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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

WINDSTREAM HOLDINGS, INC., *et al.*,¹

Debtors

Chapter 11

Case No. 19-22312 (RDD)

(Jointly Administered)

**RESERVATION OF RIGHTS AND JOINDER OF CITIBANK, N.A.
SOLELY IN ITS CAPACITY AS DIP AGENT TO DEBTORS’ REPLY IN
SUPPORT OF THE DEBTORS’ MOTION FOR ENTRY OF INTERIM
AND FINAL ORDERS PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363, 364, 503,
AND 507 (I) AUTHORIZING THE DEBTORS TO OBTAIN SENIOR SECURED
PRIMING SUPERPRIORITY POSTPETITION FINANCING, (II) GRANTING
LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS,
(III) AUTHORIZING USE OF CASH COLLATERAL, (IV) GRANTING
ADEQUATE PROTECTION, (V) MODIFYING THE AUTOMATIC STAY,
(VI) SCHEDULING A FINAL HEARING, AND
(VII) GRANTING RELATED RELIEF**

Citibank, N.A., solely in its capacity as administrative agent (the “**DIP Agent**”) under that certain Superpriority Secured Debtor-in-Possession Credit Agreement, dated as of March 13, 2019 (the “**DIP Credit Agreement**”), by its undersigned counsel, hereby files this reservation of rights and joinder (the “**Reservation of Rights and**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are set forth in the *Order Directing Joint Administration of Chapter 11 Cases* [Docket No. 56]. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.



Joinder”) to the *Debtors’ Reply in Support of the Debtors’ Motion for Entry of Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, 503, and 507 (i) Authorizing the Debtors to Obtain Senior Secured Priming Superpriority Postpetition Financing, (ii) Granting Liens and Superpriority Administrative Expense Claims, (iii) Authorizing Use of Cash Collateral, (iv) Granting Adequate Protection, (v) Modifying the Automatic Stay, (vi) Scheduling a Final Hearing, and (vii) Granting Related Relief* (the **“Debtors’ DIP Reply”**) [Docket No. 312]. The DIP Agent respectfully states as follows:

PRELIMINARY STATEMENT

1. The Debtors have obtained a binding commitment for fully-syndicated DIP Facilities, each administered by the DIP Agent, in an aggregate principal amount of \$1 billion. The DIP Facilities, which were the product of a robust and competitive process executed on an extremely expedited timeline, are a remarkable endorsement of the Debtors’ reorganization efforts and should enable Debtors to effectively reorganize in a controlled and deliberate manner. In the immediate term, the Debtors’ customers, their approximately 11,600 employees and all of the Debtors’ constituents are dependent on the Debtors’ access to the DIP Facilities, to ensure that the Debtors can continue operating in the ordinary course during these chapter 11 cases.

2. Since the date this Court approved the DIP Facilities on an interim basis, the DIP Agent has engaged in extensive negotiations with the Debtors and various other parties in an effort to reach agreement on the terms of first the Interim Order (which was entered by the Court on March 1, 2019 [Docket No. 75]), and then the Final Order,

governing the DIP Facilities.² Furthermore, on March 13, 2019, certain of the Debtors entered into the DIP Credit Agreement, by and among Windstream Services, LLC, as the borrower, Windstream Holdings, Inc., the other guarantors party thereto, the lenders party thereto, and the DIP Agent [Docket No. 152].

3. The DIP Agent and its advisors have spent countless hours, on virtually a daily basis, negotiating with advisors to the Debtors, the Creditors' Committee, various Prepetition Secured Parties and other stakeholders, including parties that provided informal comments or filed formal objections. Substantial changes have been made to the proposed Final Order in order to address as many concerns as practicable. A vast majority of parties providing formal objections or informal comments, including the Creditors' Committee, have represented that their objections and/or comments have been addressed and they fully support entry of the Final Order. The terms of the Final Order that resulted from this lengthy process were negotiated in good faith, are fair and reasonable, and will benefit the Debtors' estates as well as their creditors and other stakeholders.

RESERVATION OF RIGHTS

4. The DIP Agent believes that all objections and comments directly relating to the DIP Agent, DIP Lenders, DIP Liens, DIP Superpriority Claims and DIP Collateral have been resolved or otherwise addressed in the proposed form of Final Order filed by the Debtors. The DIP Agent fully reserves its rights to respond on the record at the Final Hearing to any and all objections remaining to entry of the Final Order.

² On April 12, 2019 the Debtors filed the proposed form of Final Order [Docket No. 313], with a blackline marked against the form of Interim Order as-entered. Capitalized terms used but not defined herein have the meaning ascribed to them in the proposed form of Final Order or the Debtors' DIP Reply, as applicable.

JOINDER

5. The DIP Agent understands that U.S. Bank National Association (“**U.S. Bank**”) continues to object to certain of the adequate protection provisions of the Final Order. While those outstanding issues are best addressed by the Debtors, the Prepetition Agent and the First Lien Term Lender Ad Hoc Group, the DIP Facilities are first priority secured facilities and therefore necessarily require that the Prepetition Lenders be primed, which in turn require either the consent of those lenders, or a demonstration that such lenders are adequately protected. The DIP Agent therefore joins in and incorporates herein by reference the Debtors’ DIP Reply and adopts the arguments therein as its own. For the reasons set forth therein, the DIP Agent respectfully requests that this Court overrule the U.S. Bank Objection, grant the relief requested in the DIP Motion on a final basis, and grant such other relief as may be just and proper.

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Dated: New York, New York
April 12, 2019

By: /s/ Timothy Graulich
Timothy Graulich

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