Docket #1813 Date Filed: 05/14/2020

Solicitation Version

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
WINDSTREAM HOLDINGS, INC., *et al.*,[1]	)	Case No. 19-22312 (RDD)
Debtors.	)	(Jointly Administered)

DISCLOSURE STATEMENT RELATING TO THE FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF WINDSTREAM HOLDINGS, INC. *ET AL.*, PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

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Dated: May 14, 2020

[1] The last four digits of Debtor Windstream Holdings, Inc.'s tax identification number are 7717. Due to the large number of Debtors in these chapter 11 cases, for which joint administration has been granted, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at http://www.kccllc.net/windstream. The location of the Debtors' service address for purposes of these chapter 11 cases is: 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.

1922312200514000000000003

IMPORTANT INFORMATION ABOUT THIS DISCLOSURE STATEMENT

THE DEBTORS ARE PROVIDING THE INFORMATION IN THIS DISCLOSURE STATEMENT TO HOLDERS OF CLAIMS OR INTERESTS FOR PURPOSES OF SOLICITING VOTES TO ACCEPT OR REJECT THE JOINT PLAN OF REORGANIZATION OF WINDSTREAM HOLDINGS, INC. AND ITS DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE. NOTHING IN THIS DISCLOSURE STATEMENT MAY BE RELIED UPON OR USED BY ANY ENTITY FOR ANY OTHER PURPOSE. BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE PLAN, EACH HOLDER ENTITLED TO VOTE SHOULD CAREFULLY CONSIDER ALL OF THE INFORMATION IN THIS DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS DESCRIBED IN ARTICLE VIII HEREIN.

THE DEBTORS URGE HOLDERS OF CLAIMS OR INTERESTS WHOSE VOTES ARE BEING SOLICITED TO VOTE TO ACCEPT THE PLAN.

THE DEBTORS URGE EACH HOLDER OF A CLAIM OR INTEREST TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY LEGAL, FINANCIAL, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE PLAN, AND THE PROPOSED TRANSACTIONS CONTEMPLATED THEREBY. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN.

THIS DISCLOSURE STATEMENT CONTAINS, AMONG OTHER THINGS, SUMMARIES OF THE PLAN, CERTAIN STATUTORY PROVISIONS, AND CERTAIN ANTICIPATED EVENTS IN THE CHAPTER 11 CASES. ALTHOUGH THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE, THESE SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS OR EVERY DETAIL OF SUCH ANTICIPATED EVENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR ANY OTHER DOCUMENTS INCORPORATED HEREIN BY REFERENCE, THE PLAN OR SUCH OTHER DOCUMENTS WILL GOVERN FOR ALL PURPOSES. FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE DEBTORS' MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE DEBTORS DO NOT REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN OR ATTACHED HERETO IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

IN PREPARING THIS DISCLOSURE STATEMENT, THE DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THE DEBTORS' BOOKS AND RECORDS AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES. WHILE THE DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER. THE DEBTORS OR ANY OTHER AUTHORIZED PARTY MAY SEEK TO INVESTIGATE, FILE, AND PROSECUTE CLAIMS AND MAY OBJECT TO CLAIMS AFTER THE CONFIRMATION OR EFFECTIVE DATE OF THE PLAN IRRESPECTIVE OF WHETHER THIS DISCLOSURE STATEMENT IDENTIFIES ANY SUCH CLAIMS OR OBJECTIONS TO CLAIMS.

THE DEBTORS ARE MAKING THE STATEMENTS AND PROVIDING THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AS OF THE DATE HEREOF, UNLESS OTHERWISE SPECIFICALLY NOTED. ALTHOUGH THE DEBTORS MAY SUBSEQUENTLY UPDATE THE INFORMATION IN THIS DISCLOSURE STATEMENT, THE DEBTORS HAVE NO AFFIRMATIVE DUTY TO DO SO, AND EXPRESSLY DISCLAIM ANY DUTY TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. HOLDERS OF CLAIMS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER THAT, AT THE TIME OF THEIR REVIEW, THE FACTS SET FORTH HEREIN HAVE NOT CHANGED SINCE THIS DISCLOSURE STATEMENT WAS FILED. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION, MODIFICATION, OR AMENDMENT. THE DEBTORS RESERVE THE RIGHT TO FILE AN AMENDED OR MODIFIED PLAN AND RELATED DISCLOSURE STATEMENT FROM TIME TO TIME.

THE DEBTORS HAVE NOT AUTHORIZED ANY ENTITY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT.

IF THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS OR INTERESTS (INCLUDING THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN, WHO VOTE TO REJECT THE PLAN, OR WHO ARE NOT ENTITLED TO VOTE ON THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE RESTRUCTURING TRANSACTIONS CONTEMPLATED THEREBY.

THE CONFIRMATION AND EFFECTIVENESS OF THE PLAN ARE SUBJECT TO CERTAIN MATERIAL CONDITIONS PRECEDENT DESCRIBED HEREIN AND SET FORTH IN ARTICLE IX OF THE PLAN. THERE IS NO ASSURANCE THAT THE PLAN WILL BE CONFIRMED, OR IF CONFIRMED, THAT THE CONDITIONS REQUIRED TO BE SATISFIED FOR THE PLAN TO GO EFFECTIVE WILL BE SATISFIED (OR WAIVED).

YOU ARE ENCOURAGED TO READ THE PLAN AND THIS DISCLOSURE STATEMENT IN ITS ENTIRETY, INCLUDING ARTICLE VIII, ENTITLED "RISK FACTORS" BEFORE SUBMITTING YOUR BALLOT TO VOTE ON THE PLAN.

THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A GUARANTEE BY THE COURT OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE MERITS OF THE PLAN.

SUMMARIES OF THE PLAN AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS ANNEXED TO THIS DISCLOSURE STATEMENT OR OTHERWISE INCORPORATED HEREIN BY REFERENCE ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THOSE DOCUMENTS. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE ONLY AS OF THE DATE OF THIS DISCLOSURE STATEMENT, AND THERE IS NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE. EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR IN ACCORDANCE WITH APPLICABLE LAW, THE DEBTORS ARE UNDER NO DUTY TO UPDATE OR SUPPLEMENT THIS DISCLOSURE STATEMENT.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS INCLUDED FOR PURPOSES OF SOLICITING VOTES FOR THE ACCEPTANCES AND CONFIRMATION OF THE PLAN AND MAY NOT BE RELIED ON FOR ANY OTHER PURPOSE.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(B) AND IS NOT NECESSARILY PREPARED IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR ANY SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN REGULATORY AGENCY, NOR HAS THE SEC OR ANY OTHER AGENCY PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DEBTORS HAVE SOUGHT TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT; HOWEVER, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR INCORPORATED HEREIN BY REFERENCE HAS NOT BEEN, AND WILL NOT BE, AUDITED OR REVIEWED BY THE DEBTORS' INDEPENDENT AUDITORS UNLESS EXPLICITLY PROVIDED OTHERWISE.

UPON CONFIRMATION OF THE PLAN, CERTAIN OF THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT, OR SIMILAR FEDERAL, STATE, LOCAL, OR FOREIGN LAWS, IN RELIANCE ON THE EXEMPTION SET FORTH IN SECTION 1145 OF THE BANKRUPTCY CODE. OTHER SECURITIES MAY BE ISSUED PURSUANT TO OTHER APPLICABLE EXEMPTIONS UNDER THE FEDERAL SECURITIES LAWS. TO THE EXTENT EXEMPTIONS FROM REGISTRATION UNDER SECTION 1145 OF THE BANKRUPTCY CODE OR APPLICABLE FEDERAL

SECURITIES LAW DO NOT APPLY, THE SECURITIES MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO A VALID EXEMPTION OR UPON REGISTRATION UNDER THE SECURITIES ACT.

THE DEBTORS MAKE STATEMENTS IN THIS DISCLOSURE STATEMENT THAT ARE CONSIDERED FORWARD-LOOKING STATEMENTS UNDER FEDERAL SECURITIES LAWS. THE DEBTORS CONSIDER ALL STATEMENTS REGARDING ANTICIPATED OR FUTURE MATTERS TO BE FORWARD-LOOKING STATEMENTS. FORWARD-LOOKING STATEMENTS MAY INCLUDE STATEMENTS ABOUT:

- **THE DEBTORS' BUSINESS STRATEGY;**
- **THE DEBTORS' TECHNOLOGY;**
- **THE DEBTORS' FINANCIAL CONDITION, REVENUES, CASH FLOWS, AND EXPENSES;**
- **THE DEBTORS' LEVELS OF INDEBTEDNESS, LIQUIDITY, AND COMPLIANCE WITH DEBT COVENANTS;**
- **THE DEBTORS' FINANCIAL STRATEGY, BUDGET, PROJECTIONS, AND OPERATING RESULTS;**
- **THE OVERALL HEALTH OF THE TELECOMMUNICATIONS INDUSTRY;**
- **THE AMOUNT, NATURE, AND TIMING OF THE DEBTORS' CAPITAL EXPENDITURES;**
- **THE AVAILABILITY AND TERMS OF CAPITAL;**
- **SUCCESSFUL RESULTS FROM THE DEBTORS' OPERATIONS;**
- **THE INTEGRATION AND BENEFITS OF ASSET AND PROPERTY ACQUISITIONS OR THE EFFECTS OF ASSET AND PROPERTY ACQUISITIONS OR DISPOSITIONS ON THE DEBTORS' CASH POSITION AND LEVELS OF INDEBTEDNESS;**
- **COSTS OF CONDUCTING THE DEBTORS' OTHER OPERATIONS;**
- **GENERAL ECONOMIC AND BUSINESS CONDITIONS;**
- **EFFECTIVENESS OF THE DEBTORS' RISK MANAGEMENT ACTIVITIES;**
- **COUNTERPARTY CREDIT RISK;**
- **THE OUTCOME OF PENDING AND FUTURE LITIGATION;**
- **GOVERNMENTAL REGULATION AND TAXATION OF THE TELECOMMUNICATIONS INDUSTRY;**
- **INTRODUCTION OF NEW COMPETITORS INTO THE DEBTORS' MARKETS;**
- **UNCERTAINTY REGARDING THE DEBTORS' FUTURE OPERATING RESULTS;**
- **PLANS, OBJECTIVES, AND EXPECTATIONS;**
- **THE ADEQUACY OF THE DEBTORS' CAPITAL RESOURCES AND LIQUIDITY;**
- **RISKS IN CONNECTION WITH ACQUISITIONS;**
- **THE POTENTIAL ADOPTION OF NEW GOVERNMENTAL REGULATIONS; AND**

- **THE DEBTORS' ABILITY TO SATISFY FUTURE CASH OBLIGATIONS.**

STATEMENTS CONCERNING THESE AND OTHER MATTERS ARE NOT GUARANTEES OF THE REORGANIZED DEBTORS' FUTURE PERFORMANCE. THERE ARE RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE REORGANIZED DEBTORS' ACTUAL PERFORMANCE OR ACHIEVEMENTS TO BE DIFFERENT FROM THOSE THEY MAY PROJECT, AND THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE THE PROJECTIONS MADE HEREIN. THESE RISKS, UNCERTAINTIES, AND FACTORS MAY INCLUDE THE FOLLOWING: THE DEBTORS' ABILITY TO CONFIRM AND CONSUMMATE THE PLAN; THE POTENTIAL THAT THE DEBTORS MAY NEED TO PURSUE AN ALTERNATIVE TRANSACTION IF THE PLAN IS NOT CONFIRMED; THE DEBTORS' ABILITY TO REDUCE THEIR OVERALL FINANCIAL LEVERAGE; THE POTENTIAL ADVERSE IMPACT OF THE CHAPTER 11 CASES ON THE DEBTORS' OPERATIONS, MANAGEMENT, AND EMPLOYEES; THE RISKS ASSOCIATED WITH OPERATING THE DEBTORS' BUSINESSES DURING THE CHAPTER 11 CASES; CUSTOMER RESPONSES TO THE CHAPTER 11 CASES; THE DEBTORS' INABILITY TO DISCHARGE OR SETTLE CLAIMS DURING THE CHAPTER 11 CASES; GENERAL ECONOMIC, BUSINESS, AND MARKET CONDITIONS; CURRENCY FLUCTUATIONS; INTEREST RATE FLUCTUATIONS; PRICE INCREASES; EXPOSURE TO LITIGATION; A DECLINE IN THE DEBTORS' MARKET SHARE DUE TO COMPETITION; THE DEBTORS' ABILITY TO IMPLEMENT COST REDUCTION INITIATIVES IN A TIMELY MANNER; THE DEBTORS' ABILITY TO DIVEST EXISTING BUSINESSES; FINANCIAL CONDITIONS OF THE DEBTORS' CUSTOMERS; ADVERSE TAX CHANGES; LIMITED ACCESS TO CAPITAL RESOURCES; CHANGES IN DOMESTIC AND FOREIGN LAWS AND REGULATIONS; TRADE BALANCE; NATURAL DISASTERS; GEOPOLITICAL INSTABILITY; AND THE EFFECTS OF GOVERNMENTAL REGULATION ON THE DEBTORS' BUSINESSES.

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EXHIBITS[2]

EXHIBIT A	Plan of Reorganization
EXHIBIT B	Liquidation Analysis
EXHIBIT C	Financial Projections
EXHIBIT D	Valuation Analysis

2 Each Exhibit is incorporated herein by reference.

I. INTRODUCTION

Windstream Holdings, Inc. and its debtor affiliates, as debtors and debtors in possession (collectively, the "Debtors" or "Windstream"), submit this disclosure statement (this "Disclosure Statement"), pursuant to section 1125 of the Bankruptcy Code, to holders of Claims against and Interests in the Debtors in connection with the solicitation of votes for acceptance of the *First Amended Joint Chapter 11 Plan of Reorganization of Windstream Holdings, Inc. et al., Pursuant to Chapter 11 of the Bankruptcy Code* (the "Plan"), dated May 14, 2020.[1] A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. The Plan constitutes a separate chapter 11 plan for each of the Debtors.

THE DEBTORS BELIEVE THAT THE COMPROMISES CONTEMPLATED UNDER THE PLAN ARE FAIR AND EQUITABLE, MAXIMIZE THE VALUE OF THE DEBTORS' ESTATES, AND PROVIDE THE BEST RECOVERY TO STAKEHOLDERS. AT THIS TIME, THE DEBTORS BELIEVE THE PLAN REPRESENTS THE BEST AVAILABLE OPTION FOR COMPLETING THE CHAPTER 11 CASES. THE DEBTORS STRONGLY RECOMMEND THAT YOU VOTE TO ACCEPT THE PLAN.

THE COMMITTEE DOES NOT SUPPORT THE PLAN AND STRONGLY URGES ALL HOLDERS OF GENERAL UNSECURED CLAIMS IN CLASS 6A (OBLIGOR GENERAL UNSECURED CLAIMS) TO VOTE TO REJECT THE PLAN.

II. PRELIMINARY STATEMENT

The Debtors are a leading provider of advanced network communications, technology, broadband, entertainment, security, and core transport solutions to both consumer and business customers across the United States, with a national footprint spanning approximately 150,000 fiber miles. The Debtors also offer broadband, entertainment and security solutions to consumers and small businesses, primarily in rural areas, in 18 states. As of the Petition Date, the Debtors had approximately 11,600 employees. As of the Petition Date, the Debtors had approximately $5.6 billion in aggregate funded-debt obligations under a revolving credit facility, two tranches under Debtor Windstream Services' term loan facility, one series of secured first lien notes, two series of secured second lien notes, six series of unsecured notes, and one issuance of secured subsidiary notes. All debt, other than the secured subsidiary notes, has been incurred by Debtor Windstream Services and its guarantor subsidiaries (*i.e.*, the Obligor Debtors). Certain Debtors (the Non-Obligor Debtors), including Windstream Holdings, are not a party to, or otherwise obligated with respect to the funded-debt obligations.

In April 2015, Debtor Windstream Services and related debtor subsidiaries spun off certain telecommunications network, real estate, and other assets through a transaction involving a real estate investment trust now known as Uniti Group Inc. ("Uniti"). Subsequent to the Uniti spin-off, Windstream Holdings entered into that certain master lease dated April 24, 2015 (the "Uniti Arrangement") with certain subsidiaries of Uniti, which purported to govern Windstream's post-spin-off use of the applicable assets. As described in greater detail herein, on February 15, 2019, the Debtors received an adverse judgment related to the Uniti Arrangement wherein the United States District Court for the Southern District of New York ruled that the Uniti spin-off constituted an impermissible sale-leaseback transaction under one of Windstream's unsecured note indentures and that Windstream's subsequent efforts to secure a waiver was ineffective to waive or cure the default. In the face of the cross-defaults throughout their capital structure

[1] Capitalized terms used but not otherwise defined in this Disclosure Statement shall have the meaning ascribed to such terms in the Plan. The summary of the Plan provided herein is qualified in its entirety by reference to the Plan. In the case of any inconsistency between this Disclosure Statement and the Plan, the Plan will govern.

triggered by this adverse judgment, the Debtors faced a significant liquidity shortfall and no access to out-of-court financing. Accordingly, on February 25, 2019, (the "Petition Date"), the Debtors commenced these Chapter 11 Cases to both obtain the benefit of the automatic stay to enjoin parties from taking collection action and to gain access to critical debtor-in-possession financing.

The Debtors were ultimately able to secure $1 billion in debtor-in-possession financing on market terms over the course of a mere business week (the "DIP Facilities"), which was approved on April 22, 2019 [Docket No. 376]. The DIP Facilities consist of a $500 million DIP Revolving Facility and a $500 million DIP Term Loan Facility. Throughout the course of these cases, the DIP Facilities have provided sufficient liquidity to ensure the Debtors able to pay their debts as they come due.

Following the Petition Date, the Debtors conducted an independent investigation and asserted that the Uniti Arrangement is in fact a disguised financing agreement for purposes of applicable bankruptcy law and should be recharacterized as such. On July 25, 2019, the Debtors filed a complaint (the "Complaint") commencing an adversary proceeding (the "Uniti Adversary Proceeding") seeking, among other things, a declaration that the Uniti Arrangement is a financing and is not a lease of nonresidential real property, in each case for purposes of applicable bankruptcy law [Adv. Pro. Docket No. 1]. A number of other parties including, the Committee, intervened in the Uniti Adversary Proceeding and joined in the Debtors' claims. Uniti has consistently maintained that the Uniti Arrangement is a true lease of nonresidential real property. The Court entered a stipulated scheduling order in the Uniti Adversary Proceeding on October 1, 2019, setting deadlines for a trial contemplated to begin in early March 2020 [Adv. Pro. Docket No. 31].

In an attempt to consensually resolve issues relating to the Uniti Arrangement with all stakeholders, on July 12, 2019, the Debtors and Uniti filed a motion to appoint a mediator and to include mediation parties from across the Debtors' capital structure [Docket No. 803]. The Debtors proposed that mediation and litigation proceed in parallel so as to most efficiently reach a global resolution of matters regarding the relationship between the Debtors and Uniti. On July 30, 2019 the Court entered an order appointing the Honorable Judge Chapman to mediate issues regarding the Uniti Arrangement [Docket No. 874]. In an attempt to create breathing room throughout the course of the mediation, the Debtors and Uniti—with the assistance of Judge Chapman—agreed to an extension of the purported application of the deadline under section 365(d)(4) of the Bankruptcy Code (the "365(d)(4) Stipulation") [Docket No. 965]. The 365(d)(4) Stipulation provided an extension of the section 365(d)(4) deadline until December 6, 2019 in exchange for, among other things, continued payments under the Uniti Arrangement (with all parties' rights reserved as to the ultimate treatment or disgorgement of any such payments). Also as part of the 365(d)(4) Stipulation, the Debtors were required to seek Court approval to cease payments to Uniti under the Uniti Arrangement and Uniti was required to seek Court approval to evict the Debtors from, or compel the surrender of, the property subject to the Uniti Arrangement.

On November 22, 2019, the parties reached agreement on the terms of a second consensual extension of the deadline under section 365(d)(4) as to the Uniti Arrangement (the "Second 365(d)(4) Stipulation") [Docket No. 1265] that extended the purported application on the same terms as the 365(d)(4) Stipulation through and including 30 calendar days following entry of an order resolving count I (recharacterization) and count II (personal property) of the Complaint. After a hearing on December 12, 2019, and consistent with the Court's comments on the record, on January 10, 2020 the Debtors filed an amended complaint (the "Amended Complaint") and a third stipulation with Uniti (the "Count II Stipulation") that stayed further litigation of the personal property count of the Complaint without prejudice to the Debtors' right to resume prosecution upon reasonable notice to Uniti. The Count II Stipulation also extended the purported application of the section 365(d)(4) deadline to the Uniti Arrangement to 90 calendar days following the entry of an order by the Court resolving count I of the Complaint. On January 30, 2020, the parties reached an agreement to bifurcate the recharacterization count from the other remaining counts [Adv. Docket No. 79].

Over the course of late 2019 and early 2020, the Uniti Adversary Proceeding proceeded in parallel with the mediation process, including substantial document discovery and depositions of key potential witnesses. Ultimately, through the mediation process as well as informal negotiations, and in advance of the commencement of any trial in the Uniti Adversary Proceeding, the Debtors were able to reach a settlement with Uniti (the "Uniti Settlement") that was submitted to the Court on March 6, 2020 [Docket No. 1558] (the "Uniti 9019 Motion") and the order was entered on May 12, 2020 [Docket No. 1807]. The Uniti Settlement ultimately facilitated a negotiation on the terms of a restructuring with certain of Windstream's creditor constituencies. As a result, and after extensive negotiations, these parties reached an agreement on the terms of the restructuring transactions set forth in a plan support agreement filed on March 6, 2020 [Docket No. 1533], and as amended on March 9, 2020 [Docket No. 1559] and March 16, 2020 [Docket No. 1584] (the "Plan Support Agreement"), and enumerated in the Plan. Holders of more than 94% of First Lien Claims, including the Debtors' largest creditor, Elliott Investment Management, L.P. and its affiliated funds ("Elliott"), 54% of Second Lien Claims, 39% of unsecured claims, and 72% of Midwest Notes Claims have agreed to support the approval and consummation of the Uniti Settlement and confirmation of the Plan, including voting their respective Claims to accept the Plan.

Upon consummation of the Restructuring Transactions, pursuant to and in accordance with the Plan, the Reorganized Debtors will, among other things: (a) issue one hundred percent (100%) of the issued and outstanding Reorganized Windstream Equity Interests to Allowed First Lien Claims (subject to dilution by the Rights Offering, the Backstop Premium, the Special Warrants and the Management Incentive Plan) in accordance with the Equity Allocation Mechanism, and (b) enter into the New Exit Facility, which is currently estimated to consist of loans and undrawn revolving commitments in the aggregate amount up to $3,250 million.

