective as of such assignment, the New Credit Agreement will terminate pursuant to the Second Assignment and Acceptance.

(d) If Investor elects to exercise its subscription rights pursuant to Section 4.1(c) and (d) of the Investment Agreement ("Section 4.1(c) Subscription Rights"), then Operating Company shall issue to Investor on the Second Closing Date that number of Operating Company Shares for which Investor has subscribed as provided in the Investment Agreement (the "Additional Investor Subscription Shares"), subject to the receipt of the proceeds from Investor as required pursuant to the Investment Agreement (the "Additional Investor Proceeds"). The price per share of the Additional Investor Subscription Shares (the "Investor Price Per Operating Company Share") shall be equal to the Company Price Per Operating Company Share (as calculated pursuant to paragraph (b) of this Section 1.2).

(e) Notwithstanding the provisions of paragraphs (b) and (d) of this Section 1.2, TDS, the Company, Operating Company and Investor may agree in writing prior to the Second Closing Date that both the Company Price Per Operating Company Share and the Investor Price Per Operating Company Share shall be equal to the product of (1) the Exchange Rate multiplied by (2) the TDS Price Per Company Share.

1.3 Limitation on Purchase of Shares. Notwithstanding any other provision in this Agreement, TDS shall cause the aggregate dollar amount of (a) the TDS Purchase Price to not be less than $400,000,000 and to not exceed $450,000,000 as determined by TDS, (b) the sum of the TDS Purchase Price, the Investor Proceeds, the Investor AOC Option Proceeds and the Additional Investor Proceeds (the "Aggregate Proceeds") to not exceed $650,000,000 (the "Aggregate Proceeds Cap"), and (c) the Aggregate Proceeds to be allocated within the Aggregate Proceeds Cap between TDS and Investor as permitted by the Investment Agreement or as TDS and Investor shall otherwise agree in writing; provided, however, that in the event that the Settlement Agreement and Release currently under negotiation among the parties hereto, Investor and Sonera Corporation U.S. is not executed, then (1) the TDS Purchase Price may be less than $400,000,000 but

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shall not exceed $450,000,000 and (2) the sum of the Aggregate Proceeds and any additional dollar amounts of equity that Investor is entitled to purchase pursuant to the Three-Year Option or Seven-Year Option as set forth in Sections 4.2 and 4.3, respectively, of the Investment Agreement shall not exceed $650,000,000.

1.4 Payment of Accrued Interest to Company. On the Second Closing Date, Operating Company shall pay to the Company cash in immediately available funds equal to the amount of the interest accrued but unpaid on the Assigned Obligations for the period commencing on the First Closing Date and terminating on the Second Closing Date (the "Accrued Interest Amount"), in full payment of such accrued interest.

1.5 Capitalization of Receivables Owed to Operating Company. On the Second Closing Date, Operating Company shall contribute to each of its subsidiaries, as a contribution to the capital of such subsidiary, all, or such portion thereof as Operating Company shall determine, of the receivables owed by such subsidiary to Operating Company. Because each such subsidiary is wholly-owned, directly or indirectly, by Operating Company, no additional stock or partnership interests will be issued to Operating Company in exchange for such contributions.

1.6 Modification of Revolving Credit Agreement Interest Rate and Termination of Guaranty. On the Second Closing Date, the Revolving Credit Agreement will be amended pursuant to a Fifth Amendment to the Revolving Credit Agreement in the form attached hereto as Exhibit 5 (the "Fifth Amendment") to modify the interest rate thereunder and to terminate the Revolving Credit Agreement Guaranty.

1.7 Amendment and Restatement of Revolving Credit Agreement. At the Effective Time, the Revolving Credit Agreement will be amended and restated pursuant to an Amended and Restated Credit Agreement in the form attached hereto as Exhibit 6 (the "Amended and Restated Credit Agreement"), which will govern all remaining Obligations (including accrued interest) to TDS under the Revolving Credit Agreement that are outstanding as of the Effective Time (the "Adjusted Obligations"). The Amended and Restated Credit Agreement will provide, inter alia, that the maturity date of the Adjusted Obligations shall be the first anniversary of the Effective Time and that the Adjusted Obligations shall accrue interest at the rate of 3.50% above one-month LIBOR, as in effect from time to time and as calculated pursuant to the terms of the Amended and Restated Credit Agreement. The Amended and Restated Credit Agreement will remain in effect until the repayment in full of the Adjusted Obligations, at which time the Amended and

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Restated Credit Agreement shall be terminated.

Section 2. Closing of Transactions and Deliveries.

2.1 First Closing.

(a) Time of First Closing. The consummation of the transactions contemplated by Section 1.1 (other than paragraph (a) thereof) (the "First Closing") shall occur on the thirtieth Business Day occurring after the date of delivery of the Section 9.1(a) Notice by the Company to Investor, or on such other date occurring prior to the Effective Time as TDS, the Company, Operating Company and Investor may agree in writing. (The date of the First Closing is referred to herein as the "First Closing Date").

(b) Place of First Closing. The First Closing shall take place at the offices of the Company, or at such other place as TDS, the Company, Operating Company and Investor may agree in writing.

(c) First Closing Deliveries. At the First Closing:

(i) The Company shall deliver to:

(A) TDS:

(1) certificates representing the Company Shares;

(2) the First Assignment and Acceptance; and

(3) The Fourth Amendment.

(B) Operating Company:

(1) the First Assignment and Acceptance;

(2) the New Credit Agreement; and

(3) The Fourth Amendment.

(ii) TDS shall deliver to each of the Company and

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Operating Company the First Assignment and Acceptance and the Fourth Amendment.

(iii) Operating Company shall deliver to:

(A) the Company:

(1) the First Assignment and Acceptance;

(2) the New Credit Agreement; and

(3) the Fourth Amendment.

(B) TDS:

(1) the First Assignment and Acceptance; and

(2) the Fourth Amendment.

(iv) In the event Investor exercises:

(A) the Section 9.2 Subscription Rights:

(1) Investor shall deliver to the Company immediately available funds equal to the Investor Proceeds; and

(2) the Company shall deliver to Investor one or more certificates representing the Investor Subscription Shares.

(B) the AOC Option:

(1) Investor shall deliver to Operating Company immediately available funds equal to the Investor AOC Option Proceeds; and

(2) Operating Company shall deliver to Investor one or more certificates representing the Investor AOC Option Shares.

(v) Each party shall deliver to the other parties, as appropriate, such

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other documents as may be reasonably requested by the other parties that are necessary or desirable to carry out their respective obligations under this Agreement and to effectuate the purposes hereof.

2.2 Second Closing.

(a) Time of Second Closing; Sequence of Transactions. The consummation of the transactions contemplated by Sections 1.2 (other than paragraph (a) thereof), 1.4, 1.5 and 1.6 (the "Second Closing") shall occur on the thirtieth Business Day occurring after the date of delivery of the Section 4.1(d) Notice by the Company to Investor, or on such other date occurring prior to the Effective Time as TDS, the Company, Operating Company and Investor may agree in writing. (The date of the Second Closing is referred to herein as the "Second Closing Date"). The consummation of the transactions occurring on the Second Closing Date shall occur in the following sequence:

(1) the transactions contemplated by Sections 1.2 (other than paragraph (a) thereof), 1.4 and 1.5 shall be consummated concurrently with each other; and

(2) immediately after the consummation of all of the transactions identified in clause (1) of this Section 2.2(a), the transaction contemplated by Section 1.6 shall be consummated.

(b) Place of Second Closing. The Second Closing shall take place at the offices of Operating Company, or at such other place as TDS, the Company, Operating Company and Investor may agree in writing.

(c) Second Closing Deliveries. At the Second Closing:

(i) Operating Company shall deliver to:

(A) the Company:

(1) a certificate representing the Company Subscription Shares;

(2) the Second Assignment and Acceptance;

(3) immediately available funds equal to the Accrued Interest Amount; and

(4) the Fifth Amendment.

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(B) TDS, the Fifth Amendment.

(ii) The Company shall deliver to:

(A) Operating Company:

(1) the Second Assignment and Acceptance;

(2) immediately available funds equal to the Investor Proceeds, if any; and

(3) the Fifth Amendment.

(B) TDS, the Fifth Amendment.

(iii) TDS shall deliver to Operating Company and the Company the Fifth Amendment.

(iv) In the event Investor exercises the Section 4.1(c) Subscription Rights:

(A) Investor shall deliver to Operating Company immediately available funds equal to the Additional Investor Proceeds; and

(B) Operating Company shall deliver to Investor one or more certificates representing the Additional Investor Subscription Shares.

(v) Operating Company and its subsidiaries shall take such actions and deliver such documents as shall be necessary to effect the transactions contemplated by Section 1.5 hereof.

(vi) Each party shall deliver to the other parties, as appropriate, such other documents as may be reasonably requested by the other parties that are necessary or desirable to carry out their respective obligations under this Agreement and to effectuate the purposes hereof.

2.3 Amended and Restated Credit Agreement Closing.

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(a) Time of Amended and Restated Credit Agreement Closing. The execution of the Amended and Restated Credit Agreement contemplated by Section 1.7 shall occur at the Effective Time.