The Debtors filed their initial chapter 11 plan and disclosure statement on April 1, 2020 [Docket Nos. 1631, 1632]. Several objectors raised concerns and objections with respect to the Plan and Disclosure Statement. Specifically, on April 30, 2020, Element Fleet Corporation filed its objection to the Disclosure Statement [Docket No. 1719], raising concerns over the executory contract assumption and rejection procedures, the timeline for definitive assumption and rejection of such contracts, claim releases, and set-off rights under such executory contracts. The SEC filed its objection to the Disclosure Statement [Docket No. 1726], asserting concerns for non-consensual third-party releases, and the Court's authority to grant such releases. Finally, the Securities Litigation plaintiff filed the objection to the Disclosure Statement [Docket No. 1726], asserting concerns for adequate information provided to the Securities Litigation plaintiffs, third-party release provisions related to the Securities Litigation plaintiffs, and preservation of evidence for the ongoing securities litigation. The Debtors have engaged in discussions with such parties and have resolved a number of the issues raised in the objections. However, the Debtors reserve all rights related to such objections and underlying claims. The order approving the Disclosure Statement will be entered on May 14, 2020.

The Plan provides for the reorganization of the Debtors as a going concern with a deleveraged capital structure and sufficient liquidity to fund the Debtors' post-emergence business plan. The Plan, Plan Support Agreement, and Uniti Settlement are significant achievements for the Debtors in these Chapter 11 Cases, which were initiated unexpectedly and with no clear path to confirmation in sight, and now will culminate in a restructuring transaction that maximizes value for all stakeholders.

The Debtors strongly believe that the Plan is in the best interests of the Debtors' estates, and represents the best available alternative at this time. Given the Debtors' core strengths, including their experienced management team and broad and diverse customer base, they are confident that they can implement the restructuring embodied in the Plan to ensure the Debtors' long-term viability. For these reasons, the Debtors strongly recommend that holders of Claims entitled to vote to accept or reject the Plan vote to accept the Plan.

The Committee's position is that the Plan provides *de minimis* recoveries for general unsecured creditors of the Obligor Debtors (Class 6A), and allocates none of the value received by the Debtors on account of the Uniti Settlement to those creditors although the Committee believes that neither the assets that are the subject of count I (recharacterization) of the Uniti Adversary Proceeding, nor the other claims and causes of action being settled and released under the Uniti Settlement are encumbered by prepetition liens in favor of the Debtors' secured lenders, and any proceeds of the settlement are likewise unencumbered. The Committee strongly recommends that holders of Claims in Class 6A (Obligor General Unsecured Claims) vote to reject the Plan. The Debtors and the First Lien Ad Hoc Group disagree with this characterization and reserve all rights.

III. QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND PLAN

A. What is chapter 11?

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the date the chapter 11 case is commenced. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

Consummating a chapter 11 plan is the principal objective of a chapter 11 case. A bankruptcy court's confirmation of a plan binds the debtor, any person acquiring property under the plan, any creditor or equity interest holder of the debtor, and any other entity as may be ordered by the bankruptcy court. Subject to certain limited exceptions, the order issued by a bankruptcy court confirming a plan provides for the treatment of the debtors' liabilities in accordance with the terms of the confirmed plan.

B. Why are the Debtors sending me this Disclosure Statement?

The Debtors are seeking to obtain Bankruptcy Court approval of the Plan. Before soliciting acceptances of the Plan, section 1125 of the Bankruptcy Code requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan and to share such disclosure statement with all holders of Claims or Interests whose votes on the Plan are being solicited. This Disclosure Statement is being submitted in accordance with these requirements.

C. Am I entitled to vote on the Plan?

Your ability to vote on, and your distribution under, the Plan, if any, depends on what type of Claim or Interest you hold. Each category of holders of Claims or Interests, as set forth in Article III of the Plan pursuant to section 1122(a) of the Bankruptcy Code, is referred to as a "Class." Each Class's respective voting status is set forth below:

Class	Claims and Interests	Status	Voting Rights
Class 1	Other Secured Claims	Unimpaired	Deemed to Accept
Class 2	Other Priority Claims	Unimpaired	Deemed to Accept

Class	Claims and Interests	Status	Voting Rights
Class 3	First Lien Claims	Impaired	Entitled to Vote
Class 4	Midwest Notes Claims	Impaired	Entitled to Vote
Class 5	Second Lien Claims	Impaired	Entitled to Vote
Class 6A	Obligor General Unsecured Claims	Impaired	Entitled to Vote
Class 6B	Non-Obligor General Unsecured Claims	Unimpaired	Deemed to Accept
Class 7	Intercompany Claims	Impaired or Unimpaired	Deemed to Reject or Deemed to Accept
Class 8	Intercompany Interests	Impaired or Unimpaired	Deemed to Reject or Deemed to Accept
Class 9	Interests in Windstream	Impaired	Deemed to Reject

D. What will I receive from the Debtors if the Plan is consummated?

The following chart provides a summary of the anticipated recovery to holders of Claims or Interests under the Plan. Any estimates of Claims or Interests in this Disclosure Statement may vary from the final amounts allowed by the Bankruptcy Court. Your ability to receive distributions under the Plan depends upon the ability of the Debtors to obtain Confirmation and meet the conditions necessary to consummate the Plan.

THE PROJECTED RECOVERIES SET FORTH IN THE TABLE BELOW ARE ESTIMATES ONLY AND THEREFORE ARE SUBJECT TO CHANGE. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO THE ENTIRE PLAN.[2]

Each holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of and in exchange for such holder's Allowed Claim or Allowed Interest, except to the extent that a holder of an Allowed Claim or Allowed Interest agrees to a less favorable treatment. Unless otherwise indicated, the holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter.

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/Interest**	**Treatment of Claim/ Interest**	**Projected Amount of Claims**	**Estimated Range of Recovery Under Plan**
Class 1	Other Secured Claims	Each holder of an Allowed Other Secured Claim shall receive, at the Debtors' option, in consultation with the Required Consenting Creditors and the Requisite Backstop Parties: (a) payment in full in cash; (b) the collateral securing its Allowed Other Secured Claim; (c) Reinstatement of its Allowed Other Secured	$0	100%

[2] The recoveries set forth below may change based upon changes in the amount of Claims that are "Allowed" as well as other factors related to the Debtors' business operations and general economic conditions.

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/Interest**	**Treatment of Claim/ Interest**	**Projected Amount of Claims**	**Estimated Range of Recovery Under Plan**
		Claim; or (d) such other treatment rendering its Allowed Other Secured Claim unimpaired in accordance with section 1124 of the Bankruptcy Code.		
Class 2	Other Priority Claims	Each holder of an Allowed Other Priority Claim shall receive treatment in a manner consistent with section 1129(a)(9) of the Bankruptcy Code.	$0	100%
Class 3	First Lien Claims	Each holder of an Allowed First Lien Claim shall receive its Pro Rata share of: (a) 100% of the Reorganized Windstream Equity Interests, subject to dilution on account of the Rights Offering, the Backstop Premium, the Special Warrants, and the Management Incentive Plan; (b) cash in an amount equal to the sum of (i) the Distributable Exit Facility Proceeds, (ii) the Distributable Flex Proceeds, (iii) the cash proceeds of the Rights Offering, and (iv) all other cash held by the Debtors as of the Effective Date in excess of the Minimum Cash Balance; (c) the Distributable Subscription Rights; and (d) as applicable, the First Lien Replacement Term Loans. Notwithstanding the foregoing, the distribution of Reorganized Windstream Equity Interests to holders of Allowed First Lien Claims pursuant to Article III.B.3.b.i of the Plan, pursuant to the Rights Offering, and on account of the Backstop Premium shall be made pursuant to, and subject to the terms and conditions of, the Equity Allocation Mechanism.	$3,151 million	62.8 - 71.3%
Class 4	Midwest Notes Claims	Each holder of an Allowed Midwest Notes Claim shall receive its Pro Rata share of the Midwest Notes Exit Facility Term Loans, the principal amount of which shall be $100 million, plus any interest and fees due and owing under the Midwest Notes Indenture and/or the Final DIP Order to the extent unpaid as of the Effective Date, and any additional Midwest Notes OID Consideration.	$100 million	100%
Class 5	Second Lien Claims	***If holders of Allowed Second Lien Claims vote as a class to accept the Plan***, on the Effective Date, each holder of an Allowed Second Lien Claim shall receive cash in an amount equal to $0.00125 for each $1.00 of Allowed Second Lien Claims. ***If holders of Allowed Second Lien Claims vote as a class to reject the Plan***, on the Effective Date, each holder of an Allowed Second Lien Claim shall receive treatment consistent with section 1129(a)(7) of the Bankruptcy Code.	$1,235 million	0 - 0.125%

SUMMARY OF EXPECTED RECOVERIES				
Class	**Claim/Interest**	**Treatment of Claim/ Interest**	**Projected Amount of Claims**	**Estimated Range of Recovery Under Plan**
Class 6A	Obligor General Unsecured Claims	***If holders of Allowed Obligor General Unsecured Claims vote as a class to accept the Plan***, on the Effective Date, each holder of an Allowed Obligor General Unsecured Claim shall receive cash in an amount equal to $0.00125 for each $1.00 of such Allowed Obligor General Unsecured Claims. ***If holders of Allowed Obligor General Unsecured Claims vote as a class to reject the Plan***, on the Effective Date, each holder of such an Allowed Obligor General Unsecured Claim shall receive treatment consistent with section 1129(a)(7) of the Bankruptcy Code.	$1,183 – 1,203 million	0 – 0.125%
Class 6B	Non-Obligor General Unsecured Claims	On the later of the Effective Date or the date that such Allowed Non-Obligor General Unsecured Claim becomes due in the ordinary course of the Debtors' or Reorganized Debtors' business, each holder of an Allowed Non-Obligor General Unsecured Claim shall, at the election of the Requisite Backstop Parties, in consultation with the Debtors, be (a) Reinstated or (b) paid in full in Cash.	$34 – 39 million	100%
Class 7	Intercompany Claims	Subject to the Description of Restructuring Transactions, on the Effective Date, each Allowed Intercompany Claim shall be Reinstated, distributed, contributed, set off, settled, cancelled and released, or otherwise addressed at the option of the Debtors in consultation with the Required Consenting Creditors and Requisite Backstop Parties.	N/A	N/A
Class 8	Intercompany Interests	Subject to the Description of Restructuring Transactions, Intercompany Interests shall receive no recovery or distribution and be Reinstated, solely to the extent necessary to maintain the Debtors' corporate structure.	N/A	N/A
Class 9[3]	Interests in Windstream	Each holder of an Interest in Windstream shall have such Interest cancelled, released, and extinguished without any distribution.	N/A	N/A

[3] Claims against the Debtors in connection with the Securities Litigation are subordinated to the same level as Interests in Windstream pursuant to section 510(b) of the Bankruptcy Code and, accordingly, will receive treatment consistent with Class 9. The Securities Litigation lead plaintiff has asserted that such Claims should be preserved solely to the extent of available insurance under the D&O Liability Insurance Policies. The Debtors and the Securities Litigation lead plaintiff have agreed to attempt to resolve this issue prior to Confirmation.

E. What will I receive from the Debtors if I hold an Allowed Administrative Claim, DIP Facilities Claim, or a Priority Tax Claim?

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, DIP Facilities Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims or Interests set forth in Article III of the Plan.

1. Administrative Claims

Unless otherwise agreed to by the holder of an Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable, each holder of an Allowed Administrative Claim (other than holders of Professional Fee Claims and Claims for fees and expenses pursuant to section 1930 of chapter 123 of title 28 of the United States Code) will receive in full and final satisfaction of its Administrative Claim an amount of Cash equal to the amount of such Allowed Administrative Claim.

2. DIP Facilities Claims

Except to the extent that a holder of an Allowed DIP Facilities Claim agrees to a less favorable treatment, each Allowed DIP Facilities Claim, as well as any other fees, interest or other obligations owing to third parties under the DIP Credit Agreement and/or the DIP Orders, shall be indefeasibly paid in full, in Cash, by the Debtors on the Effective Date in accordance with the terms of the DIP Credit Agreement and the DIP Orders, including without limitation, the execution and delivery of a release agreement, on terms and conditions acceptable to the DIP Agent and the DIP Lenders, and contemporaneously with the foregoing payment and delivery of the release agreement, the DIP Facilities shall be deemed cancelled, all Liens on property of the Debtors and the Reorganized Debtors arising out of or related to the DIP Facilities shall automatically terminate, and all collateral subject to such Liens shall be automatically released, in each case without further action by the DIP Agent or the DIP Lenders and all guarantees of the Debtors and Reorganized Debtors arising out of or related to the DIP Facilities Claims shall be automatically discharged and released, in each case without further action by the DIP Agent or the DIP Lenders pursuant to the terms of the DIP Facilities. The DIP Agent and the DIP Lenders shall take all actions to effectuate and confirm such termination, release and discharge as reasonably requested by the Debtors or the Reorganized Debtors. For the avoidance of doubt, to the extent that any obligations under the DIP Credit Agreement and/or the DIP Orders remain unsatisfied as of the Effective Date, any unsatisfied claims thereunder shall not be released by the terms of this Plan until such obligations are indefeasibly paid in full, in cash.

3. Priority Tax Claims

Priority Tax Claims will be satisfied as set forth in Article II.D of the Plan, as summarized herein. Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code.

F. What is the basis for the separate classification and different treatment of creditors holding claims in Class 6A (Obligor General Unsecured Claims) and Class 6B (Non-Obligor General Unsecured Claims)?

The Plan designates each Debtor as either an "Obligor Debtor" or a "Non-Obligor Debtor." The Obligor Debtors are borrowers, issuers, or guarantors under the Debtors' prepetition funded debt

obligations, which total approximately $5.6 billion, and are therefore each jointly and severally liable for those debts. The Non-Obligor Debtors are not parties to those obligations.

G. Are any regulatory approvals required to consummate the Plan?

Yes. To the extent any such regulatory approvals or other authorizations, consents, rulings, or documents are necessary to implement and effectuate the Plan, they must be obtained prior to the Effective Date.

H. What happens to my recovery if the Plan is not confirmed or does not go effective?

In the event that the Plan is not confirmed or does not go effective, there is no assurance that the Debtors will be able to reorganize their businesses. It is possible that any alternative may provide holders of Claims with less than they would have received pursuant to the Plan. For a more detailed description of the consequences of an extended chapter 11 case, or of a liquidation scenario, *see* Article XI.B of this Disclosure Statement, entitled "Best Interests of Creditors/Liquidation Analysis," and the Liquidation Analysis attached hereto as **Exhibit C**.

I. If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan goes effective, and what is meant by "Confirmation," "Effective Date," and "Consummation?"

"Confirmation" of the Plan refers to approval of the Plan by the Bankruptcy Court. Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan by the Bankruptcy Court, there are conditions that need to be satisfied or waived so that the Plan can go effective. Initial distributions to holders of Allowed Claims will only be made on the date the Plan becomes effective—the "Effective Date"—or as soon as reasonably practicable thereafter, as specified in the Plan. *See* Article XI of this Disclosure Statement, entitled "Confirmation of the Plan," for a discussion of the conditions precedent to consummation of the Plan.

J. What are the sources of Cash and other consideration required to fund the Plan?

The Reorganized Debtors shall fund distributions under the Plan with (a) Cash on hand; (b) the issuance and distribution of Reorganized Windstream Equity Interests and Special Warrants; (c) proceeds of the New Exit Facility; (d) the Midwest Notes Exit Facility Term Loans issued under the New Exit Facility; (e) the First Lien Replacement Term Loans, as applicable; (f) subscription rights to participate in the Rights Offering; and (g) proceeds of the Rights Offering.

K. Are there risks to owning the Reorganized Windstream Equity Interests upon emergence from chapter 11?

Yes. *See* Article VIII of this Disclosure Statement, entitled "Risk Factors."

L. Is there potential litigation related to the Plan?

Parties in interest may object to the approval of this Disclosure Statement and may object to Confirmation of the Plan as well, which objections potentially could give rise to litigation. *See* Article VIII.C.7 of this Disclosure Statement, entitled "The Reorganized Debtors May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases."

In the event that it becomes necessary to confirm the Plan over the rejection of certain Classes, the Debtors may seek confirmation of the Plan notwithstanding the dissent of such rejecting Classes. The

Bankruptcy Court may confirm the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code, which allow the Bankruptcy Court to confirm a plan that has been rejected by an impaired Class if it determines that the Plan satisfies section 1129(b) of the Bankruptcy Code. *See* Article VIII.A.4 of this Disclosure Statement, entitled "The Debtors May Not Be Able to Secure Confirmation of the Plan."

M. What is the Management Incentive Plan and how will it affect the distribution I receive under the Plan?

The Management Incentive Plan shall provide for customary terms, the details of which will be set forth in the Plan Supplement.

If you are a holder of an Allowed First Lien Claim who receives New Windstream Equity Interests under the Plan, the value of your New Windstream Equity Interests will be diluted by any New Windstream Equity Interests distributed pursuant to the Management Incentive Plan.

N. Will the final amount of Allowed General Unsecured Claims affect the recovery of holders of Allowed General Unsecured Claims under the Plan?

The final amount of Allowed General Unsecured Claims will not affect the recovery of holders of Allowed General Unsecured Claims in Class 6B (Non-Obligor General Unsecured Claims), who will be paid in full.

Holders of Allowed Obligor General Unsecured Claims (Class 6A) will either receive $0.00125 for each $1.00 of such Allowed Claims if the Class votes to accept the Plan or will receive treatment consistent with section 1129(a)(7) of the Bankruptcy Code if the Class votes to reject the Plan. As a result, the final amount of Allowed General Unsecured Claims will not affect the recovery of holders of Allowed General Unsecured Claims in Class 6A if the Class votes to accept the Plan, but may affect recoveries for those creditors if that Class votes to reject the Plan.

O. How will the preservation of the Causes of Action impact my recovery under the Plan?

The Plan provides for the retention of all Causes of Action other than those that are expressly waived, relinquished, exculpated, released, compromised, or settled.

In accordance with section 1123(b) of the Bankruptcy Code, but subject to Article VIII of the Plan, each Reorganized Debtor, as applicable, shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action of the Debtors, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, which shall be deemed released and waived by the Debtors and the Reorganized Debtors as of the Effective Date.

The Reorganized Debtors may pursue such retained Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity (other than the Released Parties) may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action of the Debtors against it. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. Unless otherwise agreed upon in writing by the parties to the applicable Cause of Action, all objections to the Schedule of Retained Causes of Action must be filed with the Bankruptcy Court on or before thirty (30) days**

after the Effective Date. Any such objection that is not timely filed shall be disallowed and forever barred, estopped, and enjoined from assertion against any Reorganized Debtor, without the need for any objection or responsive pleading by the Reorganized Debtors or any other party in interest or any further notice to or action, order, or approval of the Bankruptcy Court. The Reorganized Debtors may settle any such objection without any further notice to or action, order, or approval of the Bankruptcy Court. If there is any dispute regarding the inclusion of any Cause of Action on the Schedule of Retained Causes of Action that remains unresolved by the Debtors or Reorganized Debtors, as applicable, and the objection party for thirty (30) days, such objection shall be resolved by the Bankruptcy Court. Unless any Causes of Action of the Debtors against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

The Reorganized Debtors reserve and shall retain such Causes of Action of the Debtors notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors, except as otherwise expressly provided in the Plan. The applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

P. Will there be releases and exculpation granted to parties in interest as part of the Plan?

Yes, the Plan proposes to release the Released Parties and to exculpate the Exculpated Parties. The Debtors' releases, third-party releases, and exculpation provisions included in the Plan are an integral part of the Debtors' overall restructuring efforts and were an essential element of the negotiations among the Debtors and various parties in interest in obtaining their support for the Plan.

The Released Parties and the Exculpated Parties have made substantial and valuable contributions to the Debtors' restructuring through efforts to negotiate and implement the Plan, which will maximize and preserve the going-concern value of the Debtors for the benefit of all parties in interest. Accordingly, each of the Released Parties and the Exculpated Parties warrants the benefit of the release and exculpation provisions.

IMPORTANTLY, THE FOLLOWING PARTIES ARE INCLUDED IN THE DEFINITION OF "RELEASING PARTIES" AND WILL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY, INDIVIDUALLY, AND COLLECTIVELY RELEASED AND DISCHARGED ALL CLAIMS AND CAUSES OF ACTION AGAINST THE DEBTORS AND THE RELEASED PARTIES: ALL HOLDERS OF CLAIMS OR INTERESTS WHO DO NOT VALIDLY OPT OUT OF THE RELEASES CONTAINED IN THE PLAN OR FILE AN OBJECTION TO THE RELEASES CONTAINED IN THE PLAN BY THE PLAN OBJECTION DEADLINE. THE RELEASES ARE AN INTEGRAL ELEMENT OF THE PLAN.

IF YOU DO NOT TAKE ONE OF FOREGOING ACTIONS, YOU WILL BE DEEMED TO HAVE GIVEN THE THIRD PARTY RELEASE DESCRIBED IMMEDIATELY BELOW AND IN ARTICLE VIII.D OF THE PLAN.

Based on the foregoing, the Debtors believe that the releases and exculpations in the Plan are necessary and appropriate and meet the requisite legal standard promulgated by the United States Court of Appeals for the Second Circuit. Moreover, the Debtors will present evidence at the Confirmation Hearing to demonstrate the basis for and propriety of the release and exculpation provisions. The release, exculpation, and injunction provisions that are contained in the Plan are copied in pertinent part below.

4. *Releases by the Debtors.*

Pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, on and after the Effective Date, each Released Party is deemed released and discharged by the Debtors, the Reorganized Debtors, and their Estates from any and all Causes of Action, including any derivative claims, asserted by or on behalf of the Debtors, that the Debtors, the Reorganized Debtors, or their Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim against or Interest in a Debtor or other Entity, based on or relating to or in any manner arising from in whole or in part, the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Plan Support Agreement, the Disclosure Statement, the DIP Facility, the Final DIP Order, the Plan, the Rights Offering, the New Exit Facility, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan Support Agreement, the Backstop Commitment Agreement, the Disclosure Statement, the DIP Facility, the Final DIP Order, the Rights Offering, the New Exit Facility, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date.

5. *Releases by Holders of Claims and Interests*.[4]

As of the Effective Date, each Releasing Party is deemed to have released and discharged each Debtor, Reorganized Debtor, and Released Party from any and all Causes of Action, whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to or in any manner arising from, in whole or in part, the Debtors, the Debtors' in- or out-of-court restructuring efforts, intercompany transactions, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Plan Support Agreement, the Backstop Commitment Agreement, the Disclosure Statement, the DIP Facility, the Final DIP Order, the Plan, the Rights Offering, the New Exit Facility, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Plan Support Agreement, the Disclosure Statement, the DIP Facility, the Final DIP Order, the Rights Offering, the New Exit Facility, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance

[4] The Securities Litigation lead plaintiff has asserted that (a) neither he nor the members of the putative class in the Securities Litigation, in their capacity as such, should be Releasing Parties or otherwise be deemed to grant the release set forth in Article VIII.D of the Plan, (b) the Plan and Confirmation Order should not release, enjoin, or otherwise impact the claims now or hereafter asserted against any non-Debtor in the Securities Litigation, (c) the release and injunction set forth in Articles VIII.D and F of the Plan are impermissible as a matter of law to the extent they release or enjoin the prosecution of any claims or causes of action against any non-Debtor in the Securities Litigation, and (d) the Disclosure Statement Order should confirm that he has the inherent authority to opt out of the release set forth in Article VIII.D of the Plan on behalf of the entire putative class in the Securities Litigation. The Debtors and the Securities Litigation lead plaintiff have agreed to attempt in good faith to resolve this issue prior to Confirmation.

or distribution of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, or upon any other related act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the releases set forth above do not release any individual from any claim or causes of action related to an act or omission that is determined in a final order by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence.