(b) Place of Amended and Restated Credit Agreement Closing. The execution of the Amended and Restated Credit Agreement shall take place at the location of the Closing of the transactions contemplated by the Reorganization Agreement.

(c) Deliveries. In connection with the Amended and Restated Credit

Agreement closing:

(i) TDS shall execute and deliver the Amended and Restated Credit Agreement to the Company and Operating Company.

(ii) The Company shall, and Parent shall cause the Company to, execute and deliver the Amended and Restated Credit Agreement to TDS and Operating Company.

(iii) Operating Company shall, and Parent shall cause Operating Company to, execute and deliver the Amended and Restated Credit Agreement to TDS and the Company.

(iv) Each party shall deliver to the other parties, as appropriate, such other documents as may be reasonably requested by the other parties that are necessary or desirable to carry out their respective obligations under this Agreement and to effectuate the purposes hereof.

Section 3. Representations and Warranties.

3.1 Representations and Warranties of the Company. The Company hereby represents and warrants as follows:

(a) The Company has the legal capacity, power and authority to enter into and perform all of the Company's obligations under this Agreement. The execution, delivery and performance of this Agreement by the Company has been duly authorized by all requisite corporate action and does not violate the Company's charter, bylaws or any other instrument or agreement or any law, regulation or order applicable to

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the Company or its assets. This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity.

(b) Each Company Share issued pursuant to this Agreement will be, when issued, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights by any person.

3.2 Representations and Warranties of Operating Company. Operating Company hereby represents and warrants as follows:

(a) Operating Company has the legal capacity, power and authority to enter into and perform all of the Operating Company's obligations under this Agreement. The execution, delivery and performance of this Agreement by Operating Company

has been duly authorized by all requisite corporate action and does not violate Operating Company's charter, bylaws or any other instrument or agreement or any law, regulation or order applicable to Operating Company or its assets. This Agreement has been duly and validly executed and delivered by Operating Company and constitutes a valid and binding agreement of Operating Company, enforceable against Operating Company in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity.

(b) Each Operating Company Share issued pursuant to this Agreement will be, when issued, duly authorized, validly issued, fully paid and nonassessable and not subject to preemptive rights by any person.

3.3 Representations and Warranties of Parent. Parent hereby represents and warrants as follows:

(a) Parent has the legal capacity, power and authority to enter into and perform all of Parent's obligations under this Agreement. The execution, delivery and performance of this Agreement by Parent has been duly authorized by all requisite corporate action and does not violate Parent's charter, bylaws or any other instrument or agreement or any law, regulation or order applicable to Parent or its

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assets. This Agreement has been duly and validly executed and delivered by Parent and constitutes a valid and binding agreement of Parent, enforceable against Parent in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity.

3.4 Representations and Warranties of TDS. TDS hereby represents and warrants as follows:

(a) TDS has the legal capacity, power and authority to enter into and perform all of TDS's obligations under this Agreement. The execution, delivery and performance of this Agreement by TDS has been duly authorized by all requisite corporate action and does not violate TDS's charter, bylaws or any other instrument or agreement or any law, regulation or order applicable to TDS or its assets. This Agreement has been duly and validly executed and delivered by TDS and constitutes a valid and binding agreement of TDS, enforceable against TDS in accordance with its terms, except that such enforceability (i) may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity.

Section 4. Covenants and Agreements.

4.1 Brokers. Each party agrees to indemnify, hold harmless and defend the other parties from and against any fee or expense due or alleged to be due to any broker or finder which acted or claims to have acted on such indemnifying party's behalf in connection with the transactions contemplated by this Agreement.

Section 5. Miscellaneous.

5.1 Termination. This Agreement shall terminate in the event of the termination of the Reorganization Agreement pursuant to Section 8.1 thereof.

5.2 Interpretation. References to this Agreement shall refer to this Agreement and all exhibits, schedules and annexes hereto.

5.3 Further Assurances. The parties hereto will, from time to time, execute and deliver, or cause to be executed and delivered, such additional or further consents, proxies, documents and other instruments as the other may

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reasonably request for the purpose of effectively carrying out the transactions contemplated by this Agreement.

5.4 Successors, Assigns and Transferees Bound; Parties in Interest. This Agreement shall be binding upon the successors, assigns and transferees of the parties hereto, and the parties hereto shall take any and all actions necessary to obtain the written confirmation from any such successor, assignee or transferee that it is bound by the terms hereof. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any Person, other than the parties hereto and their successors and permitted assigns, any right, remedy or claim under or by reason of this Agreement.

5.5 Remedies. Each party hereto acknowledges that money damages would be both incalculable and an insufficient remedy for any breach of this Agreement by it, and that any such breach would cause the other party irreparable harm. Accordingly, each party agrees that in the event of any breach or threatened breach of this Agreement, the other party, in addition to any other remedies at law or in equity that it may have, shall be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance.

5.6 Submission to Jurisdiction. Each party hereto hereby irrevocably submits in any suit, action or proceeding arising out of or related to this Agreement or any of the transactions contemplated hereby or thereby to the exclusive jurisdiction of the courts of the United States and the jurisdiction of the courts of the State of Delaware and waive any and all objections to jurisdiction that they may have under the laws of the State of Delaware or the United States and any claim or objection that any such court is an inconvenient forum.

5.7 Severability. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement in such jurisdiction, or the validity or enforceability of any

provision of this Agreement in any other jurisdiction.

5.8 Amendment. This Agreement may be amended only by means of a written instrument executed and delivered by each of the parties hereto.

5.9 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS.

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5.10 Counterparts. For the convenience of the parties, this Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.11 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, sent by overnight courier (providing proof of delivery) or telecopied (with a confirmatory copy sent by overnight courier) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to the Parent, or to the Company or Operating Company after the Effective Time, to

VoiceStream Wireless
3650 131st Avenue SE, Suite 400
Bellevue, WA 98006
Attention: General Counsel
Facsimile No.: (425) 586-8040

with a copy to:

Preston Gates & Ellis LLP
5000 Columbia Center
701 Fifth Avenue
Seattle, WA 98104
Attention: Richard B. Dodd, Esq.
Facsimile No.: (206) 623-7022

(b) if to TDS, or to the Company or Operating Company prior to the Effective Time, to

Telephone and Data Systems, Inc.
30 North LaSalle Street, Suite 4000
Chicago, IL 60602
Attention: LeRoy T. Carlson, Chairman
Facsimile No.: (312) 630-9299

with a copy to:

Sidley & Austin
One First National Plaza
Chicago, Illinois 60603
Attention: Michael G. Hron, Esq.
Facsimile No.: (312) 853-7036

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5.12 Business Days. For purposes of this Agreement, "Business Day" shall have the meaning set forth in the Investment Agreement. All Business Day intervals set forth in this Agreement shall, to the extent necessary, be appropriately adjusted to ensure compliance with all relevant notice requirements under the Investment Agreement and any other applicable provisions thereof.

*****

IN WITNESS WHEREOF, TDS, the Company, Operating Company and Parent have executed this Agreement as of the date first above written.

TELEPHONE AND DATA SYSTEMS, INC.

By: /s/ LeRoy T. Carlson

Name: LeRoy T. Carlson
Title: Chairman

AERIAL COMMUNICATIONS, INC.

By: /s/ LeRoy T. Carlson, Jr.

Name: LeRoy T. Carlson, Jr.
Title: Chairman

AERIAL OPERATING COMPANY, INC.
By: /s/ Don W. Warkentin

Name: Don W. Warkentin
Title: President

VOICESTREAM WIRELESS CORPORATION

By: /s/ Cregg B. Baumbaugh

Name: Cregg B. Baumbaugh
Title: Executive Vice President - Strategy, Finance and Development

VOICESTREAM WIRELESS HOLDING CORPORATION

By: /s/ Cregg B. Baumbaugh

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Name: Cregg B. Baumbaugh

Title: Executive Vice President - Strategy, Finance and Development

SIGNATURE PAGE TO DEBT/EQUITY REPLACEMENT AGREEMENT AMONG TDS, THE COMPANY, OPERATING COMPANY AND PARENT.

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Exhibit 99.6

PARENT STOCKHOLDER AGREEMENT

PARENT STOCKHOLDER AGREEMENT, dated as of September 17, 1999 (this "Agreement") by and among Aerial Communications, Inc., a Delaware corporation ("Company"), Telephone and Data Systems, Inc., a Delaware corporation ("TDS"), VoiceStream Wireless Corporation, a Washington corporation ("VoiceStream"), VoiceStream Wireless Holding Corporation, a Delaware corporation ("Holding")(VoiceStream and Holding are collectively referred to as Parent as provided in Section 1(b)) and the individuals and entities set forth on Schedule I hereto (each a "Parent Stockholder" and, collectively, the "Parent Stockholders").

RECITALS

WHEREAS, each Parent Stockholder is a stockholder of VoiceStream;

WHEREAS, Company, VoiceStream, Holding, VoiceStream Subsidiary III Corporation, a Delaware corporation and a wholly-owned subsidiary of Parent ("Sub"), and Telephone and Data Systems, Inc. ("TDS") are entering into an Agreement and Plan of Reorganization, dated as of September 17, 1999 (the "Reorganization Agreement"), providing for, among other things, the merger of Sub with and into Company and the conversion of shares of Company Common Stock into shares of Parent Common Stock, par value $0.001(the "Parent Common Stock");

WHEREAS, the Board of Directors of Parent, at a meeting duly called and held, duly adopted resolutions approving, among other things, the Reorganization Agreement and the Reorganization, determining that the Reorganization and the issuance (the "Parent Share Issuance") of shares of Parent Common Stock in accordance with the Reorganization to be fair to, and in the best interests of, Parent's stockholders;

WHEREAS, each Parent Stockholder owns beneficially the number of shares of Parent Common Stock set forth opposite such Parent Stockholder's name in Schedule I hereto (the "VoiceStream Scheduled Shares"); and

WHEREAS, as a condition to Company's willingness to enter into the Reorganization Agreement and as a condition to TDS's willingness to enter into a stockholder agreement (the "TDS Stockholder Agreement") with respect to the Reorganization Agreement, each of Company and TDS has required that each Parent Stockholder agree, and in order to induce Company to enter into the Reorganization Agreement and to induce TDS to enter into the TDS Stockholder Agreement, each Parent Stockholder has agreed, to enter into this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the

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mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. Defined Terms and Certain Matters. (a) Capitalized terms used in this Agreement that are not defined herein shall have such meanings as set forth in the Reorganization Agreement.

(b) VoiceStream, Holding and Omnipoint Corporation, a Delaware corporation ("Omnipoint"), have entered into an Agreement and Plan of Reorganization dated as of June 23, 1999 (the "Omnipoint Agreement") providing for, among other things, the acquisition of Omnipoint. VoiceStream shall be the Parent for purposes of this Agreement until the earlier of the closing of the reorganization contemplated by the Omnipoint Agreement ("Omnipoint Reorganization") or the Merger provided for in the Reorganization Agreement.

"Qualified Designee" shall mean an individual who is not an officer, director, management level employee or Affiliate of TDS, or of any Person in which TDS or any Affiliate of TDS has an "attributable interest" (as defined by applicable FCC rules and regulations) designated by TDS provided that Parent shall have the right to approve the designee, which approval shall not be unreasonably withheld.

"Beneficially Owned" and "Beneficial Ownership" have the meaning set forth in Rule 13d-3 of the rules and regulations promulgated under the Exchange Act; except that no broker or dealer or any affiliate thereof shall be deemed to Beneficially Own shares of Common Stock, the beneficial ownership of which is acquired in the ordinary course of the activities of a broker or dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended, including, but not limited to, the acquisition of beneficial ownership of such securities as a result of any market-making or underwriting activities (including any shares acquired for the investment account of a broker or dealer in connection with such underwriting activities), or the exercise of investment or voting discretion authority over any of its customer accounts, or the acquisition in good faith of such securities in connection with the enforcement of payment of a debt previously contracted.

2. Voting Agreement and Director Designees.

(a) Parent Stockholders are parties to a Voting Agreement, dated May 3, 1999 ("VoiceStream Voting Agreement"), pursuant to which each Parent Stockholder agreed on the terms set forth in the VoiceStream Voting Agreement to vote the shares of Parent Common Stock Beneficially Owned by it at the time of a vote in favor of directors designated by such Parent Stockholders.

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On June 23, 1999 the Parent Stockholders entered into an Agreement (the "Omnipoint Voting Agreement") with certain stockholders of Omnipoint (the "Omnipoint Stockholders") in which they agreed, among other things, to terminate the VoiceStream Voting Agreement and enter into a new Voting Agreement on terms mutually satisfactory to Omnipoint Stockholders and Parent Stockholders ("Newco Voting Agreement") which will set forth voting arrangements which will apply to Holding after the Omnipoint Reorganization. The Parent Stockholders and TDS hereby agree as

follows: (i) if at the Effective Time the Omnipoint Reorganization has not been consummated, the Parent Stockholders and TDS shall enter into a voting agreement ("Newco Voting Agreement II") effective on the Effective Time on terms mutually satisfactory to the Parent Stockholders and TDS, pursuant to which (w) the voting arrangements which existed under the VoiceStream Voting Agreement will apply to Parent, (x) the provisions of Section 2(b) below shall also be effectuated, (y) the provisions of the letter agreement, dated June 23, 1999 ("Hutchison Letter"), with Hutchinson will be effectuated, and (z) upon consummation of the Omnipoint Reorganization, the provisions of Section 7.4 of the Omnipoint Agreement shall be effectuated; (ii) if at the Effective Time the Omnipoint Reorganization has been consummated, the Parent Stockholders and TDS shall enter into, and shall use reasonable efforts to seek to have the Omnipoint Stockholders to enter into, Newco Voting Agreement II, effective on the Effective Time on terms mutually satisfactory to the Parent Stockholders, TDS and the Omnipoint Stockholders effectuating each of clauses (w), (x), (y) and (z) above. If the Omnipoint Stockholders do not enter into Newco Voting Agreement II which shall be effective at the Effective Time, the Parent Stockholders and TDS shall enter into Newco Voting Agreement II effective at the Effective Time, it being understood and agreed that the Parent Stockholders and the Omnipoint Stockholders will still enter into the Newco Voting Agreement.

(b) Pursuant to Newco Voting Agreement II each of the Parent Stockholders and TDS (and the Omnipoint Stockholders if they agree to enter into such agreement) shall agree, on the terms set forth therein, to vote, or cause to be voted, all of the shares of Parent Common Stock Beneficially Owned by it at the time of the vote in person or by proxy (and shall take all other necessary or desirable action within TDS or such Parent Stockholder's control including attendance at meetings in person or by proxy for purposes of obtaining a quorum and execution of written consents in lieu of meetings), for the election and continuation in office of (i) one (1) Qualified Designee as director of Parent so long as TDS Beneficially Owns at least 4,500,000 shares of Parent Common Stock; provided, however if TDS owns more than 9,800,000 shares of Parent Common Stock and Sonera Ltd. and its Affiliates own less than 4,500,000 shares of Parent Common Stock, TDS shall be permitted to designate two (2) Qualified Designees as directors of Parent; (ii) the directors designated by the Parent Stockholders pursuant to the VoiceStream Voting Agreement (as restated in

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Newco Voting Agreement II), the Hutchison Letter and Section 7.4 of the Omnipoint Agreement.

(c) By their execution of this Agreement each Parent Stockholder severally agrees to be bound by the provisions of Sections 6(a) and 6(b) of the Investor Agreement, dated as of September 17, 1999, among Sonera Ltd., VoiceStream and Holding and agree that Sonera Ltd. shall be a third party beneficiary of this sub clause (c).

(d) Parent agrees if necessary, to amend the Bylaws of Parent, to increase the number of authorized directors to a number sufficient to satisfy the obligations in the VoiceStream Voting Agreement, Newco Voting Agreement and Newco Voting Agreement II, as applicable.

3. Covenants of Each Parent Stockholder. Until the earlier of the Effective Time or the termination of this Agreement in accordance with Section 5, each Parent Stockholder covenants and agrees as follows:

(a) Each Parent Stockholder hereby agrees to attend the Parent Stockholders' Meeting, in person or by proxy, and to vote (or cause to be voted) all VoiceStream Scheduled Shares owned by such Parent Stockholder at the time of the Parent Stockholders' Meeting in favor of adoption and approval of the Reorganization Agreement, the Merger and the Parent Share Issuance and any other matters necessary to consummate the transactions contemplated in the Reorganization Agreement; such agreement to vote shall apply also to any adjournment or adjournments of the Parent Stockholders' Meeting.

(b) Each of John W. Stanton, Theresa E. Gillespie, PN Cellular, Inc., Stanton Family Trust, Stanton Communications Corporation, Hutchison Telecommunications Holdings (USA) Limited and Hutchison Telecommunications PCS (USA) Limited (collectively the "Designated Parent Stockholders") hereby agrees not to sell, transfer, pledge, encumber or otherwise dispose of (collectively, "Transfer") any of its VoiceStream Scheduled Shares, unless, as a condition to any such Transfer, each transferee (or, in the case of a pledge or similar transfer, each pledge or similar conditional transferee) of any such shares, prior to such Transfer (or, in the case of a pledge or similar transfer, prior to taking title to or exercising any rights with respect to the applicable VoiceStream Scheduled Shares), agrees in writing to be bound by the provisions of Sections 3 and 5 through 16 of this Agreement applicable to the Parent Stockholders (and such transferee shall thereby become a Parent Stockholder for all purposes of Sections 3 and 5 through 16 of this Agreement). Any Transfer by a Designated Parent Stockholders of such shares and securities without compliance with this Section 3(b) of this Agreement shall be null and void and such transferee shall have no rights as a stockholder of VoiceStream.

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(c) To the extent inconsistent with the foregoing provisions of this Section 3, each Parent Stockholder hereby revokes any and all previous proxies with respect to such Parent Stockholder's VoiceStream Scheduled Shares.