6. *Exculpation*

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is released and exculpated from any Cause of Action for any claim related to any act or omission in connection with, relating to or arising out of the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, or filing of the Plan Support Agreement and related prepetition transactions, the Disclosure Statement, the Plan, the DIP Facility, the Final DIP Order, the Rights Offering, the New Exit Facility, or any Restructuring Transaction, contract, instrument, release or other agreement or document created or entered into in connection with the Disclosure Statement, the DIP Facility, the Final DIP Order, the Rights Offering, the New Exit Facility, or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of securities pursuant to the Plan, or the distribution of property under the Plan or any other related agreement, except for claims related to any act or omission that is determined in a final order to have constituted actual fraud or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of votes and distribution of consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

7. *Injunction*

Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Final DIP Order, the Plan, or the Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been released, discharged, or are subject to exculpation are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Exculpated Parties, or the Released Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such holder has filed a motion requesting the right to perform such setoff on or before the Effective Date, and notwithstanding an indication of a claim or interest or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to applicable law or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

For more detail, see Article VIII of the Plan, entitled "Settlement, Release, Injunction, and Related Provisions," which is incorporated herein by reference.

Q. What is the deadline to vote on the Plan?

The Voting Deadline is June 17, 2020, at 4:00 p.m. (prevailing Eastern Time).

R. How do I vote for or against the Plan?

Detailed instructions regarding how to vote on the Plan are contained on the ballots distributed to holders of Claims or Interests that are entitled to vote on the Plan. For your vote to be counted, your ballot must be properly completed, executed, and delivered as directed, so that your ballot or a master ballot including your vote is **actually received** by the Debtors' Claims and Balloting Agent, Kurtzman Carson Consultants LLC (the "Claims and Balloting Agent") **on or before the Voting Deadline, *i.e.* June 17, 2020, at 4:00 p.m. prevailing Eastern Time**. *See* Article X of this Disclosure Statement, entitled "Solicitation and Voting Procedures."

S. How do I opt out of the granting of releases?

The ballots distributed to holders of Claims or Interests that are entitled to vote on the Plan contain an option to opt out of granting the releases. You must check the box indicating your desire to opt out of giving the releases and return the ballot so that it is **actually received** by the Claims and Balloting Agent **on or before the Voting Deadline, *i.e.* June 17, 2020, at 4:00 p.m. prevailing Eastern Time.**

T. Why is the Bankruptcy Court holding a Confirmation Hearing?

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court to hold a hearing on confirmation of the Plan and recognizes that any party in interest may object to Confirmation of the Plan. The Confirmation Hearing will be scheduled by the Bankruptcy Court and all parties in interest will be served notice of the time, date, and location of the Confirmation Hearing once scheduled. The Confirmation Hearing may be adjourned from time to time without further notice.

U. What is the purpose of the Confirmation Hearing?

The confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under a plan of reorganization, any person acquiring property under a plan of reorganization, any creditor or interest holder of a debtor, and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a plan of reorganization discharges a debtor from any debt that arose before the confirmation of such plan of reorganization and provides for the treatment of such debt in accordance with the terms of the confirmed plan of reorganization.

V. What is the effect of the Plan on the Debtors' ongoing businesses?

The Debtors are reorganizing under chapter 11 of the Bankruptcy Code. As a result, the occurrence of the Effective Date means that the Debtors will not be liquidated or forced to go out of business. Following Confirmation, the Plan will be consummated on the Effective Date, which is a date that is the first Business Day after the Confirmation Date on which (1) no stay of the Confirmation Order is in effect, (2) all conditions to Consummation have been satisfied or waived (*see* Article IX of the Plan), and (3) the Debtors declare the Plan effective. Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in, or entered into in connection with or pursuant to, the Plan, on the

Effective Date, all property in each Estate, all Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On or after the Effective Date, and unless otherwise provided in the Plan, the Reorganized Debtors may operate their businesses and, except as otherwise provided by the Plan, may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. Additionally, upon the Effective Date, all actions contemplated by the Plan will be deemed authorized and approved.

W. Will any party have significant influence over the corporate governance and operations of the Reorganized Debtors?

The Reorganized Windstream Board shall be appointed, by the Requisite Backstop Parties in accordance with the Governance Term Sheet and the identities of the directors on the Reorganized Windstream Board shall be set forth in the Plan Supplement to the extent known at the time of filing. Corporate governance for Reorganized Windstream, including the Reorganized Windstream Organizational Documents, shall be consistent with the Governance Term Sheet and section 1123(a)(6) of the Bankruptcy Code.

X. Who do I contact if I have additional questions with respect to this Disclosure Statement or the Plan?

If you have any questions regarding this Disclosure Statement or the Plan, please contact the Debtors' Claims and Balloting Agent, Kurtzman Carson Consultants, via one of the following methods:

By regular mail at:
Kurtzman Carson Consultants LLC
Attn: Windstream Claims Processing Center
222 N. Pacific Coast Highway, Ste 300
El Segundo, CA 90245

By hand delivery or overnight mail at:
Kurtzman Carson Consultants LLC
Attn: Windstream Claims Processing Center
222 N. Pacific Coast Highway, Ste 300
El Segundo, CA 90245

By electronic mail at:
WindstreamInfo@kccllc.com

By telephone (toll free) at:
877-759-8815

Copies of the Plan, this Disclosure Statement, and any other publicly filed documents in the Chapter 11 Cases are available upon written request to the Claims and Balloting Agent at the address above or by downloading the exhibits and documents from the website of the Claims and Balloting Agent at http://www.kccllc.net/windstream (free of charge) or the Bankruptcy Court's website at http://www.nysb.uscourts.gov (for a fee).

Y. Do the Debtors recommend voting in favor of the Plan?

Yes. The Debtors believe that the Plan provides for a larger distribution to the Debtors' creditors and equity holders than would otherwise result from any other available alternative. The Debtors believe that the Plan, which contemplates a significant deleveraging of the Debtors' balance sheet and enables them to emerge from chapter 11 expeditiously, is in the best interest of all holders of Claims or Interests, and that any other alternatives (to the extent they exist) fail to realize or recognize the value inherent under the Plan.

Z. Who supports confirmation of the Plan?

Uniti and Holders of more than 94% of the First Lien Claims, approximately 54% of the Second Lien Claims, more than 39% of the Unsecured Notes Claims, and approximately 72% of Midwest Notes Claims have executed the Plan Support Agreement and support confirmation of the Plan.

AA. Who opposes confirmation of the Plan?

The Committee, which is appointed by the Office of the United States Trustee to serve as a representative and fiduciary for the interests of unsecured creditors, opposes confirmation of the Plan in its current form and recommends that Holders of Claims in Class 6A (Obligor General Unsecured Claims) vote to reject the Plan. U.S. Bank National Association and UMB Bank, National Association, solely in their capacities as indenture trustees for the Debtors' senior unsecured notes, also oppose confirmation of the Plan in its current form.

IV. THE DEBTORS' PLAN

As discussed in Article III herein, the Plan contemplates, among other things, the repayment of a portion of the First Lien Claims from proceeds of the New Exit Facility and Rights Offering, as well as other cash on hand in excess of the Minimum Cash Balance, the equitization of a portion of the First Lien Claims, the distribution of subscription rights to participate in the Rights Offering and, if applicable, the distribution of replacement term loans under the New Exit Facility to the remaining portion of First Lien Claims, the distribution of replacement term loans under the New Exit Facility to holders of Midwest Notes Claims, cash distributions to holders of Second Lien Claims and Obligor General Unsecured Claims if the classes of such creditors accept the Plan, reinstatement or repayment of Non-Obligor General Unsecured Claims, and the cancellation of existing Interests in Windstream. The Plan contemplates the following key terms, among others described herein and therein:

A. Issuance of Reorganized Windstream Equity Interests

All existing Interests in the Debtors will be cancelled as of the Effective Date and Reorganized Windstream will issue the Reorganized Windstream Equity Interests to holders of First Lien Claims.

All of the shares or units of Reorganized Windstream Equity Interests issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessed. Each distribution and issuance of the Reorganized Windstream Equity Interests under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

B. Management Incentive Plan

Upon the Effective Date, the Management Incentive Plan will be adopted and effective. The terms of the Management Incentive Plan shall be set forth in the Plan Supplement.

C. Windstream Pension Plan

PBGC is a wholly-owned United States government corporation and agency created under Title IV of ERISA to administer the federal pension insurance program and to guarantee the payment of certain pension benefits upon termination of a pension plan covered by Title IV of ERISA. Debtor Windstream Services sponsors the Windstream Pension Plan, which is covered by Title IV of ERISA. PBGC asserts that the other Debtors are each members of Windstream Services' controlled group, as defined in 29 U.S.C. § 1301(a)(14).

On the Effective Date the Reorganized Debtors shall assume and continue to maintain the Windstream Pension Plan in accordance with its terms (as such terms may be amended from time to time) and applicable non-bankruptcy law (and the Reorganized Debtors reserve all rights thereunder).

After the Effective Date, the Reorganized Debtors shall: (i) satisfy the minimum funding requirements under 29 U.S.C. §§ 412 and 430 and 29 U.S.C. §§ 1082 and 1083; (ii) pay all required premiums, if any, owed to PBGC under 29 U.S.C. §§ 1306 and 1307, for the Windstream Pension Plan under ERISA or the Internal Revenue Code; and (iii) administer the Windstream Pension Plan in accordance with the applicable provisions of ERISA and the Internal Revenue Code (and the Reorganized Debtors reserve all rights thereunder).

During the Chapter 11 Cases, the Windstream Pension Plan could potentially terminate under the distress termination provisions of 29 U.S.C. § 1341(c) or under the provisions for PBGC initiation of 29 U.S.C. § 1342(a), although, as discussed above, the Windstream Pension Plan will be assumed by the Debtors. If the Windstream Pension Plan terminates, PBGC asserts that the sponsor of the Windstream Pension Plan and all members of its controlled group are jointly and severally liable for the unfunded benefit liabilities of the terminated Windstream Pension Plan(s). PBGC has filed an estimated contingent claim, subject to termination of the Windstream Pension Plan during the bankruptcy proceeding, against each of the Debtors for unfunded benefit liabilities in the amount of $472,700,000. PBGC asserts that this termination liability claim is entitled to priority under 11 U.S.C. §§ 507(a)(2) and (a)(8) in unliquidated amounts. The Debtors and Reorganized Debtors reserve all rights relating to any asserted liability, including but not limited to the validity and amount of such claims.

PBGC asserts that the sponsor of the Windstream Pension Plan and all other members of its controlled group are obligated to pay the contributions necessary to satisfy the minimum funding standards under sections 412 and 430 of the Internal Revenue Code and sections 302 and 303 of ERISA. PBGC has filed an estimated claim against each of the Debtors for unpaid required minimum contributions owed to the Windstream Pension Plan in the amount of $12,792,649. PBGC asserts that the claim for required minimum contributions owed is entitled to priority under 11 U.S.C. §§ 507(a)(2) and(a)(5) in the amounts of $1,179,952 and $3,570,390, respectively. The Debtors and Reorganized Debtors reserve all rights relating to any asserted liability, including but not limited to the validity and amount of such claims.

PBGC asserts that the sponsor of the Windstream Pension Plan and all other members of its controlled group are jointly and severally liable to PBGC for all premium obligations owed to the Windstream Pension Plan. PBGC has filed a claim against each of the Debtors for unpaid statutory premiums, if any, owed to PBGC on behalf of the Windstream Pension Plan in an unliquidated amount. The Debtors and Reorganized Debtors reserve all rights relating to any asserted liability, including but not limited to the validity and amount of such claims.

If the Windstream Pension Plan terminates in a distress or PBGC-initiated termination during the course of the bankruptcy proceeding, PBGC asserts that the sponsor of the Windstream Pension Plan and its controlled group are liable to PBGC for a termination premium at the rate of $1,250 per plan participant per year for three years under 29 U.S.C. § 1306(a)(7). PBGC asserts that if a Windstream Pension Plan is

terminated prior to confirmation of the Plan, the obligation to PBGC for termination premiums does not exist until after the Plan is confirmed and the Debtors have exited bankruptcy. PBGC asserts that under these circumstances, termination premiums are not a dischargeable claim or debt within the meaning of the Bankruptcy Code. PBGC estimates that the amount of the termination premium liability for the Windstream Pension Plan would total approximately $32,452,500. The Debtors and Reorganized Debtors reserve all rights relating to any asserted liability, including but not limited to the validity and amount of such claims.

Since the Plan provides that the Reorganized Debtors will continue the Windstream Pension Plan, PBGC and the Debtors agree that all PBGC claims will be withdrawn as of the Effective Date without incurring liability in the bankruptcy.

With respect to the Windstream Pension Plan, no provision of the Disclosure Statement, Plan, Confirmation Order, or section 1141 of the Bankruptcy Code shall be construed to discharge, release, or relieve the Reorganized Debtors, their successors, or individuals from liabilities or requirements imposed under any law or regulatory provision with respect to the Windstream Pension Plan or from claims of the PBGC. PBGC and the Windstream Pension Plan will not be enjoined or precluded from enforcing such liability with respect to the Windstream Pension Plan as a result of any provision of the Disclosure Statement, Plan, Confirmation Order, or section 1141 of the Bankruptcy Code.

D. Exit Financing

Prior to the Effective Date, the Debtors will secure commitments to fund a new money senior secured credit facility in an aggregate amount up to $3,250 million, which will include the following facilities:

(a) the New Exit Facility Revolver which will be undrawn on the Effective Date and may include (a) a letter of credit sub-facility up to an aggregate principal amount of $350 million to support obligations related to funding received from state and federal broadband subsidy programs and (b) an additional letter of credit sub-facility up to an aggregate principal amount of $50 million; and

(b) the New Exit Facility Term Loan, which will be funded or distributed, as applicable, on the Effective Date and (a) will include the Required Exit Facility Term Loans, which shall include the Midwest Notes Exit Facility Term Loans, and (b) may include the Flex Exit Facility Term Loans at the election of the Requisite Backstop Parties, in consultation with the Debtors and otherwise on the terms set forth in the Plan Support Agreement. The Midwest Notes Exit Facility Term Loans will rank *pari passu* with, and be secured on the same terms as, the other Required Exit Facility Term Loans, and have the same terms as, and be fungible in all respects with, the other Required Exit Facility Term Loans. The interest rate, maturity date, and other terms of the New Exit Facility will be consistent with the Plan Support Agreement and otherwise reasonably acceptable to the Debtors, the Required Consenting Creditors, and the Requisite Backstop Parties. To the extent that the Required Exit Facility Term Loans are issued with an original issue discount, then holders of Midwest Notes Claims will receive Midwest Notes OID Consideration, either in the form of cash or additional Midwest Notes Exit Facility Term Loans corresponding to such original issue discount.

The Required Exit Facility Term Loans (other than the Midwest Notes Exit Facility Term Loans) may be reduced to an amount less than $2,050 million at the election of Requisite Backstop Parties. To the extent the amount of the Required Exit Facility Term Loans funded on the Effective Date is lower than the

Required Exit Facility Term Loans Target, the Debtors will distribute the First Lien Replacement Term Loans in an amount equal to the difference between the Required Exit Facility Term Loans Target and the amount of Required Exit Facility Term Loans actually funded on the Plan Effective Date to holders of First Lien Claims in lieu of the applicable cash distributions; provided that the aggregate amount of the First Lien Replacement Term Loans will not exceed an amount to be agreed by the Requisite Backstop Parties and set forth in the Plan Supplement. The First Lien Replacement Term Loans, as applicable, will rank pari passu with and secured on substantially the same terms as the New Exit Facility Term Loan and have the same terms as the New Exit Facility Term Loan or such other terms as agreed by the Requisite Backstop Parties and the Debtors.

On the Effective Date, the net cash proceeds of the remaining Required Exit Facility Term Loans (and other cash on hand held by the Debtors as of the Effective Date) will be:

a. first, used to pay in full in cash Allowed DIP Claims, Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Secured Claims, Allowed Other Priority Claims, and executory contract and unexpired lease Cure Claims as and to the extent that such Claims are required to be paid in cash under this Plan;

b. second, used to fund the Non-Obligor General Unsecured Claims Reserve;

c. third, used to fund the Obligor Claims Reserve;

d. fourth, used, to the extent necessary, to fund the Minimum Cash Balance; and

e. fifth, distributed to holders of Allowed First Lien Claims in accordance with Article IV.D.1 of the Plan, which amounts shall constitute the Distributable Exit Facility Proceeds.

Confirmation of the Plan shall be deemed (a) approval of the New Exit Facility (including, for the avoidance of doubt, the Midwest Notes Exit Facility Term Loans) and all the transactions and related agreements contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees and expenses to be paid by the Debtors or the Reorganized Debtors, as applicable, in connection therewith, to the extent not approved by the Bankruptcy Court previously, and (b) authorization for the Debtors or the Reorganized Debtors, as applicable, to, without further notice to or order of the Bankruptcy Court, (i) execute and deliver those documents and agreements necessary or appropriate to pursue or obtain the New Exit Facility (including, for the avoidance of doubt, the Midwest Notes Exit Facility Term Loans), and incur and pay any fees and expenses in connection therewith, and (ii) act or take action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any person, subject to such modifications as the Debtors or the Reorganized Debtors, as applicable, may deem to be necessary to consummate the New Exit Facility.

On the Effective Date, all Liens and security interests granted pursuant to, or in connection with the New Exit Facility (including, for the avoidance of doubt, the Midwest Notes Exit Facility Term Loans): (i) shall be deemed to be approved and shall, without the necessity of the execution, recordation, or filing of mortgages, security agreements, control agreements, pledge agreements, financing statements, or other similar documents, be valid, binding, fully perfected, fully enforceable Liens on, and security interests in, the collateral securing the New Exit Facility (including, for the avoidance of doubt, the Midwest Notes Exit Facility Term Loans), with the priorities established in respect thereof under applicable non-bankruptcy law, the Plan, and the Confirmation Order; and (ii) shall not be enjoined or subject to discharge, impairment, release, avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other

voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law, the Plan, or the Confirmation Order.

The Reorganized Debtors and the Persons granted Liens and security interests under the New Exit Facility (including, for the avoidance of doubt, the Midwest Notes Exit Facility Term Loans) are authorized to make all filings and recordings and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order without the need for any filings or recordings) and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

E. Rights Offering

On the Effective Date, the Debtors will consummate the $750 million Rights Offering pursuant to which holders of Allowed First Lien Claims will be distributed subscription rights to purchase the Reorganized Windstream Equity Interests at a 37.5% discount to Plan Equity Value. Both the amount of the Rights Offering and the Plan Equity Value are subject to the Flex Adjustment in the event that the Flex Exit Facility Term Loans are funded on the Effective Date in a manner that preserves the 37.5% discount to Plan Equity Value, as set forth in the Backstop Commitment Agreement, such that if the aggregate principal amount of the Flex Exit Facility Term Loans is $350 million, the Plan Equity Value will equal $900 million and the Rights Offering amount will equal $540 million.

Without limiting the obligations of the Backstop Parties to fund the full amount of the Rights Offering, the Backstop Parties will have the option to purchase the Backstop Priority Tranche on a Pro Rata Basis based on their backstop commitments and otherwise in accordance with the Plan Support Agreement. The Priority Non-Backstop Parties shall be eligible to participate in up to $79.4 million of the Backstop Priority Tranche on a Pro Rata basis; *provided* that no single Priority Non-Backstop Party, together with any of its affiliates or managed funds, may participate on account of more than $141 million in aggregate principal amount of First Lien Claims for purposes of determining its pro rata share of the Backstop Priority Tranche. Any rights not exercised by the Priority Non-Backstop Parties in the Backstop Priority Tranche shall be made available for the Backstop Parties to purchase on a Pro Rata basis based on their backstop commitments. Any rights not exercised by the Backstop Parties in the Backstop Priority Tranche shall be available for distribution as Distributable Subscription Rights to Holders of First Lien Claims pursuant to Article III.B.3 of the Plan.

The issuance of such subscription rights to participate in the Rights Offering will be exempt from SEC registration under applicable law. The proceeds of the Rights Offering will be distributed to holders of First Lien Claims in accordance with the Plan. The Reorganized Windstream Equity Interests issued to the Backstop Parties, the Priority Non-Backstop Parties and other holders of Allowed First Lien Claims in connection with the Rights Offering will be subject to dilution on account of the Backstop Premium and the Management Incentive Plan.

F. Equity Allocation Mechanism and Special Warrant Agreement

In the event that the Debtors seek FCC approval for the 2-step regulatory process described below, on the Effective Date, the Reorganized Debtors are authorized to issue and shall issue the Reorganized Windstream Equity Interests and the Special Warrants in accordance with the terms of the Plan, the Special Warrant Agreement, and the Equity Allocation Mechanism without the need for any further corporate or stockholder action. All of the Reorganized Windstream Equity Interests issuable under the Plan, when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable, and the Special Warrants issued pursuant to the Plan shall be duly authorized and validly issued. For the avoidance of doubt, the acceptance of Reorganized Windstream Equity Interests and/or Special Warrants by a holder of an Allowed

First Lien Claim shall be deemed as such holder's agreement to the Special Warrant Agreement, as may be amended or modified from time to time following the Effective Date in accordance with the terms of such documents.

With the exception of Elliott, which, notwithstanding any Certification as a U.S. Holder, shall receive a combination of Reorganized Windstream Equity Interests and Special Warrants as if it were a Non-U.S. Holder as described below, each holder of an Allowed First Lien Claim that (i) timely delivers an Ownership Certification by the Ownership Certification Deadline (or delivers an Ownership Certification that the Debtors determine in their discretion to treat as timely) and (ii) certifies therein that its foreign ownership, as calculated in accordance with FCC rules, is zero, and is thus a "U.S. Holder", shall receive Reorganized Windstream Equity Interests on the Effective Date in accordance Article III.B.3 of the Plan, the Rights Offering Procedures, and the New Warrant Agreement. For the avoidance of doubt, any Reorganized Windstream Equity Interests received by such U.S. Holders on the Effective Date shall be subject to dilution on account of, among other things, the Special Warrants.