4. Representations and Warranties of Parent Stockholder. Each Parent Stockholder, severally, as to such Parent Stockholder, represents and warrants (which representations shall continue for the term of this Agreement) to each of Company and TDS as follows:

(a) Such Parent Stockholder has the legal capacity, power and authority to enter into and perform all of such Parent Stockholder's obligations under this Agreement. To the extent such Parent Stockholder is a legal entity, the execution, delivery and performance of this Agreement by such Parent Stockholder has been duly authorized by all requisite corporate or other entity action and does not violate such Parent Stockholder's organizational documents. The execution, delivery and performance of this Agreement by such Parent Stockholder does not violate any other instrument or agreement or any law,

regulation or order applicable to such Parent Stockholder or its assets, including, without limitation, any voting agreement, stockholders agreement or voting trust. This Agreement has been duly and validly executed and delivered by such Parent Stockholder and constitutes a valid and binding agreement of such Parent Stockholder, enforceable against such Parent Stockholder in accordance with its terms.

(b) (i) Such Parent Stockholder is the beneficial owner of, and has good and marketable title to, the VoiceStream Scheduled Shares set forth opposite its name on Schedule I, and (ii) such Parent Stockholder has the sole right to vote, the sole power of disposition with respect to, and the sole power to demand appraisal rights with respect to, the VoiceStream Scheduled Shares set forth opposite its name on Schedule I, and none of such shares is subject to any voting trust, proxy or other agreement, arrangement or restriction with respect to the voting of such shares which in any way limits, restricts or conflicts with this Agreement.

5. Termination. This Agreement shall terminate upon the earlier of (i) termination of the Reorganization Agreement as provided for in Section 8.1 of the Reorganization Agreement or (ii) the later of (A) the Effective Time or (B) full execution of Newco Voting Agreement II as provided for in Section 2(a).

6. Further Assurances. Each Parent Stockholder, Company and TDS will, from time to time, execute and deliver, or cause to be executed and delivered, such additional or further consents, proxies, documents and other

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instruments as the other may reasonably request for the purpose of effectively carrying out the transactions contemplated by this Agreement.

7. Successors, Assigns and Transferees Bound. This Agreement shall be binding upon the successors, assigns and, to the extent set forth in Section 3(b) hereof with respect to Designated Parent Stockholders, transferees of the parties hereto, and the parties hereto shall take any and all actions necessary to obtain the written confirmation from any such successor, assignee and, to the extent set forth in Section 3(b) hereof with respect to Designated Parent Stockholders, transferee that it is bound by the terms hereof.

8. Remedies. Each party hereto acknowledges that money damages would be both incalculable and an insufficient remedy for any breach of this Agreement by it, and that any such breach would cause the other party irreparable harm. Accordingly, each party agrees that in the event of any breach or threatened breach of this Agreement, the other party, in addition to any other remedies at law or in equity it may have, shall be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance.

9. Submission to Jurisdiction. Each party hereto hereby irrevocably submits in any suit, action or proceeding arising out of or related to this Agreement or any of the transactions contemplated hereby or thereby to the exclusive jurisdiction of the United States District Court for the District of Delaware and the courts of the State of

Delaware and waives any and all objections to jurisdiction that it may have under the laws of the State of Delaware or the United States and any claim or objection that any such court is an inconvenient forum.

10. Severability. The invalidity or unenforceability of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement in such jurisdiction, or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

11. Amendment. This Agreement may be amended only by means of a written instrument executed and delivered by each of the Parent Stockholders, Company and TDS.

12. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS.

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13. Counterparts. For the convenience of the parties, this Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14. Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally, sent by overnight courier (providing proof of delivery) or telecopied (with a confirmatory copy sent by overnight courier) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Company, to

Aerial Communications, Inc.
8410 West Bryn Mawr, Suite 1100
Chicago, Illinois 60631
Attn: President
Telecopy No.: 773-399-4147

with a copy to:

Aerial Company Communications, Inc.
c/o Telephone and Data Systems, Inc.
30 North LaSalle, Suite 4000
Chicago, Illinois 60602
Attn: Chairman
Telecopy No.: 312-853-9299

with a copy to:

Sidley & Austin
One First National Plaza
Chicago, Illinois 60603
Attn: Michael G. Hron, Esq.
Telecopy No.: 312-853-7036

(b) if to TDS, to

Telephone and Data Systems, Inc.
30 North LaSalle, Suite 4000
Chicago, Illinois 60602
Attn: Chairman
Telecopy No.: 312-853-9299

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with a copy to:

Sidley & Austin
One First National Plaza
Chicago, Illinois 60603
Attention: Michael G. Hron, Esq.
Telecopy No.: 312-853-7036

(c) if to VoiceStream, to VoiceStream Wireless Corporation 3650 131st Avenue S.E.
Suite 400
Bellevue, WA 98006
Attention: General Counsel
Telecopy No.: 425-586-8080

with a copy to:

Friedman Kaplan & Seiler
875 Third Avenue
New York, NY 10022
Attn: Barry A. Adelman, Esq.
Telecopy No.: 212-355-6401

and

Preston Gates & Ellis LLP
5000 Columbia Center
701 Fifth Avenue

Seattle, WA 98104
Attn: Richard B. Dodd, Esq.
Telecopy No.: 206-623-7022

(d) if to Holding, to
VoiceStream Wireless Holding Corporation 3650 131st Avenue S.E.
Suite 400
Bellevue, WA 98006
Attention: General Counsel
Telecopy No.: 425-586-8080

with a copy to:

Friedman Kaplan & Seiler

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875 Third Avenue
New York, NY 10022
Attn: Barry A. Adelman, Esq.
Telecopy No.: 212-335-6401

and

Preston Gates & Ellis LLP
5000 Columbia Center
701 Fifth Avenue
Seattle, WA 98104
Attn: Richard B. Dodd, Esq.
Telecopy No.: 206-623-7022

(e) if to a Parent Stockholder, to it at the corresponding address set forth on Schedule I hereto.

15. Limitation on Liability. No party hereto shall have any liability hereunder for any acts or omissions of any other party hereto.

16. Expenses. Each party hereto shall bear its own expenses incurred in connection with this Agreement.

* * * * * *

IN WITNESS WHEREOF, the parties have signed this Agreement as of the date noted above.

AERIAL COMMUNICATIONS, INC.

By: /s/ LeRoy T. Carlson, Jr.

Name: LeRoy T. Carlson, Jr.
Title: Chairman

TELEPHONE AND DATA SYSTEMS, INC.

By: /s/ LeRoy T. Carlson

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Name: LeRoy T. Carlson
Title: Chairman

PARENT STOCKHOLDERS:

HELLMAN & FRIEDMAN CAPITAL PARTNERS II, L.P., A CALIFORNIA LIMITED PARTNERSHIP

By: Hellman & Friedman Investors, L.P., its general partner

By: Hellman & Friedman Investors, Inc., its general partner

By: /s/ Mitchell Cohen

Name: Mitchell Cohen
Title: Vice President

H&F ORCHARD PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP

By: H&F Orchard Investors, L.P., its general partner

By: H&F Orchard Investors, Inc., its general partner

By: /s/ Mitchell Cohen

Name: Mitchell Cohen
Title: Vice President

H&F INTERNATIONAL PARTNERS, L.P., A CALIFORNIA LIMITED PARTNERSHIP

By: H&F International Investors, L.P.,

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its general partner

By: H&F International Investors, Inc.,
its general partner partner

By: /s/ Mitchell Cohen

Name: Mitchell Cohen
Title: Vice President

/s/ John W. Stanton

John W. Stanton

/s/ Theresa E. Gillespie

Theresa E. Gillespie

PN CELLULAR, INC.

By: /s/ John W. Stanton

Name: John W. Stanton
Title:

STANTON FAMILY TRUST

By: /s/ Theresa E. Gillespie

Name: Theresa E. Gillespi
Title: Trustee

STANTON COMMUNICATIONS CORPORATION

By: /s/ John W. Stanton

Name: John W. Stanton
Title:

GS CAPITAL PARTNERS, L.P.

By: GS Advisors L.P., General Partner

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By: GS Advisors, Inc., General Partner

By: /s/ Eve M. Gerriets

Name: Eve M. Gerriets
Title: Vice President

THE GOLDMAN SACHS GROUP, INC.

By: /s/ Joseph H. Glebermer

Name: Joseph H. Glebermer
Title: Vice President

BRIDGE STREET FUND 1992, L.P.

By: Stone Street Performance Corp., Managing General Partner

By: /s/ Eve M. Gerriets

Name: Eve M. Gerriets
Title: Vice President

STONE STREET FUND 1992, L.P.

By: Stone Street Performance Corp., General Partner

By: /s/ Eve M. Gerriets

Name: Eve M. Gerriets
Title: Vice President

PROVIDENCE MEDIA PARTNERS L.P.

By: Providence Media G.P. Limited Partnership, General Partner

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By: Providence Ventures L.P., General Partner

By: /s/ Jonathan M. Nelson

Name: Jonathan M. Nelson
Title: President

HUTCHISON TELECOMMUNICATIONS HOLDINGS (USA) LIMITED

By: /s/ Canning Fok

Name: Canning Fok
Title: Director

By: /s/ Edith Shih

Name: Edith Shih
Title: Company Secretary

HUTCHISON TELECOMMUNICATIONS PCS (USA) LIMITED

By: /s/ Canning Fok

Name: Canning Fok
Title: Director

By: /s/ Edith Shih

Name: Edith Shih
Title: Company Secretary

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Exhibit 99.7
EXECUTION COPY

SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE (this "Agreement") is entered into as of the 17th day of September 1999 by and among SONERA LTD., a limited liability company organized under the laws of the Republic of Finland ("Sonera"), SONERA CORPORATION U.S., a Delaware corporation and wholly-owned subsidiary of Sonera ("Sonera U.S."), TELEPHONE AND DATA SYSTEMS, INC., a Delaware corporation ("TDS"), AERIAL COMMUNICATIONS, INC., a Delaware corporation and majority-owned subsidiary of TDS ("Aerial"), and AERIAL OPERATING COMPANY, INC., a Delaware corporation and majority-owned subsidiary of Aerial ("AOC"). This Agreement is joined by VOICESTREAM WIRELESS CORPORATION, a Washington corporation ("VoiceStream"), and VOICESTREAM WIRELESS HOLDING CORPORATION, a Delaware corporation ("Holding"), solely for purposes of Articles I through II and VIII through X hereof. (Sonera, Sonera U.S., TDS, Aerial and AOC, and with respect to Articles I through II and Articles VIII through X hereof VoiceStream and Holding, are hereafter collectively referred to as the "parties")

R E C I T A L S:

WHEREAS, on June 1, 1998, Sonera, TDS, Aerial and AOC entered into a Purchase Agreement (the "Purchase Agreement") pursuant to which Sonera agreed

to purchase Common Shares, par value $0.001 per share, of AOC ("AOC Common Shares") in an aggregate amount of 2,410,482 AOC Common Shares (the "Purchased Shares") for an aggregate purchase price of $200,000,000 (the "Purchase Price");

WHEREAS, the Purchase Agreement provides for an adjustment to the Purchase Price by requiring that Sonera surrender up to 634,216 of the Purchased Shares for cancellation in the event that, during the first three years after the Closing Date (as defined below), the average of the daily means of the high and low sales prices for Aerial Common Shares for any twenty consecutive trading day period (the "Twenty-Day Aerial Average") exceeds certain threshold prices (the "Threshold Prices");

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WHEREAS, on August 31, 1998, in anticipation of the closing of the Purchase Agreement, (1) TDS and AOC entered into a Revolving Credit Agreement (the "Revolving Credit Agreement"); and (2) Aerial executed a Guaranty, dated as of August 31, 1998 (the "Aerial Guaranty"), in favor of TDS;

WHEREAS, on September 8, 1998 (the "Closing Date"), the parties consummated the closing of the Purchase Agreement by taking the following actions, among others: (1) Sonera purchased the Purchased Shares from AOC; (2) Sonera, TDS, Aerial and AOC entered into an Investment Agreement (the "Investment Agreement"); (3) Sonera and Aerial entered into a Registration Rights Agreement (the "Registration Rights Agreement"); (4) Sonera, TDS and Aerial entered into a side letter (the "Management Side Letter"); (5) Sonera U.S., Aerial and AOC entered into a Joint Venture Agreement (the

"Joint Venture Agreement"); (6) Sonera, Aerial and AOC entered into a Supplemental Agreement (the "Supplemental Agreement"); and (7) TDS, Aerial and AOC entered into a Tax Allocation Agreement (the "Tax Allocation Agreement") (the Purchase Agreement, Investment Agreement, Registration Rights Agreement, Management Side Letter, Joint Venture Agreement, Supplemental Agreement, Tax Allocation Agreement, Revolving Credit Agreement and Aerial Guaranty being hereafter collectively referred to as the "Sonera Arrangements");

WHEREAS, on December 18, 1998, TDS announced that it was withdrawing its offer to exchange tracking stock for the outstanding Common Shares, par value $1.00 per share, of Aerial ("Aerial Common Shares") and that TDS intended to pursue a tax-free spin-off of the Aerial Common Shares owned by TDS (the "Spin-Off"), as well as other alternatives;

WHEREAS, Sonera has expressed certain concerns to TDS and Aerial in connection with the Spin-Off and the Sonera Arrangements, has requested that certain provisions of the Sonera Arrangements be renegotiated and has raised the possibility of litigation in connection therewith;

WHEREAS, on the basis of such concerns and possible litigation, Sonera has not surrendered any of the 634,216 Aerial Common Shares (the "Disputed Shares") for cancellation, notwithstanding that the Twenty-Day Aerial Average has exceeded all three of the Threshold Prices;

WHEREAS, Sonera, TDS, Aerial and AOC have engaged in discussions over the last several months toward a possible settlement of the disputes between Sonera and

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TDS, Aerial and AOC;

WHEREAS, Aerial has engaged in discussions with VoiceStream regarding a possible business combination between Aerial and VoiceStream;

WHEREAS, as a result of such discussions, Aerial, TDS, VoiceStream, Holding and VoiceStream Subsidiary III Corporation, a Delaware corporation ("Sub"), have entered into an Agreement and Plan of Reorganization, dated as of September 17, 1999 (the "Reorganization Agreement"), providing for, among other things, the merger of Sub with and into Aerial (the "Merger"), with Aerial surviving the Merger as a wholly-owned subsidiary of either VoiceStream or Holding (collectively, "Parent"); and

WHEREAS, the parties, each being counseled by their respective attorneys after extensive negotiations, have agreed, in connection with the Merger, to provide for certain adjustments to the Sonera Arrangements and to settle, resolve and terminate all claims of any kind, known or unknown, which the parties may have against each other arising on or prior to the date hereof;

NOW THEREFORE, in consideration of the premises and of the mutual covenants, conditions and promises set forth below, the sufficiency of which is hereby acknowledged by each of the parties, the parties hereby agree as follows:

ARTICLE I
BASIS OF AGREEMENT

Section 1.1Nature of Obligations. (a) The parties agree that the transactions contemplated by Article II, Section 3.1, Article IV, Article VII, Section 8.5 and Articles IX through X of this Agreement are not contingent upon the consummation of the Merger. Accordingly, the parties agree that the obligation to undertake the actions set forth in Article II, Section 3.1, Article IV, Article VII, Section 8.5 and Articles IX through X hereof are effective as of the date hereof.

(b) The parties agree that the transactions contemplated by Section 3.2, Articles V through VI and Article VIII of this Agreement (other than Section 8.5) are contingent upon consummation of the Merger. Accordingly, in the absence of consummation of the Merger for any reason, the parties shall have no obligation to take the actions contemplated by Section 3.2, Articles V through VI and Article VIII of this Agreement (other than Section 8.5); provided, however, that the parties shall be required to take the actions contemplated by Sections 3.2 and 5.1 of this Agreement immediately prior to the consummation of the Merger if all of the conditions required to be satisfied prior to the consummation of the Merger have been satisfied.

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Section 1.2No Additional Obligation to Effect the Merger. In addition, the parties hereto acknowledge and agree that this Agreement shall create no additional obligation on, or

additional commitment by, any of TDS, Aerial, AOC, VoiceStream or Holding not otherwise contained in the Reorganization Agreement to consummate the Merger.

Section 1.3Defined Terms. All terms not otherwise defined herein shall have the meanings ascribed to them in the Debt/Equity Agreement.

ARTICLE II
DEBT/EQUITY CONVERSION

Section 2.1 Debt/Equity Conversion. The parties hereby agree that, with respect to, and as permitted by, the provisions of the Debt/Equity Replacement Agreement, dated as of September 17, 1999 (the "Debt/Equity Agreement"), among TDS, Aerial, AOC, VoiceStream and Holding:

(a) Notices. Neither the "Section 9.1(a) Notice" (as described in Section 1.1(a) of the Debt/Equity Agreement) nor the "Section 4.1(d) Notice" (as described in Section 1.2(a) of the Debt/Equity Agreement) shall be required.

(b) Aggregate Dollar Amount, Per Share Price and Number of Shares.

The aggregate dollar amount, per share price and number of shares to be issued in connection with the equity issuances contemplated by the following sections of the Debt/Equity Agreement shall be as follows, notwithstanding any provision in the Investment Agreement or the Debt/Equity Agreement to the contrary:

(1) Sections 1.1(b) and (c):
(A) TDS Purchase Price: $420,000,000
(B) TDS Price Per Company Share: $22.00
(C) Company Shares: 19,090,909
Company Common Shares: 6,166,758
Company Series A Common Shares: 12,924,151

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(2) Section 1.1(d):
- (A) Investor Proceeds: $75,000,000
- (B) Investor Price Per Company Share: $22.00
- (C) Investor Subscription Shares: 3,409,091

(3) Section 1.1(e):
- (A) Investor AOC Option Proceeds: $0
- (B) Investor Price Per AOC Option Share: $0
- (C) Investor AOC Option Shares: 0

(4) Sections 1.2(b) and (c):
- (A) Company Subscription Price: $495,000,000
- (B) Company Price Per Operating Company Share: $148.04218
- (C) Company Subscription Shares: 3,343,642

(5) Section 1.2(d):
- (A) Additional Investor Proceeds: $155,000,000
- (B) Investor Price Per Operating Company Share: $148.04218
- (C) Additional Investor Subscription Shares: 1,046,999

(c) Closing Dates; Sequence; Place of Closing. Each of the First Closing Date (as described in Section 2.1(a) of the Debt/Equity Agreement) and the Second Closing Date (as described in Section 2.2(a) of the Debt/Equity Agreement) shall occur on November 1, 1999, or on such other date as the parties hereto shall agree in writing. Each of the transactions contemplated by the First Closing shall be consummated prior to the consummation of the transactions contemplated by the Second Closing, and the transactions contemplated by the Second Closing shall be consummated at the Second Closing in the sequence set forth in Section 2.2(a) of the Debt/Equity Agreement. Each of the First Closing and the Second Closing shall take place at the offices of Sidley & Austin located in Chicago, Illinois, or at such other location as the parties shall agree in writing.