Each holder of an Allowed First Lien Claim that (i) (A) timely delivers an Ownership Certification by the Ownership Certification Deadline (or delivers an Ownership Certification that the Debtors determine in their discretion to treat as timely) and (B) certifies therein that its foreign ownership, calculated in accordance with FCC rules, is greater than zero, (ii) does not timely deliver, and the Debtors do not treat as having timely delivered, an Ownership Certification by a date to be disclosed in the Plan Supplement, or (iii) delivers an Ownership Certification that does not allow the Debtors to determine such holder's foreign ownership (with respect to sections (A)–(C) herein, each a "Non-U.S. Holder," and collectively, the "Non-U.S. Holders") shall, on the Effective Date, receive one or both of Reorganized Windstream Equity Interests and Special Warrants, as of the Effective Date and pending the occurrence of the Exercise Date, as defined below.

Subject to the terms and conditions set forth in the Special Warrant Agreement, Special Warrants may be exercised only on or after the Exercise Date or otherwise as specified by the Special Warrant Agreement. The Exercise Date shall occur within five business days after the following conditions have been satisfied: (i) any required declaratory ruling is granted by the FCC to allow Reorganized Windstream or its affiliates, as applicable, to exceed 25 percent indirect foreign ownership and specifically approve any foreign investor with an interest greater than 5 percent; (ii) the FCC has issued all other requisite approvals for the exercise of the Special Warrants; and (iii) the State PUCs grant any requisite approvals for the change of ownership that will arise from the exercise of the Special Warrants. Prior to the Exercise Date, Special Warrants will be subject to the same restrictions on transfer as apply to Reorganized Windstream Equity Interests.

In determining foreign ownership for distributions of Reorganized Windstream Equity Interests on the Effective Date, the Debtors will rely on the information provided in each holder's Ownership Certification. The Debtors will treat any holder that does not (i) timely deliver an Ownership Certification by the Ownership Certification Deadline or (ii) deliver an Ownership Certification that allows the Debtors to clearly determine such holder's foreign ownership as a 100 percent foreign-owned, non-U.S. holder; provided, that the Debtors shall have discretion, in consultation with the Requisite Backstop Parties, to treat any Ownership Certification delivered after the Ownership Certification Deadline but prior to the Effective Date as if such Ownership Certification had been delivered prior to the Ownership Certification Deadline if the Debtors reasonably believe, after consulting with the Requisite Backstop Parties, that doing so will not delay the receipt of the required regulatory approvals or the occurrence of the Effective Date.

G. Corporate Existence

Except as otherwise provided in the Plan (including with respect to any Restructuring Transaction undertaken pursuant to the Plan) or as otherwise set forth in the Description of Restructuring Transactions, the Reorganized Windstream Organizational Documents, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, including the Backstop Commitment Agreement, on and after the Effective Date, or as otherwise may be agreed between the Debtors, the Required Consenting Creditors, and the Requisite Backstop Parties ,and, to the extent required under section 3.02 of the Plan Support Agreement, the Required Consenting Midwest Noteholders, each Debtor shall continue to exist as a Reorganized Debtor and as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

H. General Settlement of Claims and Interests

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the Plan is and shall be deemed a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest.

The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests and is fair, equitable, and reasonable. The compromises, settlements, and releases described herein shall be deemed nonseverable from each other and from all other terms of the Plan. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors, may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

I. Releases

The Plan contains certain releases (as described more fully in Article III.P of this Disclosure Statement, entitled "Will there be releases and exculpation granted to parties in interest as part of the Plan?").

J. Exemption from Certain Transfer Taxes and Recording Fees

To the maximum extent permitted pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee, or

governmental assessment. Unless the Bankruptcy Court orders otherwise, all sales, transfers, and assignments of owned and leased property approved by the Bankruptcy Court on or before the Effective Date shall be deemed to have been in furtherance of, or in connection with, the Plan

V. THE DEBTORS' CORPORATE HISTORY, STRUCTURE, AND BUSINESS OVERVIEW

A. Windstream's Corporate History and Business Operations

Windstream traces its roots back to 1943, when Allied Telephone Company was founded in Little Rock, Arkansas to serve rural communities in Arkansas, Oklahoma, and Missouri. Over time Allied Telephone Company (subsequently re-branded as Alltel) grew into one of the country's largest telephone companies. In 2006, Windstream Corporation was formed through the spinoff of Alltel's landline business and merger with VALOR Communications Group. The new business initially served 3.4 million access lines in 16 states. Windstream's business generates revenue by delivering voice and data services over channels known as "access lines". Windstream continued Alltel's legacy of growth and innovation, expanding significantly both organically and through acquisitions.

Windstream Holdings, Windstream's publicly-traded holding company, was incorporated in the state of Delaware on May 23, 2013, and is the parent of Windstream Services, LLC ("Windstream Services"), formerly a Delaware corporation and now a Delaware limited liability company organized on March 1, 2004. Windstream Holdings' only material asset is a 100 percent interest in Windstream Services. Windstream Services and its guarantor subsidiaries are the sole obligors of all of Windstream's outstanding debt obligations. Windstream Holdings is not a guarantor of nor subject to the restrictive covenants included in any of Windstream Services' debt agreements (other than the DIP Facilities).

Windstream is a leading provider of advanced network communications and related technology that increase the network communication abilities for businesses across the United States, including in the banking, content and media, education, government, healthcare, hospitality, and retail spaces. Windstream also offers broadband, entertainment and security solutions to consumers and small businesses, primarily in rural areas, in 18 states. Additionally, Windstream supplies core transport solutions[5] on a local and long-haul fiber network spanning approximately 150,000 miles. The market for the telecommunications services Windstream offers is highly competitive and continued industry-wide merger and acquisition activity has resulted in fewer customers and intensified pricing pressure. To maintain its competitive edge, Windstream keeps a sharp focus on providing a top of the line customer experience and continued technological innovation—objectives it has successfully pursued to date.

Windstream primarily conducts its operations through three business units: (i) the Consumer & Small Business unit, which serves customers located in service areas in which Windstream is the incumbent local exchange carrier ("ILEC");[6] (ii) the Enterprise business unit, which serves customers located in service areas in which Windstream is a competitive local exchange carrier ("CLEC");[7] and (iii) the

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5 In Windstream's industry, the term "core network" refers to the highly functional communication facilities that interconnect primary nodes. The core network delivers routes to exchange information among various sub-networks.

6 An incumbent local exchange carrier is local telecommunications company (or its corporate successor) provided landline service within a specified service territory on February 8, 1996 (the date federal law opened local telecommunications markets o competition) and was a member of the association exchange carriers established by 47 C.F.R. § 69.601(b).

7 A competitive local exchange carrier is a telecommunications company that is not an ILEC, and that offers its services in competition with other telecommunications companies.

Wholesale business unit, which provides bandwidth and transport services to wholesale customers. Each unit is described in greater detail below.

Consumer & Small Business. The Consumer & Small Business unit includes approximately 1.4 million residential and small business customers. Windstream's consumer services primarily consist of high-speed internet and traditional voice and video services, including 911 services. Windstream is also committed to providing high-speed broadband and additional value-added services to its consumer base, as well as bundling its service offerings to provide a comprehensive solution to meet its customers' needs at a competitive value. During 2019, the Consumer & Small Business unit generated $2 billion in revenue.

Enterprise. Windstream's Enterprise business segment provides advanced network communications and technology solutions, including software defined wide area networking (SD-WAN) and unified communications as a service (UCaaS), to businesses across the United States and offers solutions to enable businesses to compete more effectively in the digital economy, as well as a variety of other data services including cloud computing as an alternative to traditional technology infrastructure. Windstream's Enterprise segment supports some of the most demanding IT organizations within the retail, healthcare, financial services, manufacturing, government and education sectors. Throughout 2019, the Enterprise segment generated $2.6 billion in revenue.

Wholesale. Windstream's Wholesale segment leverages its nationwide network to provide 100 Gbps[8] bandwidth and transport services to wholesale customers, including telecom companies, content providers, and cable and other network operators. In addition, Windstream offers voice and data carrier services to other communications providers and to larger-scale purchasers of network capacity. During 2019, the Wholesale segment generated $350 million in revenue. Today, Windstream's fiber network spans approximately 150,000 route miles of fiber.

B. Regulation of the Debtors' Business

In the United States, the telecommunications services Windstream provides are generally subject to varying degrees of federal, state and local regulation, including regulation by the Federal Communications Commission (the "FCC") and the public utilities commissions or similar regulatory agencies in each U.S. state and the District of Columbia (the "State PUCs"). While these regulatory agencies grant Windstream the authority to operate its telecommunications network, the regulation they exert over service offerings and pricing is minimal.

1. *FCC Regulation*

Windstream is subject to FCC regulation under the Communications Act of 1934 (as amended, the "Communications Act"). Windstream has the necessary authority under Section 214 of the Communications Act to operate in the United States as a provider of domestic interstate telecommunications services, as well as the necessary authority to operate as an international provider. Windstream also maintains various wireless licenses that authorize it to use the licensed spectrum, issued and regulated by the FCC.

To facilitate a prompt emergence from bankruptcy, the Debtors may request that the FCC approve a two-step process under which, as the first step, Windstream would emerge from bankruptcy with indirect foreign ownership at levels that would not require a declaratory ruling under section 310(b)(4) of the Communications Act. The prospective foreign investments would be reflected in the form of Special

[8] Gbps stands for billions of bits per second and is a measure of bandwidth on a digital data transmission medium such as optical fiber.

Warrants (consistent with the Equity Allocation Mechanism) that would, upon exercise, entitle the foreign parties to obtain indirect equity interests, but would not themselves constitute actual interests. Then, as the second step, after the Effective Date, the Reorganized Debtors would request the FCC to permit the exercise of the Special Warrants, and thus, the actual acquisition by foreign entities of indirect interests in Windstream. The Special Warrants would not be exercised before any required FCC approval.

On the Effective Date, Allowed First Lien Claims will acquire approximately one hundred percent (100%) of the Reorganized Windstream Equity Interests, subject to dilution by the Rights Offering, Backstop Premium and Management Incentive Plan. Consequently, the Restructuring Transaction will effect a transfer of control of licenses and authorizations held by Windstream and its subsidiaries. The Debtors may file applications requesting FCC consent to the transfer in control, and seeking any further consent required to allow the two-step process described above. In that event, following completion of the first step of the two-step process, Reorganized Windstream will file a petition seeking a declaratory ruling pursuant to section 310(b)(4) of the Communications Act that it is in the public interest to permit a greater than twenty-five (25) percent indirect foreign ownership interest in Windstream and its subsidiaries, as well as seeking any other consents required for exercise of the Special Warrants.

Each holder of an Allowed First Lien Claim must submit an Ownership Certification providing information regarding the prospective stockholder to establish that issuance of the Reorganized Windstream Equity Interests and/or Special Warrants to such holder would not result in a violation of law, impair the qualifications of the Reorganized Debtors to hold FCC Licenses, or impede the grant of any FCC Applications on behalf of the Reorganized Debtors.

Because Windstream is subject to FCC regulation, holders of Reorganized Windstream Equity Interests will be subject to specific regulatory requirements if their holdings exceed certain thresholds. Any holder with 10 percent or more of the equity or voting percentage of Reorganized Windstream will be required to disclose 10 percent or more ownership interests in other FCC-regulated entities and make specific certifications during the application process described above. As long as the holder continues to hold a 10 percent or more equity or voting percentage of Reorganized Windstream, it must also disclose its interest in Windstream should it seek to acquire an ownership interest of 10 percent or more in any other FCC-regulated entity, and may be prevented from acquiring such an interest should the acquisition violate any FCC cross-ownership restrictions or cause a competitive overlap contrary to public interest. In the second step of the application process described above, the petition for declaratory ruling must also seek specific approval for any foreign entity that holds or seeks to acquire greater than a 5 percent equity or voting percentage of Reorganized Windstream.

2. *FCC and State PUC Regulation*

Windstream companies also hold intrastate telecommunications authorizations issued by the State PUCs. Should a Windstream service provider fail at any time to obtain the licenses required to provide intrastate telecommunication services, or fail to meet any of the FCC and State PUC requirements to maintain licenses, including but not limited to, the payment of required regulatory fees and fund contributions, regular report filings, or compliance with service quality measures, Windstream could be subject to fines and/or other penalties, including revocation of operating authorizations.

C. The Debtors' Prepetition Capital Structure

As of the Petition Date, Windstream had approximately $5.6 billion in aggregate funded-debt obligations. These obligations arose under a revolving credit facility, two tranches under Debtor Windstream Services' term loan facility, one series of secured first lien notes, two series of secured second lien notes, six series of unsecured notes, and one issuance of secured subsidiary notes. Windstream

Holdings and the other Non-Obligor Debtors are not party to Windstream's prepetition debt obligations. All debt, other than the secured subsidiary notes, has been incurred by Windstream Services and its guarantor subsidiaries (*i.e.*, the Obligor Debtors). The table below summarizes Windstream's capital structure as of the Petition Date:

First Lien Debt Obligations	***Principal Amount*** *(in US$ millions)*
Term Loan, Tranche B6 – variable rates, due March 29, 2021	1,180.5
Term Loan, Tranche B7 – variable rates, due February 17, 2024	568.4
Revolver – variable rates, due April 24, 2020	802.0
2025 First Lien Notes – 8.625%, due October 31, 2025	600.0
Secured Subsidiary Notes	
Subsidiary First Lien Notes – 6.75%, due April 1, 2028[9]	100.0
Second Lien Debt Obligations	
2024 Second Lien Notes - 10.500%, due June 20, 2024	414.9
2025 Second Lien Notes - 9.00%, due June 30, 2025	802.0
Total Secured Debt Obligations	**$4,467.8**
Unsecured Note Issuances *(in US$ millions)*	
2020 Senior Notes – 7.750%, due October 15, 2020	78.1
2021 Senior Notes – 7.750%, due October 1, 2021	70.1
2022 Senior Notes – 7.500%, due June 1, 2022	36.2
2023 Senior Notes – 7.500%, due April 1, 2023	34.4
2023 Senior Notes – 6.375%, due August 1, 2023 ***("6 3/8% Notes")***[10]	806.9
2024 Senior Notes – 8.750%, due December 15, 2024	105.8
Total Unsecured Note Obligations	**$ 1,131.5**
Total Funded-Debt Obligations	**$5,599.3 million**[11]

In addition to outstanding funded-debt obligations, Windstream Holdings' equity traded publicly on the NASDAQ under the ticker symbol "WIN" since 2009[12] (having previously traded on the New York Stock Exchange from the time of its formation). In August 2017, Windstream Holdings' board of directors elected to eliminate Windstream Holdings' quarterly common stock dividend of $0.15 per share

9 These notes were assumed as part of an acquisition transaction and are secured by certain assets of the issuer of these notes and its subsidiaries. The issuer of these notes, Windstream Holding of the Midwest, Inc, is a guarantor of Windstream Services other debt obligations.

10 The 6 3/8% Notes, as described above, are inclusive of outstanding 6.375% senior notes due 2023 issued in 2013 and 2017.

11 Includes less of a net discount on long term debt (31.7), unamortized debt issuance costs (60.8), and current maturities (17.9).

12 WIN was delisted from NASDAQ on March 6, 2019.

commencing in the third quarter of 2017, intending to use the cash savings from the elimination of the quarterly dividend payment to repay certain of its debt obligations.

Windstream's capital structure is a product of the spin-off and merger that led to its formation and a series of financings, refinancings, and exchange transactions that have fueled Windstream's growth and technical advancement over the last decade. In recent years, Windstream has engaged in a number of refinancings and debt repayments, including the March 2016 closing of an incremental term loan to repurchase $441 million of 7.875% Senior Notes due 2017; the September 2016 redemption of the remaining 7.875% Senior Notes due 2017 via incremental B-6 term loans and revolver borrowings; and the February 2017 closing of the $580 million B-7 term loans to refinance term loans in prior tranches maturing in August 2019.

Windstream continued to actively monitor its balance sheet through 2017, and in mid-2017 was considering additional market transactions to improve its capital structure. But in mid-2017 and as further described below, Aurelius acquired the 6 3/8% Notes and alleged certain defaults under the 6 3/8% Notes Indenture related to the Uniti spin-off transaction, ultimately resulting in litigation in November 2017. The uncertainty left in the wake of Aurelius' actions effectively eliminated Windstream's access to the capital markets for additional unsecured debt or equity capital (and leaving exchange offers as the most viable alternative to strengthen their balance sheet).[13]

VI. EVENTS LEADING TO THE CHAPTER 11 FILINGS

A. The Uniti Spin-Off Transaction

In March 2015,[14] Windstream Holdings and Windstream Services entered into a Separation and Distribution Agreement with Uniti, pursuant to which, among other things, Windstream Services and certain of its subsidiaries contributed to Uniti (then a subsidiary of Windstream Services) certain assets consisting of approximately 66,000 route miles of fiber optic cable lines, 235,000 route miles of copper cable lines, central office land and buildings, beneficial rights to permits, pole agreements and easements, and a small consumer competitive local exchange carrier business owned by Windstream Services. Those assets were exchanged for (a) the issuance of Uniti common stock to Windstream Services, (b) the transfer of approximately $1.035 billion in cash from Uniti to Windstream Services, and (c) the transfer from Uniti to Windstream Services of approximately $2.5 billion of Uniti debt, consisting of term loans and secured and unsecured notes. Services then distributed approximately 80.4% of the outstanding shares of Uniti common stock to Windstream Holdings. Windstream Holdings, in turn, distributed the shares of Uniti common stock pro rata to holders of Windstream Holdings common stock in a tax free spin-off. In two separate transactions completed in June 2016, Windstream Services transferred the remaining 19.6% of Uniti's common stock to its secured bank creditors in exchange for the retirement of $672.0 million of aggregate borrowings outstanding under its revolver and to satisfy transaction-related expenses.

Windstream Holdings, Windstream Services, and Uniti entered into multiple further agreements to implement portions of and govern the relationship after the Uniti spin-off. One such agreement was the Uniti Arrangement.

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13 Recently, Windstream engaged in an August 2018 notes exchange of $414.8 million of 7.50% Senior Notes due 2020 in exchange for 10.500% Secured Second Lien Notes due 2024, as well as $18.8 million of 7.75% Senior Notes due 2021, $5.3 million of 7.50% Senior Notes due 2022, $86.0 million of 7.50% Senior Notes due 2023, $340.7 million of 2023 Notes, and $578.6 million of 8.75% Senior Notes due 2024 in exchange for $802.0 million of new 9.000% Secured Second Lien Notes due 2025.

14 Although the Separation and Distribution Agreement was signed in March 2015, the spin off was completed in April 2015.

B. District Court Litigation and Exchange and Consent Transactions

Beginning in early August 2017, Windstream became aware of market rumors that an unidentified fund was acquiring notes in one or more of Windstream's outstanding issuances of unsecured notes for the purpose of attempting to call a default under one of the indentures. Soon thereafter, Windstream learned that the fund was Aurelius, who had accumulated a position in the 6 3/8% Notes and intended to issue a notice of default related to the Uniti spin-off, which had closed more than two years earlier.

In addition to learning that Aurelius had accumulated a position in the 6 3/8% Notes, in late 2017, Windstream also learned that Aurelius had accumulated a sizeable position in Windstream Services' credit default swaps, which would be triggered upon a payment default or bankruptcy filing. In a notice letter received September 22, 2017, Aurelius asserted a default under the 6 3/8% Notes indenture related to the Uniti spin-off transaction, although no other creditor or noteholder had previously complained. In simple terms, Aurelius alleged that the Uniti spin-off constituted a prohibited "Sale and Leaseback Transaction" under section 4.19 of the 6 3/8% Notes Indenture. The Aurelius notice purported to constitute a written notice of default under the 6 3/8% Notes Indenture, which would trigger a 60-day grace or cure period after which the indenture trustee or holders of at least 25% in aggregate principal amount of outstanding 6 3/8% Notes could declare the principal amount of all outstanding 6 3/8% Notes to be immediately due and payable.

Shortly after Aurelius issued its notice, Windstream Services filed suit against U.S. Bank, the indenture trustee under the 6 3/8% Notes Indenture, in Delaware Chancery Court, seeking a declaration that it had not violated any provision of the 6 3/8% Notes Indenture and related injunctive relief. On October 12, 2017, U.S. Bank, at Aurelius' direction, filed suit in the Southern District of New York seeking relief essentially mirroring the relief sought by Windstream in the Delaware Chancery Court action. Windstream Services responded to the Trustee's complaint the following day and asserted counterclaims against the Trustee and Aurelius for declaratory relief.

On October 18, 2017, Windstream Services launched debt exchange offers with respect to its senior notes, including the 6 3/8% Notes, and related consent solicitations. The transactions contemplated the exchange of outstanding notes with earlier maturities into new notes, including into new 2023 Notes, coupled with consent solicitations that would waive any alleged defaults relating to the Uniti spin off, including the defaults alleged by Aurelius.

On October 31, 2017, it became clear that, based on tenders of notes in the exchange offers and consents delivered in the consent solicitations, holders representing the requisite percentage of the 6 3/8% Notes needed to waive the defaults alleged in the Aurelius purported notice of default would be received. On November 6, 2017, Windstream Services and U.S. Bank executed a supplemental indenture, and new 2023 Notes were issued, which sought to give effect to the waivers and consents for the 6 3/8% Notes. Windstream also completed other consent solicitations waiving any alleged default related to the Uniti spin-off under its other note issuances (which are based on substantially identical indentures). Aurelius and U.S. Bank subsequently challenged the validity of the exchange transactions and consent solicitation through litigation.

On February 15, 2019, the District Court for the Southern District of New York issued findings of fact and conclusions of law stating that Windstream was in breach of its bond indentures by engaging in an impermissible Sale and Leaseback Transaction, and that any of Windstream's subsequent efforts to secure a waiver neither waived nor cured the default that arose from that breach. The immediate consequences of the findings were severe. Because the findings stated that Aurelius' Notice of Default ripened into an Event of Default on December 7, 2017, Aurelius would be entitled to a money judgment in the amount of the 6 3/8% Notes it holds plus interest, a figure amounting to approximately $300 million, with additional interest accruing from July 23, 2018.

The findings also led to a cross default under the credit agreement governing Windstream's secured term and revolving loan obligations and the valid acceleration of the 6 3/8% Notes by Aurelius would give rise to a cross-acceleration event of default under the indentures governing Windstream's other series of secured and unsecured notes. In the absence of Windstream filing for chapter 11, these defaults would have permitted Aurelius to exercise remedies against Windstream and ultimately its assets, potentially leading to a value-destructive piecemeal liquidation, and the defaults would have allowed other parties to accelerate other debt obligations and exercise similar remedies.

C. Immediate Financing Solutions and DIP Financing

Due to the District Court's findings, Windstream lost the ability to draw on its revolving facility under its then existing terms, and therefore Windstream lacked the ability to fund day-to-day cash needs and faced a significant and near term liquidity shortfall. In response, Windstream immediately engaged in discussions with certain key stakeholders regarding potential means to resolve debt defaults and liquidity challenges in the days leading up to the Petition Date.