Section 2.2 Confirmation; Agreement to Purchase. Sonera hereby confirms its agreement with and acceptance of the terms and provisions of Sections 1.1, 1.2, 1.4 through 1.7, 2.1(b) and (c), 2.2(b) and (c), and 2.3 of

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the Debt/Equity Agreement and agrees to purchase, and Aerial and AOC agree to sell to Sonera, the Investor Subscription Shares and the Additional Investor Subscription Shares on the terms set forth in Section 2.1 hereof.

Section 2.3 Waiver. (a) Except as set forth in the Debt/Equity Agreement and Sections 2.1 and 2.2 hereof, Sonera hereby expressly waives its right to subscribe for Aerial Common Shares and Series A Common Shares of Aerial, par value $1.00 per share ("Aerial Series A Common Shares" and, together with Aerial Common Shares, "Aerial Common Stock") pursuant to Sections 9.1 and 9.2 of the Investment Agreement, to subscribe for AOC Common Shares pursuant to Section 4.1 of the Investment Agreement and to purchase additional AOC Common Shares pursuant to the AOC Option as set forth in Section 4.5 of the Investment Agreement, in each case in connection with the issuances set forth in the Debt/Equity Agreement by Aerial of Aerial Common Stock to TDS and by AOC of AOC Common Shares to Aerial. No notice or action shall be required to be given or taken pursuant to the Investment Agreement in connection with the foregoing.

(b) In addition, Sonera hereby expressly waives its right to purchase additional AOC Common Shares pursuant to the Three-Year Option (as set forth in Section 4.2 of the Investment Agreement) and the Seven-Year Option (as set forth in

Section 4.3 of the Investment Agreement) from the date hereof until the earlier to occur of (1) the Effective Time (as defined in the Reorganization Agreement), at which time such right will be terminated pursuant to Article VI hereof, or (2) the termination of the Reorganization Agreement.

Section 2.4 Covenant of TDS, Aerial and AOC. Each of TDS, Aerial and AOC hereby covenant not to amend Sections 1.1, 1.2, 1.4 through 1.7, 2.1(b) and (c), 2.2(b) and (c), and 2.3 of the Debt/Equity Agreement in any manner which would have a material adverse effect on the rights of Sonera or Sonera U.S. under this Agreement.

ARTICLE III
SURRENDER OF SHARES FOR CANCELLATION

Section 3.1 Initial Surrender of Disputed Shares for Cancellation. (a) On the First Closing Date in connection with the First Closing, Sonera shall surrender to AOC for cancellation 317,108 AOC Common Shares (the "Surrendered Shares"), representing one-half of the Disputed Shares. The parties agree that such surrender by Sonera of the Surrendered Shares shall under no circumstances be deemed to be an admission by either Sonera, on the one hand, or TDS, Aerial or AOC, on the other hand, of the validity of any Claim (as defined in Section 8.3 hereof) by any other party with respect to the Disputed

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Shares or otherwise prejudice any party with respect to any Claim in connection with the Disputed Shares.

(b) In the event that the Reorganization Agreement is terminated and it is ultimately determined by a judicial or arbitration tribunal, the decision of which is not appealed, that Sonera is entitled to the return of any of the Surrendered Shares, then AOC shall promptly return such number of Surrendered Shares to Sonera; provided, however, that if the return of any of such Surrendered Shares to Sonera would cause AOC to no longer be consolidated with Aerial for tax purposes (the "Excess AOC Shares"), then in lieu of such Excess AOC Shares Aerial shall issue to Sonera that number of Aerial Common Shares equal to the product of (1) such number of Excess AOC Shares multiplied by (2) the Exchange Rate Applicable to Aerial Common Shares (as defined in the Investment Agreement) then in effect; provided further, that in the event the issuance to Sonera of any of such Aerial Common Shares would cause Aerial to no longer be consolidated with TDS for tax purposes (the "Excess Aerial Shares"), then in lieu of such Excess Aerial Shares the parties agree to negotiate an appropriate and equitable resolution with respect thereto which will not cause either AOC or Aerial to fail to remain consolidated with Aerial or TDS, respectively, for tax purposes, but which will provide for a prompt payment to Sonera of consideration of equivalent value to the fair market value of such Excess Aerial Shares determined at the time of such resolution.

Section 3.2 Subsequent Surrender of Disputed Shares for Cancellation. Sonera shall surrender to AOC the remaining 317,108 Disputed Shares in the event that the Tag-Along Transaction (as defined in Section 4.1 hereof) is consummated, such surrender to be effected pursuant to the provisions of Section 5.1 hereof. Such

surrender shall be in full satisfaction of the adjustments to the Purchase Price as required by Section 2.3(a) of the Purchase Agreement and all Claims with respect to the Disputed Shares shall be released in accordance with Article VIII hereof

ARTICLE IV
EXERCISE OF TAG-ALONG RIGHT

Section 4.1 Exercise of Tag-Along Right. Sonera hereby exercises the tag-along right as set forth in Section 10.6 of the Investment Agreement (the "Tag- Along Right") in connection with the Merger. The

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transactions contemplated by the Tag-Along Right (the "Tag-Along Transaction") shall be consummated as set forth in Article V hereof. No notice or action shall be required to be given or taken pursuant to the Investment Agreement in connection with such exercise, but Aerial will provide Sonera at least four (4) business days prior notice of the date on which the Tag-Along Transaction will occur.

ARTICLE V
CONSUMMATION OF TAG-ALONG TRANSACTION

Section 5.1 Exchange of AOC Common Shares. (a) Immediately prior to the Effective Time, Sonera shall exchange all of the AOC Common Shares then owned by Sonera or its Affiliates (as defined in Section 10.16 hereof) for that number of Aerial

Common Shares equal to the product of: (1) the difference of (A) the aggregate number of AOC Common Shares set forth on the certificates then held by Sonera or its Affiliates less (B) 317,108; multiplied by (2) the Exchange Rate Applicable to Aerial Common Shares then in effect.

(b) To effect such exchange, (1) Sonera shall deliver to Aerial one or more certificates, duly endorsed or accompanied by an appropriate instrument of transfer, in form satisfactory to Aerial, representing such AOC Common Shares and (2) Aerial shall deliver to Sonera a certificate issued in the name of Sonera representing such Aerial Common Shares. No fractional Aerial Common Shares, or scrip representing fractional Aerial Common Shares, shall be issued upon such exchange, but in lieu thereof Aerial shall pay to Sonera in cash an amount equal to the product of (1) such fractional Aerial Common Share multiplied by (2) the Twenty-Day Aerial Average ending on the third trading day prior to the day on which the Effective Time occurs.

Section 5.2 Exchange of Aerial Common Shares. At the Effective Time, Sonera shall: (a) tender each of the Aerial Common Shares then owned by Sonera or its Affiliates, including without limitation each Aerial Common Share obtained by Sonera pursuant to the transactions contemplated by Section 5.1 hereof and the Debt/Equity Agreement as modified by this Agreement, in exchange for the Per Share Stock Consideration (as defined in the Reorganization Agreement); and (b) execute and deliver such other documents as may be reasonably required in connection therewith,

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including the tax certificate in the form attached hereto as Exhibit 5.2.

ARTICLE VI
TERMINATION OF CERTAIN SONERA ARRANGEMENTS

Section 6.1 Termination of Certain Sonera Arrangements. As of the Effective Time, each of the Purchase Agreement, the Investment Agreement, the Registration Rights Agreement, the Management Side Letter, the Joint Venture Agreement and the Supplemental Agreement shall terminate and be of no further force or effect.

ARTICLE VII
ADDITIONAL COVENANTS

Section 7.1 Additional Purchases by Sonera of Aerial Shares. Effective as of September 27, 1999, TDS, Aerial and AOC hereby waive the provisions of Section 9.5 of the Investment Agreement during the term of this Agreement. In the event that the Reorganization Agreement is terminated, such waiver shall terminate concurrently therewith.