In connection with discussions of all available alternatives, Windstream pursued an amendment and waiver under its first lien revolving credit facility. On February 21, 2019, Windstream obtained a limited waiver from the required revolving lenders under the credit agreement regarding certain conditions to borrowing (the "Amendment and Waiver"). The Amendment and Waiver allowed Windstream to draw $25 million in immediate funding and provided that any additional borrowings under the revolving credit facility were now subject to consent from all revolving lenders. The liquidity resulting from the Amendment and Waiver provided Windstream with critical additional days to plan for a smooth transition into chapter 11.

In parallel with general chapter 11 preparations, negotiations of the Amendment and Waiver, and exploration of the Out-of-Court Proposal, Windstream and its advisors pursued an acceptable debtor-in-possession financing arrangement. More specifically, on February 20, 2019, PJT Partners ("PJT"), on behalf of Windstream, contacted eight different money-center banks, each an existing lender under the first lien revolving credit facility and having the financial wherewithal to provide up to $1 billion in financing.

On February 21, 2019 and February 22, 2019, PJT received six different debtor-in-possession financing proposals, each providing $1 billion in financing allocated between term loan and revolving credit facilities. Ultimately, Windstream decided to pursue a proposal for a superpriority debtor-in-possession financing facility (the "DIP Financing"), which provided Windstream with much-needed liquidity to fund its business and the administration of these Chapter 11 Cases. The DIP Financing represented the best of all available options and provided Windstream with postpetition financing in the form of a senior secured, superpriority term loan and revolving credit facility and contemplates consensual use of Windstream's secured lenders' cash collateral.

On February 25, 2019, Windstream and its debtor affiliates filed voluntary petitions for chapter 11 bankruptcy.

VII. MATERIAL DEVELOPMENTS AND ANTICIPATED EVENTS OF THE CHAPTER 11 CASES

A. First and Second Day Relief and Other Case Matters

On the Petition Date, along with their voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "Petitions"), the Debtors filed several motions (the "First Day Motions") designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors' operations, by, among other things, easing the strain on the Debtors' relationships with employees, vendors, and

customers following the commencement of the Chapter 11 Cases. A brief description of each of the First Day Motions and the evidence in support thereof is set forth in the *Declaration of Tony Thomas, Chief Executive Officer and President of Windstream Holdings, Inc., (I) in Support of Debtors' Chapter 11 Petitions and First Day Motions and (II) Pursuant to Local Bankruptcy Rule 1007-2* [Docket No. 27]. At a hearing on February 26, 2019, the Bankruptcy Court granted all of the relief initially requested in the First Day Motions.

On April 16, 2019, the Debtors held their second day hearing before the Bankruptcy Court. At the second day hearing, the Bankruptcy Court granted certain of the first day relief on a final basis, including authority to continue to pay employee wages and benefits, pay certain taxes, continue the cash management system, and pay certain vendor claims in the ordinary course.

The First Day Motions, the First Day Declaration, and all orders for relief granted in these cases can be viewed free of charge at: http://www.kccllc.net/windstream.

The Debtors also filed several other motions subsequent to the Petition Date to further facilitate the smooth and efficient administration of these Chapter 11 Cases and ease administrative burdens, including the Debtors' *Motion for the Retention and Compensation of Professionals Utilized in the Ordinary Course of Business* [Docket No. 187] (the "OCP Motion"). The OCP Motion seeks to establish procedures for the retention and compensation of certain professionals utilized by the Debtors in the ordinary course operation of their businesses. On April 22, 2017, the Bankruptcy Court entered an order granting the OCP Motion [Docket No. 1179]. In addition, the Debtors filed a number of retention applications seeking to retain certain professionals postpetition pursuant to sections 327 and 328 of the Bankruptcy Code, including Kirkland & Ellis, LLP as legal counsel, Katten Munchin Rosenman, LLP as conflicts counsel, PJT Partners LP as investment banker, Alvarez & Marsal North America, LLC as financial advisor, PricewaterhouseCoopers LLP as independent auditor and accounting services provider, Kurtzman Carson Consultants LLC as administrative advisor, SolomonEdwards Group, LLC as bankruptcy accounting consultant, and Altman Vilandrie & Company as telecom services consultants. Between April 22, 2019, and July 30, 2019, the court approved each of the Retention Applications. The foregoing professionals are each, in part, responsible for the administration of the Chapter 11 Cases. The postpetition compensation of all of the Debtors' professionals retained pursuant to sections 327 and 328 of the Bankruptcy Code is subject to the approval of the Court.

B. Schedules and Statements

On May 10, 2019, the Debtors filed their Schedules of Assets and Liabilities and Statements of Financial Affairs. The Debtors filed amended Schedules of Assets and Liabilities on January 17, 2020.

C. Establishment of a Claims Bar Date

On May 13, 2019, the Bankruptcy Court entered an order (the "Bar Date Order") establishing July 15, 2019 as the general claims bar date and August 26, 2019 as the governmental claims bar date [Docket No. 518]. On or before 21 days before the general bar date, the Debtors served notice of the bar dates in accordance with the Bar Date Order. On or before 28 days before the general claims bar date, the Debtors published notice of the bar dates in accordance with the Bar Date Order.

Any party required to file a proof of claim under the Bar Date Order which failed to do so before the applicable bar date is forever barred, estopped, and enjoined from asserting such claim against the Debtors and the Debtors will be forever discharged from any indebtedness or liability relating to such claim. Such party will not be permitted to vote to accept or reject the Plan or receive any recovery under the Plan.

D. Appointment of Official Committee of Unsecured Creditors

On March 12, 2019, the U.S. Trustee filed a notice [Docket No. 136] appointing an official committee of unsecured creditors in the Debtors' Chapter 11 Cases (the "Committee"). The Committee is currently composed of the following members: The Pension Benefit Guaranty Corporation; the Communication Workers of America, AFL-CIO, CLC; AT&T Services, Inc.; VeloCloud Networks, Inc.; Crown Castle Fiber, LEC Services, Inc.; and UMB Bank. The Committee has retained Morrison & Foerster LLP as its legal counsel, AlixPartners as its financial advisor, and Perella Weinberg Partners as investment banker.

The Debtors were ultimately able to consensually resolve all concerns raised by the Committee with respect to the First Day Motions. The Committee has subsequently focused on extensive diligence and discovery efforts targeted at understanding the Debtors' business, investigating potential claims against the Debtors' prepetition secured lenders, and investigating claims arising in connection with the Debtors' relationship with Uniti. The Debtors have provided substantial diligence to the Committee's advisors. The Committee is also an intervenor in the Uniti Adversary Proceeding, as well as a mediation party, and actively participated in multiple mediation sessions held between July 2019 and November 2019.

1. *The Committee's Lien Investigation*

Under the final order approving the DIP Financing (the "DIP Order"), the Debtors stipulated to, among other things, the extent, priority, and validity of the liens and security interests that purport to secure the Debtors' first lien prepetition debt (the "Lien Stipulations"). The Lien Stipulations will be binding on third parties unless a challenge is commenced by a party with appropriate standing within the time limits set under the DIP Order. Promptly following its appointment, the Committee commenced an investigation into the basis for the Lien Stipulations (the "Lien Investigation"). The Committee asserts that the Lien Investigation is largely complete, although certain discrete topics remain under investigation by the Committee. In the meantime, the deadline for the Committee to commence a challenge has been extended by agreement with the relevant parties to June 1, 2020 (the "Challenge Deadline"), without prejudice to further extensions.

As part of the Lien Investigation, the Committee asserts that it conducted a detailed review of the relevant prepetition security documents and UCC-1 financing statements of record for each of the Debtors, as well as other relevant documents and diligence provided to the Committee's professionals by the Debtors and certain prepetition secured parties. It is the Committee's position that potential challenges to the Lien Stipulations exist, including (but not limited to) claims and related causes of action (a) declaring that the Debtors' interests in the following categories of property are unencumbered and not subject to any liens or security interests (perfected or unperfected) of the prepetition secured parties, or (b) seeking to avoid any unperfected liens or security interests of the prepetition secured parties on such categories of property:

- All real property interests held by the Debtors excluding fixtures that are equipment as defined in the New York Uniform Commercial Code;
- Cash in certain accounts holding not less than $8,423,991 in the aggregate as of the Petition Date;
- Certain copyrights that do not appear to have been properly perfected through a filing with the U.S. Copyright Office;
- Tax attributes, including net operating losses, capital losses and certain tax credits;
- Commercial tort claims; and

- Postpetition proceeds of any of the foregoing.

The Committee has not yet been able to assign a value to the apparently unencumbered real property, although the Committee has asserted that it has requested certain information from the Debtors to facilitate that analysis.

In addition, it the Committee's position that, under the security agreements related to the Prepetition Debt, certain of the Debtors' assets were expressly excluded from the prepetition secured parties' collateral (the "Excluded Assets").[15] The Committee has not yet formulated a view regarding the value of the Excluded Assets, nor is the identification or valuation of the Excluded Assets subject to the Challenge Deadline.

As described in further detail below, the Committee also believes that the claims and causes of action proposed to be settled and released under the Uniti Settlement (which are not subject to the Challenge Deadline) are unencumbered by the prepetition secured parties' liens. The Committee further believes that the Debtors' claims against Charter Communications, Inc., as asserted in the adversary proceeding captioned *Windstream Holdings, Inc., et al. v. Charter Communications, Inc. et al.*, Adv. Pro. No. 19-08246 (Bankr. S.D.N.Y.), and any proceeds thereof should be allocated to satisfy unsecured claims.

E. Litigation Matters

In the ordinary course of business, the Debtors are parties to certain lawsuits, legal proceedings, collection proceedings, and claims arising out of their business operations. The Debtors cannot predict with certainty the outcome of these lawsuits, legal proceedings, and claims.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of these Chapter 11 Cases. In addition, the Debtors' liability with respect to stayed litigation is subject to discharge, settlement, and release upon confirmation of a plan under chapter 11, with certain exceptions. Therefore, certain litigation Claims against the Debtors may be subject to discharge in connection with the Chapter 11 Cases.

A putative securities class action against Windstream Holdings, Inc. and certain current and former officers and directors of Windstream Holdings, Inc. and EarthLink Holdings Corp. is pending in the United States District Court for the Eastern District of Arkansas (the "Arkansas District Court"), captioned as *Robert Murray v. EarthLink Holdings Corp., et al.*, Case No. 4:18-cv-00202-jm (the "Securities Litigation"). The Securities Litigation asserts claims under Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 and Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 arising from the 2017 merger between EarthLink Holdings Corp. and Windstream Holdings, Inc. (the "2017 Merger") on behalf of a putative class consisting of all other persons or entities (except for the defendants in the Securities Litigation) who purchased or otherwise acquired Windstream Holdings, Inc. common shares pursuant and/or traceable to the Offering Documents in connection with the 2017 Merger and all persons or entities (except for the defendants in the Securities Litigation) who held stock in EarthLink Holdings Corp. on the

[15] The Committee asserts that the Excluded Assets include, but are not limited to: (a) various motor vehicles; (b) certain licenses granted to the Debtors by the FCC and other federal and state agencies for which the requisite governmental approvals to grant security interests thereon have not been obtained; (c) 34% of the voting equity interests in foreign subsidiaries; and (d) equity interests in and asset of the following Debtors: Birmingham Data Link, LLC; Nashville Data Link, Inc.; Conversent Communications Resale, L.L.C.; Choice One Communications Resale, L.L.C. The Committee asserts that the Excluded Assets also include the assets that were contributed or otherwise transferred in connection with the Uniti spin-off transaction, the ownership of which is at issue in the Uniti Adversary Proceeding.

record date for the 2017 Merger. At a hearing held June 17, 2019, the Bankruptcy Court granted the Debtors' motion to extend the automatic stay to the non-Debtor defendants in the Securities Litigation and granted a cross-motion by the lead plaintiff in the Securities Litigation for relief from the automatic stay to permit the Arkansas District Court to conduct oral argument and rule on the motions to dismiss the Securities Litigation that have been fully briefed since November 29, 2018, and which remain pending as of the date hereof.

F. Uniti Adversary Proceeding and Mediation

On July 25, 2019, the Debtors filed the Complaint commencing the Uniti Adversary Proceeding seeking, among other things, a declaration that the Uniti Arrangement is a financing and not a lease of nonresidential real property, in each case for purposes of applicable bankruptcy law. Various parties, including the Committee, intervened in the Uniti Adversary Proceeding and joined in the Debtors' claims against Uniti. Uniti has consistently maintained that the Uniti Arrangement is a true lease of nonresidential real property.

In an attempt to consensually resolve issues relating to the Uniti Arrangement with all stakeholders, on July 12, 2019, the Debtors and Uniti filed a motion to appoint a mediator and to include mediation parties from across the Debtors' capital structure. The Debtors proposed that mediation and litigation proceed in parallel so as to most efficiently reach a global resolution of matters regarding the relationship between the Debtors and Uniti. On July 30, 2019 the Court entered an order appointing the Honorable Judge Chapman to mediate issues regarding the Uniti Arrangement. In an attempt to create breathing room throughout the course of the mediation, the Debtors and Uniti—with the assistance of Judge Chapman—agreed to an extension of the purported application of the deadline under section 365(d)(4) of the Bankruptcy Code and filed the 365(d)(4) Stipulation.

On November 22, 2019, the parties reached agreement on the terms of the Second 365(d)(4) Stipulation that extended the purported application on the same terms as the 365(d)(4) Stipulation through and including 30 calendar days following entry of an order resolving count I (recharacterization) and count II (personal property) of the Complaint. After a hearing on December 12, 2019, and consistent with the Court's comments on the record, on January 10, 2020 the Debtors filed the Amended Complaint and the Count II Stipulation that stayed further litigation of the personal property count of the Complaint without prejudice to the Debtors' right to resume prosecution upon reasonable notice to Uniti. The Count II Stipulation also extended the purported application of the section 365(d)(4) deadline to the Uniti Arrangement to 90 calendar days following the entry of an order by the Court resolving count I of the Complaint. On January 30, 2020, the parties reached an agreement to bifurcate the recharacterization count from the other remaining counts.

Over the course of late 2019 and early 2020, the Uniti Adversary Proceeding continued in parallel with the mediation process, including substantial document discovery and depositions of key potential witnesses. Ultimately, through the mediation process as well as informal negotiations, and in advance of the commencement of any trial in the Uniti Adversary Proceeding, the Debtors were able to reach a settlement with Uniti (the "Uniti Settlement") that was submitted to the Court on March 6, 2020 [Docket No. 1558] (the "Uniti 9019 Motion") and the order was entered on May 12, 2020 [Docket No. 1807]. The Uniti Settlement ultimately facilitated a negotiation on the terms of a restructuring with certain of Windstream's creditor constituencies. As a result, and after extensive negotiations, these parties reached an agreement on the terms of the restructuring transactions set forth in the Plan Support Agreement and enumerated in the Plan. The parties to the Plan Support Agreement include holders of more than 94% of the First Lien Claims, approximately 54% of the Second Lien Claims, more than 39% of the Unsecured Notes Claims, and approximately 72% of the Midwest Notes Claims and have agreed to support confirmation of the Plan, including voting their respective Claims to accept the Plan. In addition to the Plan, the Plan Support Agreement requires that the Debtors, Uniti, and the Consenting Creditors support

and pursue the approval and implementation of the terms of the Uniti Settlement, the material provisions of which are as follows:

1. *Uniti GCI Commitment*

Uniti commits to fund up to an aggregate of $1.75 billion of Growth Capital Improvements ("GCI") through December 2029 based on the following calendar year schedule:

a. Year 1: $125 million

b. Years 2-5: $225 million per year

c. Years 6-7: $175 million per year

d. Years 8-10: $125 million per year

2. *Equipment Loan Program*

During the GCI funding period (including January – April 2030), and in lieu of GCI commitments, Uniti will provide up to $125 million in the aggregate in the form of loans for equipment purchases by Windstream that Windstream demonstrates in reasonable detail is related to network upgrades or customer premises equipment to be used in connection with the operation of assets subject to either Lease; provided that, and subject to footnote 2 of the Term Sheet, Uniti's total funding commitment in any calendar year for both GCIs and equipment loans will not exceed $250 million and the equipment loan commitment will not exceed $25 million in any single year.

3. *Asset Purchase Terms*

In consideration for the assets described below, Uniti shall pay $244,549,865.10 to the subsidiary or subsidiaries of Windstream designated by the mutual agreement of the Debtors, the Required Consenting Creditors (as defined in the Plan Support Agreement), and the Requisite Backstop Parties (as defined in the Backstop Commitment Agreement), which shall be funded through and conditioned upon the closing of a purchase of Uniti common stock yielding net cash proceeds to Uniti equal to or in excess of such amount. Uniti has entered into binding agreements with Elliott and the First Lien Ad Hoc Group for the purchase of this stock.

Uniti will acquire Windstream dark fiber IRU contracts currently generating an estimated $21 million of EBITDA; and reversion of rights to 1.8 million Uniti-owned Windstream-leased fiber strand miles.

Uniti will also acquire certain Windstream-owned assets and certain fiber IRU contracts currently generating $8 million of annual EBITDA at a purchase price of $40 million.

For segments with at least 24 unused fiber strands, Windstream will retain 12 fiber strands beyond what Windstream is utilizing today.

4. *Cash Transfer*

Uniti will pay to the subsidiary or subsidiaries of Windstream designated by the mutual agreement of the Debtors, the Required Consenting First Lien Creditors, and the Requisite Backstop Parties $490,109,111 in 20 equal consecutive quarterly installments beginning on the 5th business day of the first month following the Effective Date.

5. *Parties*

The parties to the Uniti Settlement are (i) Windstream Holdings and Windstream Services, the direct and indirect subsidiaries of Windstream Services, and their successors, assigns, transferees, and subtenants, as applicable, and/or one or more entities formed to acquire all or a portion of the assets of any of the foregoing as tenants, subject to any regulatory limitations and (ii) the same landlord(s) as those under the Uniti Arrangement..

6. *Effective Date*

The effective date of the Uniti Settlement will occur promptly upon entry of an order approving the agreements described in the Uniti Term Sheet and the satisfaction of all conditions relating to "true lease" and REIT compliance, but in no event later than Windstream's emergence from Chapter 11.

7. *Uniti Arrangement Structure/Terms*

The Uniti Arrangement will be bifurcated into structurally similar but independent agreements governing the ILEC Facilities and the CLEC Facilities (the "ILEC Lease" and the "CLEC Lease," and together, the "Leases").

All assignment, transfer, change of control, and similar provisions in the current Uniti Arrangement shall be amended and restated in each ILEC and CLEC Lease to provide that Windstream will be permitted to assign, sell, or otherwise transfer (whether in a standalone transaction, in connection with a sale of assets or equity interests, or otherwise) any of its interests in any or both of the ILEC Lease or the CLEC Lease subject to certain restrictions. The rent under the Leases will be determined by an independent third party following an appraisal to determine fair market rent.

The ILEC Lease and CLEC Lease shall be cross-defaulted and cross-guaranteed so long as the tenants under both Leases are affiliates of Windstream.

Windstream may request that Uniti sell non-core assets in ILEC territories, subject to an annual cap of $10 million on proceeds, a portion of which will be remitted to Windstream in consideration of its leasehold interest in the sold assets and rent under the ILEC Lease not being reduced.

Windstream or any successor, assign, or subtenant will be permitted to sell fiber IRUs or lease dark fiber services in ILEC and CLEC territories with term dates that extend beyond the then current term of the Lease subject to an annual cap of $10 million on proceeds and certain other restrictions.

Uniti will be prohibited from competing in Windstream ILEC territories (for purposes of clarification, selling dark fiber or lit transport and building long haul routes with no laterals or extensions in a Windstream ILEC territory shall not be deemed competitive, but selling services originating or terminating traffic in said territories shall be deemed competitive), and, for avoidance of doubt, "Uniti" refers to landlord and its affiliates, including Uniti, and all existing, acquired, or newly-formed direct or indirect subsidiaries of Uniti, any entities in common control with any such entity, and their respective successors and assigns, during the initial Term and all renewal terms of the ILEC Lease. Further, Uniti will not be permitted to transfer its interest in the CLEC or ILEC Lease to a Windstream Competitor.

8. *Windstream Financial Covenants*

Exit Financing as of Emergence:

a. As of the date of emergence, on a pro forma basis giving effect to Windstream's emergence (including the repayment, discharge, or extinguishment of any

Indebtedness and the incurrence of any new Indebtedness (as defined in the Uniti Term Sheet)), Windstream's total leverage ratio will not exceed 3.00x. For the avoidance of doubt, for the foregoing test, amounts payable in cash on account of contract cures, lease cures, or administrative expenses, and/or amounts to be paid to holders of allowed general unsecured claims after emergence, in each case payable upon completion of the applicable claims resolution process before the Bankruptcy Court, shall not be considered Indebtedness.

Lease Financial Covenants:

a. The ILEC Lease and the CLEC Lease will contain the following covenants:

b. Windstream and its subsidiaries cannot incur any Indebtedness (other than (a) refinancing Indebtedness in a principal amount not exceeding the sum of (x) the principal amount of the Indebtedness refinanced, (y) the accrued and unpaid interest on such Indebtedness refinanced and any other amounts owing thereon, and (z) any customary costs, fees, or expenses incurred in connection with such refinancing or (b) drawings under its third party syndicated revolving credit facility, in an amount not to exceed $750 million (the "RCF Facility")), if its total leverage ratio, pro forma for the incurrence of such Indebtedness, would exceed 3.00x. Based on the Restructuring Transaction contemplated by the Plan and the Debtors' financial projections, the Debtors reasonably believe they will be able to comply with the foregoing financial covenant.

c. If at any time (a) Windstream's total leverage ratio exceeds 3.50x (the "Maintenance Leverage Covenant") and (b) Windstream or any of its subsidiaries takes any of the following actions, an event of default will have occurred:

(i) incur any Indebtedness;

(ii) make any dividends on its capital stock or repurchase any stock, or prepay any unsecured debt;

(iii) make (a) any acquisitions or (b) investments, other than investments (1) in consolidated subsidiaries existing before the applicable date of Windstream's non-compliance with the Maintenance Leverage Covenant and customary permitted investments, (2) in joint ventures in existence prior to the date of the applicable non-compliance with the Maintenance Leverage Covenant (and not created in contemplation thereof), or (3) with the consent of Uniti (not to be unreasonably withheld); or

(iv) enter into any transaction with any investor in Windstream who has one or more of its representatives on the Windstream Board of Directors, unless (i) Uniti consents to the entry into such transaction (such consent not to be unreasonably withheld) or (ii) such transaction is (x) in the ordinary course of business or (y) to continue or renew management, consultancy, or advisory services.

Based on the Restructuring Transaction contemplated by the Plan and the Debtors' financial projections, the Debtors reasonably believe they will be able to comply with the Maintenance Leverage Covenant.

d. If (a) any bankruptcy event of default, or (b) any payment event of default or any other event of default under any Material Indebtedness (as defined in the Uniti Arrangement) has occurred, such event of default shall constitute an event of default under the Leases and Uniti will not be required to comply with its GCI commitment obligations following any such breach.

e. Notwithstanding anything to the contrary in the Uniti Term Sheet, the Leases shall provide that the Incurrence Leverage Covenant and the Maintenance Leverage Covenant shall not apply at any time that Windstream maintains a corporate family rating of not less than (i) "B2" (stable) by Moody's and (ii) either "B" (stable) by S&P or "B" (stable) by Fitch.

9. *Stay of Pending Litigation*

Upon announcement of the Uniti Settlement, all pending litigation was stayed pending closing of the transactions contemplated, without prejudice to Windstream's right to resume prosecution.

10. *The Committee's Investigation of the Uniti Arrangement and Opposition to the Allocation of Value Attributable to the Uniti Settlement under the Plan*

Promptly following its appointment on March 12, 2019, the Committee commenced its own investigation into the circumstances surrounding the Uniti Arrangement. On July 10, 2019, the Committee sent a letter to the Debtors' counsel identifying and describing various claims and causes of action, including claims to recharacterize the Uniti Arrangement as a disguised financing. In that letter, the Committee requested that the Debtors advise the Committee whether, and by what date, they intended to pursue those claims and causes of action. On July 12, 2019, the Committee filed a motion [Docket No. 786] seeking standing to commence and prosecute various colorable recharacterization, fraudulent transfer, and other claims it identified in connection with its investigation of the Uniti Arrangement. On July 25, 2019 the Debtors commenced the Uniti Adversary Proceeding and the Committee ultimately agreed to adjourn its standing motion indefinitely, while joining in the Uniti Adversary Proceeding as an intervenor.

Based on its analysis of the claims and evidence at issue in the Uniti Adversary Proceeding, it is the Committee's position that the value attributable to the Uniti Settlement is improperly allocated under the Plan. Specifically, the Committee believes that the assets that were purportedly transferred to Uniti spin-off transaction are specifically excluded from the scope of the liens granted in favor of the Debtors' prepetition secured lenders under the relevant security documents. The Committee also believes that the claims and causes of action asserted by the Debtors against Uniti in the Uniti Adversary Proceeding are unencumbered by such liens because they do not constitute the types of claims that can be perfected through the filing of a financing statement under applicable case law. Similarly, the Committee believes that any avoidance claims against Uniti released under the Uniti Settlement are not subject to prepetition liens because they constitute "after-acquired property" within the meaning of section 552(a) of the Bankruptcy Code. Finally, the Committee asserts that Bankruptcy Code section 552(b) only allows a continuing security interest in postpetition proceeds of prepetition collateral if the postpetition proceeds are directly attributable to prepetition collateral, without the addition of estate resources, but the claims against Uniti were prosecuted solely using the Debtors' postpetition resources or efforts. Accordingly, the Committee believes that, even if the prepetition secured lenders do hold valid liens on the Debtors' claims against Uniti, any value attributable to the Uniti Settlement is not subject to those liens. In addition, the Committee believes that, under the terms of the DIP Order, the proceeds of avoidance actions and commercial tort claims are not available to repay the DIP Facility and the postpetition lenders' adequate protection claims unless and until commercially reasonable efforts are taken to exhaust all other collateral securing the DIP Facility. The Committee believes that, based on the value ascribed to the DIP Facility collateral by the Debtors, there should be no need for the postpetition lenders to look to the proceeds of avoidance actions to satisfy their claims. Based on each of these arguments, the Committee believes that the value attributable to the Uniti Settlement should be available primarily to satisfy the claims of unsecured creditors. The Debtors do not agree with the Committee's position and reserve all rights.

G. Plan Support Agreement and Allocation of Value Attributable to the Uniti Settlement under the Plan

Through the mediation process, the parties focused not only on the terms of the Uniti Settlement, but also on the terms of the Plan. Certain holders of First Lien Claims, Uniti, Elliott, and certain holders of Midwest Notes Claims are parties to the Plan Support Agreement. The Plan Support Agreement memorializes not only a commitment to transactions required to facilitate the Uniti Settlement, but also support for the Plan. The Plan Support Agreement was entered into on March 2, 2020, and was amended on March 9, 2020 and March 13, 2020. The Debtors reserve all rights to, with the consent of any applicable counterparties to the extent required under the Plan Support Agreement, amend, revise or supplement the Plan Support Agreement at any time before the Effective Date of the Plan.

It is the Debtors' and the First Lien Ad Hoc Group's view that the Plan Support Agreement and Plan, among other things, properly allocates the value attributable to the Uniti Settlement, notwithstanding the position of the Committee described above. ***First,*** as it relates to allocation of value as between Obligor Debtors and Non-Obligor Debtors, allocation of settlement value predominantly to Non-Obligor Debtors would not provide holders of General Unsecured Claims (against either Obligor Debtors or Non-Obligor Debtors) a higher recovery than what is provided for in the Plan. The Plan provides that General Unsecured Claims at Non-Obligor Debtors will be paid in full or reinstated, irrespective of allocation of settlement value. To the extent allocation of settlement value to a Non-Obligor Debtor would result in excess equity value at such Debtor, that value would accrue to the benefit of the Debtors' secured lenders, who benefit from share pledges over the equity interest of Non-Obligor Debtors that are direct subsidiaries of Obligor Debtors. Allocation of settlement value predominantly to Obligor Debtors likewise would not provide holders of General Unsecured Claims a higher recovery than what is provided for in the Plan. General Unsecured Claims at the Obligor Debtors (against either Obligor Debtors or Non-Obligor Debtors) are junior to more than $3.1 billion in first lien secured debt and more than $1.2 billion in second lien secured

debt outstanding as of the Petition Date. General Unsecured Claims at the Obligor Debtors are also junior to up to $1 billion in superpriority financing arising under the DIP Facility and $25 million to $75 million of administrative and priority claims on a consolidated basis as of the Effective Date. Even taking into account the value attributable to the Uniti Settlement, based on the Debtors' analysis, there will not be sufficient value in their estates on the Effective Date to pay administrative, priority, and first lien claims at Obligor Debtors in full, such that second lien claims and General Unsecured Claims at Obligor Debtors are entitled to a recovery in excess of what is provided for in the Plan.

Second, as it relates to allocation of the value attributable to the Uniti Settlement as between the claims asserted in the Uniti Adversary Proceeding, even if settlement value was allocated predominantly to claims that do not constitute collateral of the Debtors' prepetition first and second lien secured lenders holders of General Unsecured Claims (against either Obligor Debtors or Non-Obligor Debtors) would not be entitled to a higher recovery than what is provided for in the Plan. The Debtors and the First Lien Ad Hoc Group believe that all or most of the value attributable to the Uniti Settlement would constitute collateral of the Debtors' first lien lenders. The Debtors' secured lenders have a prepetition lien on substantially all of the Debtors' assets. To the extent the value attributable to the Uniti Settlement is on account of settlement of the recharacterization claims asserted in the Uniti Adversary Proceeding, which is the primary claim asserted in the Uniti Adversary Proceeding, the Debtors and the First Lien Ad Hoc Group believe that such value would constitute collateral of the Debtors' secured lenders and would not constitute proceeds of a commercial tort claim that would potentially be outside of the secured lenders' collateral. Even if some portion of the value attributable to the Uniti Settlement were not subject to the prepetition liens of the Debtors' secured lenders and was on account of postpetition avoidance actions, such value would be subject to the adequate protection liens of the Debtors' secured lenders to the extent of any diminution in value, which amount may be significant. Additionally, as summarized above, in addition to first and second lien claims outstanding as of the Petition Date, the Obligor Debtors will be liable for up to $1 billion in superpriority obligations under the DIP Facility, an obligation that attaches to proceeds of avoidance actions that would otherwise not be encumbered by the liens of the Debtors' prepetition first and second lien lenders. Additionally, as of the Effective Date, the Debtors are likely to be liable for $25 million to $75 million of administrative and priority claims on a consolidated basis that are senior to General Unsecured Claims and entitled to payment in full prior to the Debtors' emergence from chapter 11. Since the value attributable to the Uniti Settlement is not in excess of these amounts, even disregarding existing first and second lien claims at the Obligor Debtors, allocation of settlement value predominantly to claims that would not constitute collateral of the Debtors' prepetition secured lenders would not result in holders of General Unsecured Claims at Obligor Debtors being entitled to a recovery in excess of what is provided for in the Plan.

The Unsecured Notes Trustees believe that the Final DIP Order prohibits the allocation of value attributable to the Uniti Settlement in the manner described in the preceding paragraph. Specifically, the Final DIP Order provides that "prior to seeking payment of any DIP Obligations, DIP Superpriority Claims, or Adequate Protection Claims, including 507(b) Claims, from the proceeds of (a) Avoidance Actions, (b) claims and causes of action against any current or former officers and directors of the Debtors, (c) claims and causes of action against the Prepetition Secured Parties other than the prepetition Revolving Lenders, and/or (d) any commercial tort claim on which the Prepetition Secured Parties did not hold validly perfected liens as of the Petition Date, the DIP Secured Parties and the Prepetition Secured Parties, as applicable, shall use commercially reasonable efforts to first satisfy such claims from all other DIP Collateral." Final DIP Order, ¶ 10(d). The Unsecured Notes Trustees believe that sufficient assets exist to repay the DIP Obligations without recourse to unencumbered assets. The Unsecured Notes Trustees believe that the Final DIP Order also prohibits any adequate protection claims of the Prepetition Secured Parties from attaching to value arising from Uniti Settlement, including the recharacterization claim asserted in the Uniti Adversary Proceeding. Final DIP Order, ¶ 8(a), n.9 ("[N]othing in this Final Order shall impact or prejudice

the rights of any such party to benefit from any adjudication or settlement of any claims arising from, asserted, or that could have been asserted on account of the Uniti Spin-Off").

Ultimately, the Debtors do not have another actionable path to emergence from chapter 11, other than the transactions embodied in the Plan Support Agreement and Plan. For the reasons described above and elsewhere in this Disclosure Statement, the Debtors and the First Lien Ad Hoc Group believe that the Plan complies with the requirements of the Bankruptcy Code for confirmation, including as it relates to recoveries on account of General Unsecured Claims. For the reasons described above, the Committee's assertions related to allocation of the value attributable to the Uniti Settlement, whether allocation as between Non-Obligor Debtors and Obligor Debtors or allocation between the different claims asserted in the Uniti Adversary, even if true, do not compel a different conclusion.

H. Chubb Insurance Policies

Notwithstanding anything to the contrary in the Disclosure Statement, the Plan, Plan Supplement, the Confirmation Order, any agreement or order related to post-petition or exit financing, any bar date notice or claim objection, or any other order of the Bankruptcy Court (including, without limitation, any other provision that purports to be preemptory or supervening or grants an injunction or release, confers bankruptcy court jurisdiction or requires a party to opt out of any releases):

(a) nothing alters, modifies or otherwise amends the terms and conditions of the Chubb Insurance Program (including any agreement to arbitrate disputes and any provisions regarding the provision, maintenance, use, nature and priority of the Chubb Collateral) except that on and after the Effective Date, the Reorganized Debtors jointly and severally shall assume the Chubb Insurance Program in its entirety pursuant to sections 105 and 365 of the Bankruptcy Code;

(b) nothing therein releases or discharges (i) Chubb's security interests in and liens on the Chubb Collateral and (ii) the claims of Chubb arising from or pursuant to the Chubb Insurance Program and such claims are actual and necessary expenses of the Debtors' estates (or the Reorganized Debtors, as applicable) and shall be paid in full in the ordinary course of businesses, whether as an Allowed Administrative Claim under section 503(b)(1)(A) of the Bankruptcy Code or otherwise, regardless of when such amounts are or shall become liquidated, due or paid without the need or requirement for Chubb to file or serve a request, motion, or application for payment of or proof of any Administrative Claim (and further and for the avoidance of doubt, any claim bar date shall not be applicable to Chubb); and

(c) the automatic stay of Bankruptcy Code section 362(a) and the injunction set forth in Article VIII of the Plan, if and to the extent applicable, shall be deemed lifted without further order of the Bankruptcy Court, solely to permit: (A) claimants with valid workers' compensation claims or direct action claims against an Insurer under applicable non-bankruptcy law to proceed with their claims; (B) Chubb to administer, handle, defend, settle, and/or pay, in the ordinary course of business and without further order of the Bankruptcy Court, (i) all workers' compensation claims covered by the Chubb Insurance Program, (ii) all claims where a claimant asserts a direct claim against Chubb under applicable law or an order has been entered by the Bankruptcy Court granting a claimant relief from the

automatic stay or the injunction set forth in Article XI of the Plan to proceed with its claim and (iii) all costs in relation to each of the foregoing; (C) Chubb to draw against any or all of the Chubb Collateral provided by or on behalf of the Debtors (or the Reorganized Debtors, as applicable) at any time and to hold the proceeds thereof as security for the obligations of the Debtors (and the Reorganized Debtors, as applicable) to Chubb and/or apply such proceeds to the obligation of the Debtors (and the Reorganized Debtors, as applicable) under the Chubb Insurance Program, in such order as Chubb may determine; and (D) subject to the terms of the Chubb Insurance Program and/or applicable non-bankruptcy law, Chubb to (i) cancel any policies under the Chubb Insurance Program, and (ii) take other actions relating thereto, to the extent permissible under applicable non-bankruptcy law, each in accordance with the terms of the Chubb Insurance Program.

Terms used in Article VII.H of the Disclosure Statement but not defined in the Plan shall have the meanings attributed to them in that certain *Order (I) Authorizing Assumption of the Prepetition Insurance Program, (II) Authorizing the Debtors to Enter into the Postpetition Insurance Program, and (III) Granting Related Relief* entered by the Bankruptcy Court on June 20, 2019 [Docket No. 702].

VIII. RISK FACTORS

Holders of Claims should read and consider carefully the risk factors set forth below before voting to accept or reject the Plan. Although there are many risk factors discussed below, these factors should not be regarded as constituting the only risks present in connection with the Debtors' businesses or the Plan and its implementation.

A. Bankruptcy Law Considerations

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to holders of Allowed Claims under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of holders of Claims in such Impaired Classes.

1. *Parties in Interest May Object to the Plan's Classification of Claims and Interests*

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests, as applicable, in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. *The Conditions Precedent to the Effective Date of the Plan May Not Occur*

As more fully set forth in Article IX of the Plan, the Effective Date of the Plan is subject to a number of conditions precedent. If such conditions precedent are not waived or not met, the Effective Date will not take place.

3. *The Debtors May Fail to Satisfy Vote Requirements*

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to confirm an alternative chapter 11 plan or transaction. There can be no assurance that the terms of any such alternative chapter 11 plan or other transaction would be similar or as favorable to the holders of Interests and Allowed Claims as those proposed in the Plan and the Debtors do not believe that any such transaction exists or is likely to exist that would be more beneficial to the Estates than the Plan.

4. *The Debtors May Not Be Able to Secure Confirmation of the Plan*

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims or equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Bankruptcy Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If a chapter 11 plan of reorganization is not confirmed by the Bankruptcy Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, holders of Interests and Allowed Claims against them would ultimately receive.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting class of Claims or Interests, as well as any class junior to such non-accepting class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan.

5. *Nonconsensual Confirmation*

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired class (as defined under section 1124 of the Bankruptcy Code) has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to professional compensation.

6. *Continued Risk upon Confirmation*

Even if the Plan is consummated, the Debtors will continue to face a number of risks, including certain risks that are beyond their control, such as further deterioration or other changes in economic conditions, changes in the industry, potential revaluing of their assets due to chapter 11 proceedings, changes in demand for telecommunications services, changes in telecommunications technology, and increasing expenses. See Article VIII.C of this Disclosure Statement, entitled "Risks Related to the Debtors' and the Reorganized Debtors' Businesses". Some of these concerns and effects typically become more acute when a case under the Bankruptcy Code continues for a protracted period without indication of how or when the case may be completed. As a result of these risks and others, there is no guarantee that a chapter 11 plan of reorganization reflecting the Plan will achieve the Debtors' stated goals.

In addition, at the outset of the Chapter 11 Cases, the Bankruptcy Code provides the Debtors with the exclusive right to propose the Plan and prohibits creditors and others from proposing a plan. The Debtors will have retained the exclusive right to propose the Plan upon filing their Petitions. If the Bankruptcy Court terminates that right, however, or the exclusivity period expires, there could be a material adverse effect on the Debtors' ability to achieve confirmation of the Plan in order to achieve the Debtors' stated goals.

Furthermore, even if the Debtors' debts are reduced and/or discharged through the Plan, the Debtors may need to raise additional funds through public or private debt or equity financing or other various means to fund the Debtors' businesses after the completion of the proceedings related to the Chapter 11 Cases. Adequate funds may not be available when needed or may not be available on favorable terms.

7. *The Chapter 11 Cases May Be Converted to Cases under Chapter 7 of the Bankruptcy Code*

If the Bankruptcy Court finds that it would be in the best interest of creditors and/or the debtor in a chapter 11 case, the Bankruptcy Court may convert a chapter 11 bankruptcy case to a case under chapter 7 of the Bankruptcy Code. In such event, a chapter 7 trustee would be appointed or elected to liquidate the debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time, rather than reorganizing the business in a controlled manner, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation, including Claims resulting from the rejection of Unexpired Leases and other Executory Contracts in connection with cessation of operations.

8. *The Debtors May Object to the Amount or Classification of a Claim*

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied upon by any holder of a Claim where such Claim is subject to an objection. Any holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

9. *Risk of Non-Occurrence of the Effective Date*

Although the Debtors believe that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

10. *Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan*

The distributions available to holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to holders of Allowed Claims under the Plan, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

The estimated Claims and creditor recoveries set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Moreover, the Debtors cannot determine with any certainty at this time, the number or amount of Claims that will ultimately be Allowed. Such differences may materially and adversely affect, among other things, the percentage recoveries to holders of Allowed Claims under the Plan.

11. *Releases, Injunctions, and Exculpations Provisions May Not Be Approved*

Article VIII of the Plan provides for certain releases, injunctions, and exculpations, including a release of liens and third-party releases that may otherwise be asserted against the Debtors, Reorganized Debtors, or Released Parties, as applicable. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties may withdraw their support for the Plan.

The releases provided to the Released Parties and the exculpation provided to the Exculpated Parties is necessary to the success of the Debtors' reorganization because the Released Parties and Exculpated Parties have made significant contributions to the Debtors' reorganizational efforts and have agreed to make further contributions, including by agreeing to forgo full payment in Cash of their claims against the Debtors' estates, but only if they receive the full benefit of the Plan's release and exculpation provisions. The Plan's release and exculpation provisions are an inextricable component of the Plan Support Agreement and Plan and the significant deleveraging and financial benefits that they embody.

B. Risks Related to Recoveries under the Plan

1. *The Reorganized Debtors May Not Be Able to Achieve their Projected Financial Results*

The Reorganized Debtors may not be able to achieve their projected financial results. The Financial Projections set forth in this Disclosure Statement represent the Debtors' management team's best estimate of the Debtors' future financial performance, which is necessarily based on certain assumptions regarding the anticipated future performance of the Reorganized Debtors' operations, as well as the United States and world economies in general, and the industry segments in which the Debtors operate in particular. While the Debtors believe that the Financial Projections contained in this Disclosure Statement are reasonable, there can be no assurance that they will be realized. If the Debtors do not achieve their projected financial results, the value of the Reorganized Windstream Equity Interests may be negatively affected and the Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date. Moreover, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

2. *The Reorganized Debtors May Be Controlled by Significant Holders*

If the Plan is confirmed and consummated, holders of First Lien Claims will receive the Reorganized Windstream Equity Interests. The holders of First Lien Claims will own 100% of the Reorganized Windstream Equity Interests (subject to dilution on account of the Management Incentive Plan).

3. *Certain Tax Implications of the Plan*

Holders of Allowed Claims should carefully review Article XII of this Disclosure Statement, entitled "Certain United States Federal Income Tax Consequences of the Plan," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Reorganized Debtors and holders of certain Claims.

4. *The Debtors May Not Be Able to Accurately Report Their Financial Results*

The Debtors have established internal controls over financial reporting. However, internal controls over financial reporting may not prevent or detect misstatements or omissions in the Debtors' financial statements because of their inherent limitations, including the possibility of human error, and the circumvention or overriding of controls or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. If the Debtors fail to maintain the adequacy of their internal controls, the Debtors may be unable to provide financial information in a timely and reliable manner within the time periods required for the Debtors' financial reporting under SEC rules and regulations and the terms of the agreements governing the Debtors' indebtedness. Any such difficulties or failure could materially adversely affect the Debtors' business, results of operations, and financial condition. Further, the Debtors may discover other internal control deficiencies in the future and/or fail to adequately correct previously identified control deficiencies, which could materially adversely affect the Debtors' businesses, results of operations, and financial condition.

C. Risks Related to the Debtors' and the Reorganized Debtors' Businesses

1. *The Reorganized Debtors May Not Be Able to Generate Sufficient Cash to Service All of their Indebtedness*

The Reorganized Debtors' ability to make scheduled payments on, or refinance their debt obligations, depends on the Reorganized Debtors' financial condition and operating performance, which are subject to prevailing economic, industry, and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond the Reorganized Debtors' control. The Reorganized Debtors may be unable to maintain a level of cash flow from operating activities sufficient to permit the Reorganized Debtors to pay the principal, premium, if any, and interest on their indebtedness upon emergence.

2. *The Debtors Will Be Subject to the Risks and Uncertainties Associated with the Chapter 11 Cases*

For the duration of the Chapter 11 Cases, the Debtors' ability to operate, develop, and execute a business plan, and continue as a going concern, will be subject to the risks and uncertainties associated with bankruptcy. These risks include the following: (a) ability to develop, confirm, and consummate the Restructuring Transactions specified in the Plan; (b) ability to obtain Bankruptcy Court approval with respect to motions filed in the Chapter 11 Cases from time to time; (c) ability to maintain relationships with suppliers, vendors, service providers, customers, employees, and other third parties; (d) ability to maintain contracts that are critical to the Debtors' operations; (e) ability of third parties to seek and obtain Bankruptcy

Court approval to terminate contracts and other agreements with the Debtors; (f) ability of third parties to seek and obtain Bankruptcy Court approval to terminate or shorten the exclusivity period for the Debtors to propose and confirm a chapter 11 plan, to appoint a chapter 11 trustee, or to convert the Chapter 11 Cases to chapter 7 proceedings; and (g) the actions and decisions of the Debtors' creditors and other third parties who have interests in the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

These risks and uncertainties could affect the Debtors' businesses and operations in various ways. For example, negative events associated with the Chapter 11 Cases could adversely affect the Debtors' relationships with suppliers, service providers, customers, employees, and other third parties, which in turn could adversely affect the Debtors' operations and financial condition. Also, the Debtors will need the prior approval of the Bankruptcy Court for transactions outside the ordinary course of business, which may limit the Debtors' ability to respond timely to certain events or take advantage of certain opportunities. Because of the risks and uncertainties associated with the Chapter 11 Cases, the Debtors cannot accurately predict or quantify the ultimate impact of events that occur during the Chapter 11 Cases that may be inconsistent with the Debtors' plans.