Section 7.2 Suspension of Certain Subscription Rights. Notwithstanding the provisions of Section 4.1(b) of the Investment Agreement, the parties agree that all

of the proceeds from the sale of Aerial Common Stock for the period beginning January 1, 1999 pursuant to all stock option, employee stock purchase, 401(k) or other employee benefit programs maintained by Aerial shall be accumulated by Aerial and shall not be transferred to AOC unless the Reorganization Agreement is terminated. In the event that the Reorganization Agreement is terminated, Aerial shall transfer to AOC such proceeds accumulated through the date of such termination in exchange for AOC Common Shares within 90 days after termination of the Reorganization Agreement and Sonera shall have the subscription rights with respect to such transfer as set forth in Section 4.1(c) of the Investment Agreement.

ARTICLE VIII
RELEASES; COVENANT NOT TO SUE

Section 8.1 Release by Sonera and Sonera U.S. As of the Effective Time, Sonera and Sonera U.S., on behalf of each of themselves and each of their respective predecessors, successors, subsidiaries, Affiliates, and assigns, and each and every person who may purport to assert rights or claims

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through them or on their behalf (collectively, the "Sonera Releasing Parties"), individually and collectively, hereby release and forever discharge each of TDS, Aerial, AOC, VoiceStream and Holding, their respective predecessors, successors, subsidiaries, Affiliates, and assigns, the officers, directors, employees, agents, attorneys, investment bankers, consultants, and representatives of each of them acting in their capacity as such

(collectively, the "TDS/VoiceStream Released Parties"), from, and covenant and agree not to sue any of the TDS/VoiceStream Released Parties with regard to, any Claim (as defined in Section 8.3 hereof) by a Sonera Releasing Party against a TDS/VoiceStream Released Party.

Section 8.2 Release by TDS, Aerial, AOC, VoiceStream and Holding. As of the Effective Time, TDS, Aerial, AOC, VoiceStream and Holding, on behalf of each of themselves and each of their respective predecessors, successors, subsidiaries, Affiliates, and assigns, and each and every person who may purport to assert rights or claims through them or on their behalf (collectively, the "TDS/VoiceStream Releasing Parties"), individually and collectively, hereby release and forever discharge each of Sonera and Sonera U.S., their respective predecessors, successors, subsidiaries, Affiliates, and assigns, the officers, directors, employees, agents, attorneys, investment bankers, consultants, and representatives of each of them acting in their capacity as such (collectively, the "Sonera Released Parties"), from, and covenant and agree not to sue any of the Sonera Released Parties with regard to, any Claim by a TDS/VoiceStream Releasing Party against a Sonera Released Party.

Section 8.3 Claim. For purposes of this Article VIII, a "Claim" shall mean any demand, action, claim, counterclaim, cross-claim, liability, obligation, debt, cause of action, or lawsuit existing now or in the future, whether currently known or unknown, accrued or unaccrued, foreseen or unforeseen, whether legal, equitable, derivative, class, or of any other form, and whether in contract, tort, statutory, or of any other

nature, arising from or relating to any alleged act or failure to act occurring at any time through the date hereof, including without limitation any Claim in connection with (a) the Sonera Arrangements, (b) the Disputed Shares, (c) the Spin-Off, (d) the Reorganization Agreement and (e) the agreements and transactions contemplated by the Reorganization Agreement, including the Merger.

Section 8.4 Bring-Down of Release to Effective Date. (a)

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Subject to paragraph (b) hereof, each of the parties agree to execute an amendment to this Agreement as of the Effective Time (the "Bring-Down Amendment") to amend Section 8.3 hereof by deleting the words "through the date hereof" and replacing them with the words "through the Effective Time".

(b) The obligation of each party to execute the Bring-Down Amendment shall be contingent upon the execution of the Bring-Down Amendment by each other party. The obligation of Sonera and Sonera U.S. to execute the Bring-Down Amendment is further conditioned upon (a) the delivery by TDS to Sonera (by delivery of at least one copy to each of Sonera and its representative identified in Section 10.4 hereof) of the final form of the Reorganization Agreement and related agreements (as referred to in Section 8.3 hereof) not less than 30 days prior to the Effective Time and (b) Sonera being advised on a timely basis of material changes or developments relating to the Merger. Except as set forth in the immediately preceding two sentences, a party shall not refuse to execute the Bring-Down Amendment unless each of the following conditions is satisfied: (1) such party has made a good faith determination

that (A) such party has a demand, claim or cause of action arising from or relating to any alleged act or failure to act occurring after the date hereof and prior to the Effective Time (a "Bring-Down Claim"), (B) the facts underlying the Bring-Down Claim provide a reasonable basis to support the Bring-Down Claim and (c) such party intends to pursue such Bring-Down Claim; (2) such party delivers prior to the Effective Time to each of the other parties a written certification by an officer of such party specifying the nature of the Bring-Down Claim and the party it intends to pursue; and (3) such party files such Bring-Down Claim with a judicial or arbitration tribunal within 60 days after the date of such written certification.

(c) The parties agree that neither the failure of any party to execute and deliver the Bring-Down Amendment nor any other provision contained in this Agreement shall affect the obligations under the Reorganization Agreement of any party to the Reorganization Agreement to consummate the transactions contemplated by the Reorganization Agreement.

Section 8.5 Covenant Not to Sue. Each of the parties, on behalf of itself and its Affiliates, hereby expressly agrees not to file any lawsuit or initiate any action before any judicial or arbitration tribunal with respect to any Claims until the earlier to occur of: (1) the Effective Time, at which time all such Claims (other than any Bring- Down Claims in the event that the Bring-Down Amendment is not fully executed and delivered pursuant to Section 8.4 hereof) will be released pursuant to this Article VIII; or (2) the termination of the Reorganization Agreement, in which case all applicable

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statutes of limitations periods with respect to such Claims shall be deemed to have been tolled during the period solely from the date hereof to the date of such termination of the Reorganization Agreement.

ARTICLE IX
TERMINATION

Section 9.1 Termination. This Agreement shall terminate upon the earlier to occur of the following:

(a) the termination of the Reorganization Agreement in the event that the Effective Time has not occurred; or

(b) the mutual written consent of the parties hereto.

ARTICLE X

MISCELLANEOUS

Section 10.1 No Admission. Neither this Agreement nor any of the negotiations in connection herewith or any prior negotiations between the parties or their employees, agents or representatives, shall be construed as or deemed to be an

admission of the truth of any allegation or the validity of any Claim by any party against another.

Section 10.2 Equitable Remedies. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with the specific terms of the provisions or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court referenced in Section 10.13 hereof, this being in addition to any other remedy to which they are entitled at law or in equity. Each party agrees that it will not assert, as a defense against a claim for specific performance or other equitable remedy, that the party seeking such equitable remedy has an adequate remedy at law.

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Section 10.3 Remedies Cumulative. Except as otherwise provided herein, each or any of the rights and remedies in this Agreement provided, and each or any of the rights and remedies allowed at law and in equity in like case, shall be cumulative, and the exercise of one right or remedy shall not be exclusive of the right to exercise or resort to any or any other rights or remedies provided in this Agreement or at law or in equity.

Section 10.4 Notices. All notices, claims and other communications hereunder shall be in writing and shall be given by hand delivery, facsimile, or overnight

air courier guaranteeing next day delivery:

(a) if to TDS, at:

Telephone and Data Systems, Inc.
30 North LaSalle Street
Suite 4000
Chicago, Illinois 60602
Attention: Mr. LeRoy T. Carlson, Jr.
Phone: (312) 630-1900
Fax: (312) 630-9299

with a copy (which shall not constitute notice) to:

Aerial Communications, Inc.
8410 West Bryn Mawr Avenue
Suite 1100
Chicago, Illinois 60631
Attention: Mr. Donald W. Warkentin
Phone: (773) 399-4145
Fax: (773) 399-7997

with a copy (which shall not constitute notice) to:

Sidley & Austin
One First National Plaza
42nd Floor - SW
Chicago, Illinois 60603
Attention: Michael G. Hron, Esq.
Phone: (312) 853-2030
Fax: (312) 853-7036

(b) if to Aerial or AOC, at:

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Aerial Communications, Inc.
8410 West Bryn Mawr Avenue
Suite 1100
Chicago, Illinois 60631
Attention: Mr. Donald W. Warkentin
Phone: (773) 399-4145
Fax: (773) 399-7997

with a copy (which shall not constitute notice) to:

Telephone and Data Systems, Inc.
30 North LaSalle Street
Suite 4000
Chicago, Illinois 60602
Attention: Mr. LeRoy T. Carlson, Jr.
Phone: (312) 630-1900
Fax: (312) 630-9299

with a copy (which shall not constitute notice) to:

Sidley & Austin
One First National Plaza
42nd Floor - SW
Chicago, Illinois 60603
Attention: Michael G. Hron, Esq.
Phone: (312) 853-2030
Fax: (312) 853-7036

(c) if to Sonera or Sonera U.S., at:

Sonera Ltd.
P.O. Box 106
FIN-00051-TELE
Teollisuuskatu 15, HELSINKI
Attention: Maire Laitinen, Esq.
Phone: 011-35-8-2040-3641
Fax: 011-35-8-2040-3414

with a copy (which shall not constitute notice) to:

Patton Boggs, L.L.P.
2550 M. Street, N.W.
Washington, D.C. 20037-1350

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Attention: Richard M. Stolbach, Esq.
Phone: (202) 457-6324
Fax: (202) 457-6315

(d) if to VoiceStream or Holding, at

VoiceStream Wireless Corporation
3650 131st Avenue SE, Suite 400
Bellevue, WA 98006
Attn: General Counsel

Phone: (425) 586-8000
Fax: (425) 586-8080

with a copy (which shall not constitute notice) to:

Preston Gates & Ellis LLP
5000 Columbia Center
701 Fifth Avenue
Seattle, WA 98104
Attn: Richard B. Dodd, Esq.
Phone: (206) 623-7580
Fax: (206) 623-7022

or at such other address as any party may from time to time furnish to the other parties by a notice given in accordance with the provisions of this Section 10.4. All such notices and communications shall be deemed to have been duly given at the time delivered by hand, if personally delivered; when receipt confirmed, if sent by facsimile; and on the next business day after timely delivery to the courier, if sent by an overnight air courier service guaranteeing next day delivery.

Section 10.5 Entire Agreement. This Agreement, and the Sonera Arrangements as amended hereby, together with the schedules and exhibits annexed hereto and thereto, contain the entire understanding among the parties hereto concerning the subject matter hereof and this Agreement may not be changed, modified, altered or terminated except by an agreement in writing executed by the parties hereto.

Section 10.6 Waivers. No provision in this Agreement shall be deemed waived except by an instrument in writing signed by the party waiving such provision

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and any waiver by any party of any of its rights under this Agreement or of any breach of this Agreement shall not constitute a waiver of any other rights or of any other or future breach.

Section 10.7 Governing Law. This Agreement shall be construed in accordance with and subject to the laws and decisions of the State of Delaware applicable to contracts made and to be performed entirely therein.

Section 10.8 Counterparts. This Agreement may be executed in several counterparts hereof, and by the different parties hereto on separate counterparts hereof, each of which shall be an original; but such counterparts shall together constitute one and the same instrument.

Section 10.9 Expenses. Each party shall bear its own expenses incident to the negotiation, preparation, authorization and consummation of this Agreement and the transactions contemplated hereby, including all fees and expenses of its counsel and accountants, whether or not such transactions are consummated.

Section 10.10 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided, however, that the assignment of the rights or the obligations of any party (other than to a successor by operation of law) shall not be permitted without the prior written consent of the other parties. Notwithstanding the

immediately preceding sentence, Sonera may assign the right to acquire the Investor Subscription Shares and the Additional Investor Subscription Shares referenced in this Agreement and the Debt/Equity Agreement to a direct or indirect wholly-owned subsidiary of Sonera, provided that such subsidiary agrees to be bound by, and Sonera guarantees the performance of such subsidiary under, this Agreement and the Investment Agreement.

Section 10.11 Further Assurances. Each party hereto shall, at the request of any other party hereto, from time to time, execute and deliver such other assignments, transfers, conveyances and other instruments and documents and do and perform such other acts and things as may be reasonably necessary or desirable for effecting complete consummation of this Agreement and the transactions herein contemplated.

Section 10.12 Disclosures. (a) Each party hereto agrees to maintain the confidentiality of the terms of this Agreement and shall not disclose them to third parties, except as necessary to its agents, representatives, bankers, investment bankers, counsel and employees who are

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informed of the requirement of confidentiality, or as otherwise required by law (including the requirement of TDS, Aerial, VoiceStream or Holding to disclose such terms under the federal securities laws or under the rules of any securities exchange on which its securities are listed, and including the requirement of Sonera or any of its Affiliates to disclose such terms under the securities laws of Finland or other applicable jurisdiction).

(b) No public announcement with regard to the transactions contemplated hereby or the material terms hereof (other than the press release or releases to be issued by the parties hereto on September 20, 1999) shall be issued by any party hereto without the mutual prior written consent of the other parties, except to the extent that the parties are unable to agree on a press release and legal counsel for one party is of the opinion that such press release is required by law.

Section 10.13 Jurisdiction; Consent to Service of Process. (a) Each party hereby irrevocably consents and submits to the jurisdiction of the United States District Court for the District of Delaware and any court of the State of Delaware, in any action, suit or proceeding arising out of, resulting from or relating to this Agreement, and agrees that any such action, suit or proceeding shall be brought only in such courts (and waives any objection based on forum non conveniens or any objection to venue therein); provided, however, that such consent to jurisdiction is solely for the purpose referred to in this Section 10.13(a) and shall not be deemed to be a general submission to the jurisdiction of said courts or the State of Delaware other than for such purpose.

(b) Each of Sonera and Sonera U.S. hereby irrevocably appoint The Corporation Trust Company, at its office at 1209 Orange Street, Wilmington, Delaware, United States of America, its lawful agent and attorney to accept and acknowledge service of any process against it in any action, suit or proceeding arising out of, resulting from or relating to this Agreement, and upon whom such process may be served, with the same effect as if it were a resident of the State of Delaware, and

had been lawfully served with such process in such jurisdiction, and waives all claim of error by reason of such service, provided that in the case of any service upon such agent and attorney, TDS, Aerial, AOC, VoiceStream or Holding, as applicable, shall also deliver a copy thereof to Sonera or Sonera U.S., as applicable, at the address and in the manner specified in Section 10.4 hereof.

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In the event that such agent and attorney resigns or otherwise becomes incapable of acting as such, each of Sonera and Sonera U.S. will appoint a successor agent and attorney in Wilmington, Delaware, reasonably satisfactory to TDS, Aerial, AOC, VoiceStream and Holding, with like powers, or if Sonera or Sonera U.S. fails to make such appointment, Sonera or Sonera U.S., as applicable, hereby authorizes each of TDS, Aerial, AOC, VoiceStream and Holding to appoint such agent for Sonera or Sonera U.S., as applicable. Sonera and Sonera U.S. shall pay the annual fee due to The Corporation Trust Company or such successor agent for acting in such capacity; provided, however, that if neither Sonera or Sonera U.S. shall make such payment, then each of TDS, Aerial, AOC, VoiceStream and Holding shall have the right to do so.

Section 10.14 No Claim of Immunity. Each of Sonera and Sonera U.S. agrees that, to the extent that it or any of its property, its Affiliates, or property of its Affiliates is or becomes entitled at any time to any immunity, on the grounds of sovereignty or otherwise, based upon its status as an agency or instrumentality of government, from any arbitration, legal action, suit or proceeding or from setoff or counterclaim relating to this Agreement from the jurisdiction of any arbitrator or competent court, from service of process, from attachment prior to judgment, from

attachment in aid of execution of a judgment, from execution pursuant to a judgement or arbitration award, or from any other legal process in any jurisdiction, it, for itself, its Affiliates, its property and that of its Affiliates, expressly, irrevocably and unconditionally agrees not to plead or claim, any such immunity with respect to such matters arising with respect to this Agreement or the subject matter hereof (including any obligation for the payment of money).

Section 10.15 Severability. In the event any provision of this Agreement is found to be invalid or unenforceable in whole or in part, the remaining provisions of this Agreement nevertheless shall be binding and the invalid or unenforceable provision shall be replaced by a valid and enforceable provision which comes closest to the intent or economic effect of the provision to be replaced.

Section 10.16 Affiliate. For purposes of this Agreement, "Affiliate" shall mean, with respect to any party hereto, any corporation or other business entity which, directly or indirectly, through stock ownership or through any other arrangement, controls, is controlled by or is under common control with, such party. The term "control" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management or policies of such person, whether by reason of ownership of voting stock or other equity interests, by contract or otherwise.

* * * * *

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

SONERA LTD.

By: /s/ Murray L. Swanson

Name: Murray L. Swanson
Title: Authorized Representative

SONERA CORPORATION U.S.

By: /s/ Murray L. Swanson

Name: Murray L. Swanson
Title: Authorized Representative

TELEPHONE AND DATA SYSTEMS, INC.

By: /s/ LeRoy T. Carlson

Name: LeRoy T. Carlson
Title: Chairman

AERIAL COMMUNICATIONS, INC.

By: /s/ LeRoy T. Carlson, Jr.

Name: LeRoy T. Carlson, Jr.
Title: Chairman

AERIAL OPERATING COMPANY, INC.

By: /s/ Don W. Warkentin

Name: Don W. Warkentin
Title: President

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In addition, this Agreement is signed by the undersigned solely for purposes of Articles I through II and VIII through X hereof.

VOICESTREAM WIRELESS CORPORATION

By: /s/ Cregg B. Baumbaugh

Name: Cregg B. Baumbaugh
Title: Executive Vice President - Strategy, Finance and Development

VOICESTREAM WIRELESS HOLDING CORPORATION

By: /s/ Cregg B. Baumbaugh

Name: Cregg B. Baumbaugh
Title: Executive Vice President - Strategy, Finance and Development

SIGNATURE PAGE TO SETTLEMENT AGREEMENT AND RELEASE,
AMONG SONERA LTD., SONERA CORPORATION U.S.,
TELEPHONE AND DATA SYSTEMS, INC.,
AERIAL COMMUNICATIONS, INC.,
AND AERIAL OPERATING COMPANY, INC.
AND JOINED IN BY VOICESTREAM WIRELESS CORPORATION
AND VOICESTREAM WIRELESS HOLDING CORPORATION

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