3. *Operating in Bankruptcy for a Long Period of Time May Harm the Debtors' Businesses*

The Debtors' future results will be dependent upon the successful confirmation and implementation of a plan of reorganization. A long period of operations under Bankruptcy Court protection could have a material adverse effect on the Debtors' businesses, financial condition, results of operations, and liquidity. So long as the proceedings related to the Chapter 11 Cases continue, senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on business operations. A prolonged period of operating under Bankruptcy Court protection also may make it more difficult to retain management and other key personnel necessary to the success and growth of the Debtors' businesses. In addition, the longer the proceedings related to the Chapter 11 Cases continue, the more likely it is that customers and suppliers will lose confidence in the Debtors' ability to reorganize their businesses successfully and will seek to establish alternative commercial relationships.

So long as the proceedings related to the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the administration of the Chapter 11 Cases. The chapter 11 proceedings also required the Debtors to seek debtor-in-possession financing to fund operations. If the Debtors are unable to fully draw on the availability under the DIP Facilities, the chances of successfully reorganizing the Debtors' businesses may be seriously jeopardized, the likelihood that the Debtors will instead be required to liquidate or sell their assets may be increased, and, as a result, creditor recoveries may be significantly impaired.

Furthermore, the Debtors cannot predict the ultimate amount of all settlement terms for the liabilities that will be subject to a plan of reorganization. Even after a plan of reorganization is approved and implemented, the Reorganized Debtors' operating results may be adversely affected by the possible reluctance of prospective lenders and other counterparties to do business with a company that recently emerged from bankruptcy protection.

4. *Financial Results May Be Volatile and May Not Reflect Historical Trends*

The Financial Projections attached hereto as **Exhibit C** are based on assumptions that are an integral part of the projections, including Confirmation and Consummation of the Plan in accordance with its terms, the anticipated future performance of the Debtors, industry performance, general business and economic conditions, and other matters, many of which are beyond the control of the Debtors and some or all of which may not materialize.

In addition, unanticipated events and circumstances occurring after the date hereof may affect the actual financial results of the Debtors' operations. These variations may be material and may adversely affect the value of the Reorganized Windstream Equity Interests and the ability of the Debtors to make payments with respect to their indebtedness. Because the actual results achieved may vary from projected results, perhaps significantly, the Financial Projections should not be relied upon as a guarantee or other assurance of the actual results that will occur.

Further, during the Chapter 11 Cases, the Debtors financial results may be volatile as restructuring activities and expenses, contract terminations and rejections, and claims assessments significantly impact the Debtors' consolidated financial statements. As a result, the Debtors' historical financial performance likely will not be indicative of their financial performance after the Petition Date. In addition, if the Debtors emerge from the Chapter 11 Cases, the amounts reported in subsequent consolidated financial statements may materially change relative to historical consolidated financial statements, including as a result of revisions to the Debtors' operating plans pursuant to a plan of reorganization. The Debtors also may be required to adopt fresh start accounting, in which case their assets and liabilities will be recorded at fair value as of the fresh start reporting date, which may differ materially from the recorded values of assets and liabilities on the Debtors' consolidated balance sheets. The Debtors' financial results after the application of fresh start accounting also may be different from historical trends.

Lastly, the business plan was developed by the Debtors with the assistance of their advisors. There can be no assurances that the Debtors' business plan will not change, perhaps materially, as a result of decisions that the board of directors may make after fully evaluating the strategic direction of the Debtors and their business plan. Any deviations from the Debtors' existing business plan would necessarily cause a deviation

5. *The Debtors' Substantial Liquidity Needs May Impact Revenue*

The Debtors operate in a capital-intensive industry. If the Debtors' cash flow from operations remains depressed or decreases the Debtors may not have the ability to expend the capital necessary to improve or maintain their current operations, resulting in decreased revenues over time.

The Debtors face uncertainty regarding the adequacy of their liquidity and capital resources. In addition to the cash necessary to fund ongoing operations, the Debtors have incurred significant professional fees and other costs in connection with preparing for the Chapter 11 Cases and expect to continue to incur significant professional fees and costs throughout the Chapter 11 Cases. The Debtors cannot guarantee that cash on hand, cash flow from operations, and cash provided by the DIP Facilities will be sufficient to continue to fund their operations and allow the Debtors to satisfy obligations related to the Chapter 11 Cases until the Debtors are able to emerge from bankruptcy protection.

The Debtors' liquidity, including the ability to meet ongoing operational obligations, will be dependent upon, among other things: (a) their ability to comply with the terms and condition of any debtor-in-possession financing and/or cash collateral order entered by the Bankruptcy Court in connection with the Chapter 11 Cases; (b) their ability to maintain adequate cash on hand; (c) their ability to develop, confirm, and consummate the Plan or other alternative restructuring transaction; and (d) the cost, duration, and outcome of the Chapter 11 Cases. The Debtors' ability to maintain adequate liquidity depends, in part, upon industry conditions and general economic, financial, competitive, regulatory, and other factors beyond the Debtors' control. In the event that cash on hand, cash flow from operations, and cash provided under the DIP Facilities are not sufficient to meet the Debtors' liquidity needs, the Debtors may be required to seek additional financing. The Debtors can provide no assurance that additional financing would be available or, if available, offered to the Debtors on acceptable terms. The Debtors' access to additional financing is, and for the foreseeable future likely will continue to be, extremely limited if it is available at

all. The Debtors' long-term liquidity requirements and the adequacy of their capital resources are difficult to predict at this time.

6. *The Debtors' Business is Subject to Complex Laws and Regulations That Can Adversely Affect the Cost, Manner, or Feasibility of Doing Business*

The Debtors' operations are subject to extensive federal, state and local laws and regulations, including complex telecommunication laws. The Debtors may be required to make large expenditures to comply with such regulations. Failure to comply with these laws and regulations may result in the suspension or termination of operations and subject the Debtors to administrative, civil and criminal penalties. These liabilities and costs could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Reorganized Debtors.

7. *The Reorganized Debtors May Be Adversely Affected by Potential Litigation, Including Litigation Arising Out of the Chapter 11 Cases*

In the future, the Reorganized Debtors may become parties to litigation. In general, litigation can be expensive and time consuming to bring or defend against. Such litigation could result in settlements or damages that could significantly affect the Reorganized Debtors' financial results. It is also possible that certain parties will commence litigation with respect to the treatment of their Claims under the Plan. It is not possible to predict the potential litigation that the Reorganized Debtors may become party to, nor the final resolution of such litigation. The impact of any such litigation on the Reorganized Debtors' businesses and financial stability, however, could be material.

8. *The Loss of Key Personnel Could Adversely Affect the Debtors' Operations*

The Debtors' operations are dependent on a relatively small group of key management personnel and a highly-skilled employee base. The Debtors' recent liquidity issues and the Chapter 11 Cases have created distractions and uncertainty for key management personnel and employees. Because competition for experienced personnel can be significant, the Debtors may be unable to find acceptable replacements with comparable skills and experience and the loss of such key management personnel could adversely affect the Debtors' ability to operate their businesses. In addition, a loss of key personnel or material erosion of employee morale could have a material adverse effect on the Debtors' ability to meet expectations, thereby adversely affecting the Debtors' businesses and the results of operations.

9. *Certain Claims May Not Be Discharged and Could Have a Material Adverse Effect on the Debtors' Financial Condition and Results of Operations*

The Bankruptcy Code provides that the confirmation of a plan of reorganization discharges a debtor from substantially all debts arising prior to confirmation. With few exceptions, all Claims that arise prior to the Debtors' filing of their Petitions or before confirmation of the plan of reorganization (a) would be subject to compromise and/or treatment under the plan of reorganization and/or (b) would be discharged in accordance with the terms of the plan of reorganization. Any Claims not ultimately discharged through a plan of reorganization could be asserted against the reorganized entity and may have an adverse effect on the Reorganized Debtors' financial condition and results of operations.

D. Risks Related to Regulation

The Debtors can provide no assurance that the required regulatory and government consents will be obtained in connection with the Restructuring Transactions. In addition, even if all required regulatory and other governmental consents are obtained and the closing conditions are satisfied, no assurance can be given as to the terms, conditions, and timing of the approvals or clearances.

1. *The Debtors' Business Depends upon Licenses Issued by the FCC, and If Licenses Were Not Renewed or the Reorganized Debtors Were to Be Out of Compliance with FCC Regulations and Policies, the Reorganized Debtors' Business Could Be Materially Impaired.*

The Debtors are subject to regulation by the FCC under the Communications Act of 1934, as amended. The Debtors' business depends upon maintaining their licenses issued by the FCC, including licenses for the use of wireless spectrum, which are renewable upon timely application to the FCC. Interested parties may challenge a renewal application. The FCC has authority to revoke licenses, not grant renewal applications, or grant renewal with significant conditions, including renewals for less than a full term. The Debtors cannot be certain that the Reorganized Debtors' future renewal applications will be approved, or that the renewals will not include conditions or qualifications that could adversely affect the Reorganized Debtors' operations, could result in material impairment and could adversely affect the Reorganized Debtors' liquidity and financial condition.

If any of the Reorganized Debtors' FCC licenses are not renewed, it could adversely impact the Reorganized Debtors' operations and revenue. Further, the FCC routinely imposes monetary forfeitures for violations of its rules, and such forfeitures can be significant for certain types of violations and for repeated violations. FCC rules governing the Debtors' regulated service offerings impose costs on their operations, and changes in those rules could have an adverse effect on the Reorganized Debtors' business. In addition, the FCC has rules governing the privacy of specified customer information. Among other things, these FCC rules oblige carriers to implement procedures to: protect specified customer information from inappropriate disclosure; obtain customer permission to use specified information in marketing; authenticate customers before disclosing account information; and annually certify compliance with the FCC's rules. Although most of these regulations are generally consistent with the Debtors' business plans, they may restrict the Reorganized Debtors' flexibility in operating the business. Moreover, governmental regulations and policies may change over time, and the changes may have a material adverse impact upon the Reorganized Debtors' businesses, financial condition, and results of operations.

2. *There Will Be FCC Approval Requirements in Connection with Emergence from Chapter 11.*

The FCC has authority to review any proposed transaction, including a chapter 11 reorganization, that involves the assignment or transfer of control, or substantial change in ownership of, FCC Licenses, and has broad discretion to impose conditions on any application to assign or transfer control of FCC Licenses.

The consent of the FCC is required for the assignment of FCC Licenses or for the transfer of control of , or substantial change of ownership of, an entity that holds or controls FCC Licenses. Except in the case of "involuntary" assignments and transfers of control, prior consent of the FCC is required before an assignment of FCC Licenses or a transfer of control of FCC licensees may be consummated.

Upon the commencement of the Chapter 11 Cases, the Debtors, many of which either hold or control FCC Licenses, changed to debtor-in-possession status. The FCC considers this change in status to be an "involuntary" transaction, and after-the-fact approval of this involuntary transaction is necessary. The Debtors' emergence from bankruptcy pursuant to the Plan will require further consent of the FCC to effectuate an assignment or transfer of control of the FCC Licenses from the debtor-in-possession licensees to the Reorganized Debtors. The FCC will conduct a more thorough inquiry to determine whether the proposed transaction serves the public interest, convenience, and necessity; this entails a public proceeding whereby the FCC will seek comment on the applications related to the Plan. FCC approval will also be required for the transfer of assets to Uniti described in Section VII.F.3.

The FCC treats emergence from bankruptcy by a licensee or its parent company as a "voluntary" assignment of FCC Licenses or a transfer of control of FCC licensees. Prior approval of the FCC is required for such voluntary transfers or assignments. The two-step application process described above, if pursued by the Debtors, is intended to facilitate the FCC's review of Windstream's transfer of control application and result in the company's prompt emergence from bankruptcy. It is not possible, however, to guarantee the FCC's grant of the application by any particular date.

3. *There Will Likely Be State Regulatory Approval Requirements in Connection with Emergence from Chapter 11.*

Many State PUCs have processes similar to those of the FCC, for approving transfers of control of local exchange carriers and interchange carriers, like Windstream, pursuant to chapter 11 proceedings.

Depending on the details of the reorganization, the Debtors might also need to obtain approvals from or interact with State PUCs for states in which it is the incumbent local exchange carrier: Alabama, Arkansas, Florida, Georgia, Iowa, Kentucky, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, and Texas. State filings or approvals may also be required in other states in which Windstream is a competitive local exchange carrier as well. If State PUC approval is required for certain plan-related financing arrangements, such requests are typically combined and processed with the applicants' transfer of control applications. In addition, depending on the specific assets transferred, State PUC approval may also be required for the transfer of assets to Uniti described in Section VII.F.3.

The Chapter 11 Cases may create strong political reactions (potentially by unions, public interest groups, and/or entities that compete with the Company) that could prompt State PUC hearings and negative publicity, and negative perceptions of the Company's performance within a state could create additional complications.

IX. CERTAIN SECURITIES LAW MATTERS

The Debtors believe that the Reorganized Windstream Equity Interests and the Subscription Rights (and any Reorganized Windstream Equity Interests issuable upon exercise of Subscription Rights) issuable pursuant to the Plan are "securities," as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and any applicable state securities law (a "Blue Sky Law"). The Debtors further believe that the offer, sale, issuance and initial distribution of the Reorganized Windstream Equity Interests, Special Warrants (and any Reorganized Windstream Equity Interests issuable upon exercise of such Special Warrants), and the Subscription Rights (and any Reorganized Windstream Equity Interests issuable upon exercise of such Subscription Rights) by Reorganized Windstream pursuant to the Plan is exempt from federal and state securities registration requirements under various provisions of the Securities Act, the Bankruptcy Code and any applicable state Blue Sky Law as described in more detail below. The Reorganized Windstream Equity Interests underlying the Management Incentive Plan will be issued pursuant to a registration statement or another available exemption from registration under the Securities Act and other applicable law.

The following discussion of the issuance and transferability of the Reorganized Windstream Equity Interests relates solely to matters arising under federal and state securities laws. The rights of holders of Reorganized Windstream Equity Interests, including the right to transfer such interests, will also be governed by the New Organizational Documents, which will be filed with the Plan Supplement.

A. 1145 Securities

As discussed herein, the Plan provides for the offer, issuance, sale and distribution by Reorganized Windstream of the Reorganized Windstream Equity Interests to holders of Allowed First Lien Claims, the issuance of Special Warrants to holders of Allowed First Lien Claims (and any Reorganized Windstream Equity Interests issuable upon exercise of such Special Warrants), Subscription Rights (and Reorganized Windstream Equity Interests issuable upon exercise of such Subscription Rights) pursuant to the Rights Offering and the Reorganized Windstream Equity Interests to the Backstop Parties in payment of the Backstop Premium pursuant to the Backstop Commitment Agreement (collectively, the "1145 Securities"). The Reorganized Windstream Equity Interests issuable in payment of the Backstop Premium pursuant to the Backstop Commitment Agreement constitute allowed administrative expenses of the Debtors' estates under sections 503(b) and 507 of the Bankruptcy Code.

1. *Issuance*

(a) Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from registration under section 5 of the Securities Act, and state securities laws if three principal requirements are satisfied: (a) the securities must be offered and sold under a plan of reorganization and must be securities of the debtor, of an affiliate participating in a joint plan with the debtor, or of a successor to the debtor under the plan; (b) the recipients of the securities must hold prepetition or administrative expense claims against the debtor or interests in the debtor; and (c) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in exchange for such claim or interest and partly for cash or property.

(b) Because the total value of an Eligible Claim, as implied by the value of distributions under the Plan, significantly exceeds the cash value payable on account of such Claim pursuant to Subscription Rights in the Rights Offering, the Debtors submit that all 1145 Securities issued pursuant to the Plan will be issued principally in exchange for the corresponding Eligible Claims, and only partly in exchange for the cash purchase price to be paid pursuant to the Rights Offering. Accordingly, the 1145 Securities satisfy all the requirements of section 1145(a)(1) of the Bankruptcy Code and are, therefore, exempt from registration under the Securities Act and state securities laws (except with respect to an underwriter as described below). Furthermore, the Debtors believe that the value of the direct distributions being made to holders of Allowed First Lien Claims (excluding the Subscription Rights), and thus the value of the interests in any such Eligible Claim to be exchanged pursuant to the Rights Offering, exceeds the value of the capital being raised pursuant to the exercise of the Subscription Rights.

Recipients of any 1145 Securities are advised to consult with their own legal advisors as to the availability of any exemption from registration under the Securities Act and any applicable state Blue Sky Law.

2. *Subsequent Transfers*

The 1145 Securities may be freely transferred by most recipients following the initial issuance under the Plan, and all resales and subsequent transfers of the 1145 Securities are exempt from registration under the Securities Act and state securities laws, unless the holder is an "underwriter" with respect to such securities. Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer": (a) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such claim or interest; (b) offers to sell securities offered or sold under a plan for the holders of such securities; (c) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (i) with a view to distribution of such securities and (ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or (d) is an issuer of the securities within the meaning of section 2(a)(11) of the Securities Act. In addition, a person who receives a fee in exchange for purchasing an issuer's securities could also be considered an underwriter within the meaning of section 2(a)(11) of the Securities Act.

The definition of an "issuer" for purposes of whether a person is an underwriter under section 1145(b)(1)(D) of the Bankruptcy Code, by reference to section 2(a)(11) of the Securities Act, includes as "statutory underwriters" all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. The reference to "issuer," as used in the definition of "underwriter" contained in section 2(a)(11) of the Securities Act, is intended to cover "Controlling Persons" of the issuer of the securities. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "Controlling Person" of the debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. In addition, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent or more of a class of securities of a reorganized debtor may be presumed to be a "Controlling Person" and, therefore, an underwriter.

Resales of 1145 Securities by entities deemed to be "underwriters" (which definition includes "Controlling Persons") are not exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Under certain circumstances, holders of Reorganized Windstream Equity Interests who are deemed to be "underwriters" may be entitled to resell their Reorganized Windstream Equity Interests pursuant to the limited safe harbor resale provisions of Rule 144 of the Securities Act. Generally, Rule 144 of the Securities Act would permit the public sale of securities received by such Person if the required holding period has been met and, under certain circumstances, current information regarding the issuer is publicly available and volume limitations, manner of sale requirements and certain other conditions are met. Whether any particular Person would be deemed to be an "underwriter" (including whether the Person is a "Controlling Person") with respect to the Reorganized Windstream Equity Interests would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "underwriter" with respect to the Reorganized Windstream Equity Interests and, in turn, whether any Person may freely resell Reorganized Windstream Equity Interests.

The Debtors recommend that potential recipients of Reorganized Windstream Equity Interests consult their own counsel concerning their ability to freely trade such securities without compliance with the federal law and any applicable state Blue Sky Law.

B. 4(a)(2) Securities

1. *Issuance*

Section 4(a)(2) of the Securities Act provides that the issuance of securities by an issuer in transactions not involving any public offering are exempt from registration under the Securities Act. Regulation D is a non-exclusive safe harbor from registration promulgated by the SEC under section 4(a)(2) of the Securities Act.

The Debtors believe that any Reorganized Windstream Equity Interests not subscribed for in the Rights Offering that are issued to the Backstop Parties pursuant to the Backstop Commitment Agreement (the "4(a)(2) Securities") would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. The Debtors submit that the 4(a)(2) Securities are issuable without registration under the Securities Act in reliance upon the exemption from registration provided under section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder. The 4(a)(2) Securities will be "restricted securities" subject to resale restrictions and may be resold, exchanged, assigned or otherwise transferred only pursuant to registration, or an applicable exemption from registration, under the Securities Act and other applicable law, as described below.

2. *Subsequent Transfers*

Unlike the securities that will be issued pursuant to section 1145(a)(1) of the Bankruptcy Code, the 4(a)(2) Securities will be deemed "restricted securities" that may not be offered, sold, exchanged, assigned or otherwise transferred unless they are registered under the Securities Act, or an exemption from registration under the Securities Act is available.

The Backstop Parties will not be permitted to offer, sell, or otherwise transfer their 4(a)(2) Securities except pursuant to a registration statement or an available exemption from registration.

Rule 144 provides an exemption for the public resale of "restricted securities" if certain conditions are met. These conditions vary depending on whether the holder of the restricted securities is an affiliate of the issuer. An affiliate is defined as "a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer."

A non-affiliate who has not been an affiliate of the issuer during the preceding three months may resell restricted securities after a six-month holding period if at the time of the sale there is available certain current public information regarding the issuer, and may sell the securities after a one-year holding period whether or not there is current public information regarding the issuer. Adequate current public information is available for a reporting issuer if the issuer has filed all periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 during the twelve months preceding the sale of the restricted securities. If the issuer is a non-reporting issuer, adequate current public information is available if certain information about the issuer is made publicly available. The Debtors currently expect that Reorganized Windstream will continue to be a reporting issuer and file all such required periodic reports and that current public information will be available to allow resales by non-affiliates when the six-month holding period expires (approximately six months after the Effective Date).

An affiliate may resell restricted securities after the six-month holding period if at the time of the sale certain current public information regarding the issuer is available. As noted above, the Debtors currently expect that this information requirement will be satisfied. The affiliate must also comply with the volume, manner of sale and notice requirements of Rule 144. First, the rule limits the number of restricted securities (plus any unrestricted securities) sold for the account of an affiliate (and related persons) in any

three-month period to the greater of one percent of the outstanding securities of the same class being sold, or, if the class is listed on a stock exchange, the greater of one percent of the average weekly reported volume of trading in such restricted securities during the four weeks preceding the filing of a notice of proposed sale on Form 144. Second, the manner of sale requirement provides that the restricted securities must be sold in a broker's transaction, which generally means they must be sold through a broker and handled as a routine trading transaction. The broker must receive no more than the usual commission and cannot solicit orders for the sale of the restricted securities except in certain situations. Third, if the sale exceeds 5,000 restricted securities or has an aggregate sale price greater than $50,000 in any three-month period, an affiliate must file with the SEC three copies of a notice of proposed sale on Form 144. The sale must occur within three months of filing the notice unless an amended notice is filed.

The Debtors believe that the Rule 144 exemption will not be available with respect to any 4(a)(2) Securities (whether held by non-affiliates or affiliates) until at least six months after the Effective Date. Accordingly, holders of 4(a)(2) Securities will be required to hold their 4(a)(2) Securities for at least six months and, thereafter, to sell them only in accordance with the applicable requirements of Rule 144.

All 4(a)(2) Securities will be issued in certificated or book-entry form and will bear a restrictive legend. Each certificate or book-entry representing, or issued in exchange for or upon the transfer, sale or assignment of, any 4(a)(2) Securities shall be stamped or otherwise imprinted with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE WERE ORIGINALLY ISSUED ON ISSUANCE DATE, HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY OTHER APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT OR AN AVAILABLE EXEMPTION FROM REGISTRATION THEREUNDER."

The Reorganized Debtors will reserve the right to require certification or other evidence of compliance with Rule 144 as a condition to the removal of such legend or to any resale of the 4(a)(2) Securities. The Reorganized Debtors will also reserve the right to stop the transfer of any 4(a)(2) Securities if such transfer is not in compliance with Rule 144. Any Person who receives 4(a)(2) Securities will be required to acknowledge and agree not to resell such securities except in accordance with Rule 144, when available, and that the securities will be subject to the other restrictions described above.

Any Persons receiving "restricted securities" under the Plan should consult with their own counsel concerning the availability of an exemption from registration for resale of these securities under the Securities Act and other applicable law.

BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR PERSON MAY BE AN UNDERWRITER OR AN AFFILIATE AND THE HIGHLY FACT-SPECIFIC NATURE OF THE AVAILABILITY OF EXEMPTIONS FROM REGISTRATION UNDER THE SECURITIES ACT, INCLUDING THE EXEMPTIONS AVAILABLE UNDER SECTION 1145 OF THE BANKRUPTCY CODE AND RULE 144 UNDER THE SECURITIES ACT, NONE OF THE DEBTORS OR THE REORGANIZED DEBTORS MAKE ANY REPRESENTATION CONCERNING THE ABILITY OF ANY PERSON TO DISPOSE OF THE SECURITIES TO BE DISTRIBUTED UNDER THE PLAN. THE DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF THE SECURITIES TO BE ISSUED UNDER THE PLAN CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.

Should the Reorganized Debtors elect on or after the Effective Date to reflect any ownership of the Reorganized Windstream Equity Interests or other securities to be issued under the Plan through the facilities of the DTC, the Reorganized Debtors need not provide any further evidence other than the Plan or the Confirmation Order with respect to the treatment of the Reorganized Windstream Equity Interests or other securities to be issued under the Plan under applicable securities laws. DTC shall be required to accept and conclusively rely upon the Plan and Confirmation Order in lieu of a legal opinion regarding whether the Reorganized Windstream Equity Interests or other securities to be issued under the Plan are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services. Notwithstanding anything to the contrary in the Plan, no Person (including, for the avoidance of doubt, DTC) may require a legal opinion regarding the validity of any transaction contemplated by the Plan, including, for the avoidance of doubt, whether the Reorganized Windstream Equity Interests or other securities to be issued under the Plan are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

X. SOLICITATION AND VOTING PROCEDURES

This Disclosure Statement, which is accompanied by a Ballot or Ballots to be used for voting on the Plan, is being distributed to the holders of Claims or Interests in those Classes that are entitled to vote to accept or reject the Plan.

A. Holders of Claims Entitled to Vote on the Plan

Under the provisions of the Bankruptcy Code, not all holders of claims against or interests in a debtor are entitled to vote on a chapter 11 plan. The table in Article III.C of this Disclosure Statement, entitled "Am I entitled to vote on the Plan?," provides a summary of the status and voting rights of each Class (and, therefore, of each holder within such Class absent an objection to the holder's Claim or Interest) under the Plan.

As shown in the table, the Debtors are soliciting votes to accept or reject the Plan only from holders of Claims or Interests in Classes 3, 4, 5, and 6A (the "Voting Classes"). The holders of Claims or Interests in the Voting Classes are Impaired under the Plan and may, in certain circumstances, receive a distribution under the Plan. Accordingly, holders of Claims or Interests in the Voting Classes have the right to vote to accept or reject the Plan. The Debtors are ***not*** soliciting votes from holders of Claims or Interests in Classes 1, 2, 6B, 7, 8, and 9.

B. Voting Record Date

The Voting Record Date is May 7, 2020. The Voting Record Date is the date on which it will be determined which holders of Claims or Interests in the Voting Classes are entitled to vote to accept or reject the Plan and whether Claims or Interests have been properly assigned or transferred under Bankruptcy Rule 3001(e) such that an assignee or transferee, as applicable, can vote to accept or reject the Plan as the holder of a Claim or Interest.

C. Voting on the Plan

The Voting Deadline is June 17, 2020, at 4:00 p.m. (prevailing Eastern Time). In order to be counted as votes to accept or reject the Plan, all ballots must be properly executed, completed, and delivered as directed, so that your ballot or the master ballot containing your vote is **actually received** by the Claims and Balloting Agent on or before the Voting Deadline.

To vote, complete, sign, and date your ballot and return it (with an original signature) *promptly* via electronic mail to WindstreamInfo@kccllc.com with "Windstream Vote" in the subject line.

IF YOU HAVE ANY QUESTIONS ABOUT THE SOLICITATION OR VOTING PROCESS, PLEASE CONTACT THE CLAIMS AND BALLOTING AGENT TOLL FREE AT (888) 909-0100 OR VIA ELECTRONIC MAIL TO WindstreamInfo@kccllc.com

D. Ballots Not Counted

No ballot will be counted toward Confirmation if, among other things: (1) it is illegible or contains insufficient information to permit the identification of the holder of the Claim or Interest; (2) it was transmitted by means other than as specifically set forth in the ballots; (3) it was cast by an entity that is not entitled to vote on the Plan; (4) it was cast for a Claim listed in the Debtors' schedules as contingent, unliquidated, or disputed for which the applicable Bar Date has passed and no proof of claim was timely filed; (5) it was cast for a Claim that is subject to an objection pending as of the Voting Record Date; (6) it was sent to the Debtors, the Debtors' agents/representatives (other than the Claims and Balloting Agent), or the Debtors' financial or legal advisors instead of the Claims and Balloting Agent; (7) it is unsigned; or (8) it is not clearly marked to either accept or reject the Plan or it is marked both to accept and reject the Plan.

ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE OR THAT IS OTHERWISE NOT IN COMPLIANCE WITH THE DISCLOSURE STATEMENT ORDER WILL NOT BE COUNTED. [16]

XI. CONFIRMATION OF THE PLAN

A. Requirements for Confirmation of the Plan

Among the requirements for Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code are: (1) the Plan is accepted by all Impaired Classes of Claims or Interests, or if rejected by an Impaired Class, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the rejecting Impaired Class; (2) the Plan is feasible; and (3) the Plan is in the "best interests" of holders of Claims or Interests.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of section 1129 of the Bankruptcy Code. The Debtors believe that: (1) the Plan satisfies, or will satisfy, all of the necessary statutory requirements of chapter 11 for plan confirmation; (2) the Debtors have complied, or will have complied, with all of the necessary requirements of chapter 11 for plan confirmation; and (3) the Plan has been proposed in good faith.

B. Best Interests of Creditors/Liquidation Analysis

Often called the "best interests" test, section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each holder of a claim or an equity interest in such impaired class either (1) has accepted

[16] For any ballot cast via electronic mail, a format of the attachment must be found in the common workplace and industry standard format (*i.e.*, industry-standard PDF file) and a received date and time in the Claims and Balloting Agent's inbox will be used as a timestamp for a receipt.

the plan or (2) will receive or retain under the plan property of a value that is not less than the amount that the non-accepting holder would receive or retain if the debtors liquidated under chapter 7.

Attached hereto as **Exhibit B** and incorporated herein by reference is a liquidation analysis (the "Liquidation Analysis") prepared by the Debtors with the assistance of the Debtors' advisors. As reflected in the Liquidation Analysis, the Debtors believe that liquidation of the Debtors' businesses under chapter 7 of the Bankruptcy Code would result in substantial diminution in the value to be realized by holders of Claims or Interests as compared to distributions contemplated under the Plan. Consequently, the Debtors and their management believe that Confirmation of the Plan will provide a substantially greater return to holders of Claims or Interests than would a liquidation under chapter 7 of the Bankruptcy Code.

If the Plan is not confirmed, and the Debtors fail to propose and confirm an alternative plan of reorganization, the Debtors' businesses may be liquidated pursuant to the provisions of a chapter 11 liquidating plan. In liquidations under chapter 11, the Debtors' assets could be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7. Thus, a chapter 11 liquidation may result in larger recoveries than a chapter 7 liquidation, but the delay in distributions could result in lower present values received and higher administrative costs. Any distribution to holders of Claims or Interests (to the extent holders of Interests would receive distributions at all) under a chapter 11 liquidation plan would most likely be substantially delayed. Most importantly, the Debtors believe that any distributions to creditors in a chapter 11 liquidation scenario would fail to capture the significant going concern value of their businesses, which is reflected in the Reorganized Windstream Equity Interests to be distributed under the Plan. Accordingly, the Debtors believe that a chapter 11 liquidation would not result in distributions as favorable as those under the Plan.

As set forth in Note 18 to the Liquidation Analysis, the Liquidation Analysis recognizes more than $225 billion in intercompany payables, which amounts are reflected as accounting entries on the Debtors' books and records. To the extent that holders of General Unsecured Claims at Obligor Debtors were entitled to distribution of any value under the Liquidation Analysis, recoveries to such holders of General Unsecured Claims would be substantially diluted by the intercompany payables reflected on the Debtors' books and records. Even if intercompany payables were not recognized in the Liquidation Analysis, however, holders of General Unsecured Claims at Obligor Debtors would not receive a distribution of value under the Liquidation Analysis since there is no distributable value to holders of Claims at Obligor Debtors in excess of first lien claims under the Liquidation Analysis. The Debtors conducted a postpetition review of the enforceability and priority of the intercompany payables. The Unsecured Notes Trustees reserve all rights with respect to the recognition and treatment of intercompany payables in the Liquidation Analysis.

C. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that confirmation of a plan of reorganization is not likely to be followed by the liquidation, or the need for further financial reorganization of the debtor, or any successor to the debtor (unless such liquidation or reorganization is proposed in such plan of reorganization).

To determine whether the Plan meets this feasibility requirement, the Debtors, with the assistance of their advisors, have analyzed their ability to meet their respective obligations under the Plan. As part of this analysis, the Debtors have prepared their projected consolidated balance sheet, income statement, and statement of cash flows (the "Financial Projections"). Creditors and other interested parties should review Article VIII of this Disclosure Statement, entitled "Risk Factors," for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors.

The Financial Projections are attached hereto as **Exhibit C** and incorporated herein by reference. Based upon the Financial Projections, the Debtors believe that they will be a viable operation following the Chapter 11 Cases and that the Plan will meet the feasibility requirements of the Bankruptcy Code.

D. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or equity interests impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required.[17]

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in a number of allowed claims in that class, counting only those claims that have *actually* voted to accept or to reject the plan. Thus, a class of Claims will have voted to accept the Plan only if two-thirds in amount and a majority in number of the Allowed Claims in such class that vote on the Plan actually cast their ballots in favor of acceptance.

Section 1126(d) of the Bankruptcy Code defines acceptance of a plan by a class of impaired equity interests as acceptance by holders of at least two-thirds in amount of allowed interests in that class, counting only those interests that have *actually* voted to accept or to reject the plan. Thus, a Class of Interests will have voted to accept the Plan only if two-thirds in amount of the Allowed Interests in such class that vote on the Plan actually cast their ballots in favor of acceptance.

If a Class contains holders of Claims or Interests eligible to vote and no holders of Claims or Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be presumed accepted by the holders of such Claims or Interests in such class.

E. Confirmation without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted it; *provided*, that the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

If any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors may request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan or any Plan

[17] A class of claims is "impaired" within the meaning of section 1124 of the Bankruptcy Code unless the plan (a) leaves unaltered the legal, equitable and contractual rights to which the claim or equity interest entitles the holder of such claim or equity interest or (b) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or equity interest entitles the holder of such claim or equity interest.

Supplement document, including the right to amend or modify the Plan or any Plan Supplement document to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

1. *No Unfair Discrimination*

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims or interests of equal rank (*e.g.*, classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

2. *Fair and Equitable Test*

The "fair and equitable" test applies to classes of different priority and status (*e.g.*, secured versus unsecured) and includes the general requirement that no class of claims receive more than 100 percent of the amount of the allowed claims in the class. As to the dissenting class, the test sets different standards depending upon the type of claims or equity interests in the class.

The Debtors submit that if the Debtors "cramdown" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. With respect to the unfair discrimination requirement, all Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Classes that have equal rank. With respect to the fair and equitable requirement, no Class under the Plan will receive more than 100 percent of the amount of Allowed Claims or Interests in that Class. The Debtors believe that the Plan and the treatment of all Classes of Claims or Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

F. Valuation of the Debtors

In conjunction with formulating the Plan and satisfying its obligations under section 1129 of the Bankruptcy Code, the Debtors determined that it was necessary to estimate the post-Confirmation going concern value of the Debtors. Accordingly, the Debtors, with the assistance of PJT, produced the Valuation Analysis that is set forth in **Exhibit D** attached hereto and incorporated herein by reference. As set forth in the Valuation Analysis, the Debtors' going concern value is substantially less than the aggregate amount of its funded-debt obligations. Accordingly, the Valuation Analysis further supports the Debtors conclusion that the treatment of Classes under the Plan is fair and equitable and otherwise satisfies the Bankruptcy Code's requirements for confirmation.

XII. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion is a summary of certain United States ("U.S.") federal income tax consequences of the consummation of the Plan to the Debtors, Reorganized Debtors, and to certain holders of Claims. The following summary does not address the U.S. federal income tax consequences to holders of Claims or Interests not entitled to vote to accept or reject the Plan. This summary is based on the Internal Revenue Code of 1986, as amended (the "IRC"), the U.S. Treasury Regulations promulgated thereunder (the "Treasury Regulations"), judicial authorities, published administrative positions of the U.S. Internal Revenue Service (the "IRS"), and other applicable authorities, all as in effect on the date of this Disclosure Statement and all of which are subject to change or differing interpretations, possibly with retroactive effect.

Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained. The Debtors are currently seeking a ruling from the IRS as to the appropriate characterization and tax consequences of a transaction structure intended to be a NewCo Transaction (as defined below). However, the Debtors do not intend to seek a ruling from the IRS regarding any of the other tax consequences of the Plan discussed below. The discussion below is not binding upon the IRS or the courts. No assurance can be given that the IRS would not assert, or that a court would not sustain, a different position than any position discussed herein.

This discussion does not purport to address all aspects of U.S. federal income taxation that may be relevant to the Debtors, Reorganized Debtors, or to certain holders of Claims or Interests in light of their individual circumstances. This discussion does not address tax issues with respect to such holders of Claims or Interests subject to special treatment under the U.S. federal income tax laws (including, for example, banks, governmental authorities or agencies, pass-through entities, subchapter S corporations, dealers and traders in securities, insurance companies, financial institutions, tax exempt organizations, small business investment companies, foreign taxpayers, Persons who are related to the Debtors within the meaning of the IRC, Persons using a mark-to-market method of accounting, holders of Claims who are themselves in bankruptcy, and regulated investment companies and those holding, or who will hold, Claims or Interests, or the Reorganized Windstream Equity Interests or any other consideration to be received under the Plan, as part of a hedge, straddle, conversion, or other integrated transaction). No aspect of state, local, estate, gift, or non-U.S. taxation is addressed. Furthermore, this summary assumes that holders of Claims hold only Claims in a single Class and hold Claims or Interests as "capital assets" (within the meaning of section 1221 of the IRC). This summary does not address any special arrangements or contractual rights that are not being received or entered into in respect of an underlying Claim, including the tax treatment of any backstop fees or similar arrangements (including any ramifications such arrangements may have on the treatment of a holder under the Plan). This summary also assumes that the various debt and other arrangements to which the Debtors are a party will be respected for U.S. federal income tax purposes in accordance with their form.

For purposes of this discussion, a "U.S. Holder" is a holder that is: (1) an individual citizen or resident of the United States for U.S. federal income tax purposes; (2) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia; (3) an estate the income of which is subject to U.S. federal income taxation regardless of the source of such income; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over the trust's administration and one or more United States persons has authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person. For purposes of this discussion, a "Non-U.S. Holder" is any holder that is not a U.S. Holder other than any partnership (or other entity treated as a partnership or other pass-through entity for U.S. federal income tax purposes).

If a partnership (or other entity treated as a pass-through entity for U.S. federal income tax purposes) is a holder of a Claim or Interest, the tax treatment of a partner (or other beneficial owner) of such entity generally will depend upon the status of the partner (or other beneficial owner) and the activities of the partner (or other beneficial owner) and the entity. Partners (or other beneficial owners) of partnerships (or other pass-through entities) that are holders of Claims or Interests should consult their respective tax advisors regarding the U.S. federal income tax consequences of the Plan.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR INTEREST. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX

ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

A. Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors and the Reorganized Debtors

1. *In General*

The Debtors expect that the Restructuring Transactions will be structured in one of two ways: (a) a recapitalization of the existing Debtors under their current corporate structure (a "Recapitalization Transaction"), or (b) a disposition of the assets and liabilities of the Debtors to a newly-formed entity in a tax-free reorganization pursuant to sections 368(a)(1)(G) and 354 of the IRC (a "NewCo Transaction"). The Debtors have not yet determined whether the Restructuring Transactions will be consummated as a Recapitalization Transaction or a NewCo Transaction. Such decision will depend on, among other things, the ability of the Debtors to obtain a favorable ruling from the IRS regarding a NewCo Transaction and the ability to satisfy certain requirements of a NewCo Transaction with respect to which the Debtors are not seeking a ruling from the IRS. In either case, the Debtors do not expect to recognize any gain or loss as a result of consummating such a transaction (although the Debtors may engage in certain Restructuring Transactions that do result in the recognition of gain or loss), so long as the intended tax treatment of such transactions are respected. However, in either case, the Restructuring will be subject to the application of section 382 of the IRC, and, depending on certain factors, a Recapitalization Transaction may also be subject to the rules discussed below with respect to cancellation of indebtedness income ("COD Income"), as described below.

2. *Effects of the Restructuring Transactions on Tax Attributes of Debtors*

(a) Preservation of Tax Attributes and Cancellation of Indebtedness Income

In a Recapitalization Transaction, the tax attributes of the Reorganized Debtors may, depending on certain factors, be reduced by the amount of their excluded COD Income, and assuming COD Income does arise, the Debtors expect that it will be substantial. In general, absent an exception, a debtor will realize and recognize cancellation of debt income ("COD Income") upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (X) the amount of Cash paid, (Y) the issue price of any new indebtedness of the debtor issued, and (Z) the fair market value of any new consideration, in each case, given in satisfaction of such indebtedness at the time of the satisfaction. Unless an exception or exclusion applies, COD Income constitutes taxable income like any other item of taxable income.

Pursuant to section 108 of the IRC, a debtor will not, however, be required to include any amount of COD Income in gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of indebtedness occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to section 108 of the IRC. In general, the tax attributes of a debtor will be reduced in the following order: (a) NOLs and NOL carryforwards; (b) general business credit carryovers; (c) minimum tax credit carryovers (d) capital loss carryovers; (e) tax basis in assets (subject to the Asset Tax Basis Floor, as described below); (f) passive activity loss and credit carryovers; and (g) foreign tax credits. A debtor with COD Income may elect to first reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the IRC prior to effecting any other reductions in tax attributes set forth above, though it has not been determined whether the Debtors will make this election. The reduction in tax

attributes occurs only after the taxable income (or loss) for the taxable year of the debt discharge has been determined and any excess COD Income over the amount of available tax attributes will generally not give rise to U.S. federal income tax and will generally have no other U.S. federal income tax impact.

The Treasury Regulations address the method and order for applying tax attribute reduction to an affiliated group of corporations. Pursuant thereto, the tax attributes of each debtor member of an affiliated group of corporations that is excluding COD Income are first subject to reduction. To the extent the debtor member's tax basis in stock of a lower-tier member of the affiliated group is reduced, a "look through rule" requires that a corresponding reduction be made to the tax attributes of the lower-tier member. If a debtor member's excluded COD Income exceeds its tax attributes, the excess COD Income is applied to reduce certain remaining consolidated tax attributes of the affiliated group.

The aggregate tax basis of the Debtors in their assets (determined on an entity-by-entity basis, and in the case of an affiliated group of corporations, subject to the look-through rule described above) is not required to be reduced below the amount of indebtedness (determined on an entity-by-entity basis) that the Debtors will be subject to immediately after the cancellation of debt giving rise to COD Income (the "Asset Tax Basis Floor"). Generally, all of an entity's obligations that are treated as debt under general U.S. federal income tax principles (including intercompany debt treated as debt for U.S. federal income tax purposes) are taken into account in determining an entity's Asset Tax Basis Floor.

One of the rulings the Debtors are requesting from the IRS in connection with the NewCo Transaction is that the NewCo transaction does not give rise to COD Income, but instead, would give rise to taxable income that is excludable under relevant provisions of the IRC. The Debtors may, depending on various factors, take the position that the same result applies in a Recapitalization Transaction (that is, that even in a Recapitalization Transaction, consummation of the Plan does not give rise to COD Income), but such a position would potentially be subject to uncertainty. The exact amount of the COD Income (if any) that will be realized by the Debtors will not be determinable until after the consummation of the Plan.

(b) Limitation of NOL Carryforwards and Other Tax Attributes Under Sections 382 and 383 of the IRC

After giving effect to the reduction in tax attributes from excluded COD Income (if any), the Debtors' ability to use any tax attributes post-emergence will be subject to certain limitations under sections 382 and 383 of the IRC.

(i) General Sections 382 and 383 Annual Limitations

Under sections 382 and 383 of the IRC, if a corporation undergoes an "ownership change," the amount of its NOLs and NOL carryforwards, disallowed business interest carryovers under section 163(j) of the IRC ("163(j) Carryovers"), tax credit carryforwards, net unrealized built-in losses, and possibly certain other attributes of the Reorganized Debtors allocable to periods prior to the Effective Date (collectively, "Pre-Change Losses") that may be utilized to offset future taxable income generally are subject to an annual limitation. For this purpose, if a corporation (or consolidated group) has a net unrealized built-in loss at the time of an ownership change (taking into account most assets and items of "built-in" income and deductions), then generally built-in losses (including amortization or depreciation deductions attributable to such built-in losses) and deductions recognized during the following five years (up to the amount of the original net unrealized built-in loss) will be treated as Pre-Change Losses and similarly will be subject to the annual limitation. In general, a corporation's (or consolidated group's) net

unrealized built-in loss will be deemed to be zero unless it is greater than the lesser of (a) $10,000,000, or (b) 15 percent of the fair market value of its assets (with certain adjustments) before the ownership change.

The rules of sections 382 and 383 of the IRC are complicated, but as a general matter, the Debtors anticipate that the issuance of Reorganized Windstream Equity Interests pursuant to the Plan will result in an "ownership change" of the Debtors for these purposes, and that the Reorganized Debtors' use of their Pre-Change Losses will be subject to limitation unless an exception to the general rules of sections 382 and 383 of the IRC applies.

(ii) General Section 382 Annual Limitation

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject (the "382 Limitation") is equal to the product of (a) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments), multiplied by (b) the "long-term tax-exempt rate" (which is the highest of the adjusted federal long-term rates in effect for any month in the 3-calendar-month period ending with the calendar month in which the "ownership change" occurs: 1.63% percent for April 2020). The 382 Limitation may be increased, up to the amount of any net unrealized built-in gain (if any) at the time of the ownership change, to the extent that the Debtors recognize certain built-in gains in their assets during the five-year period following the ownership change, or are treated as recognizing built-in gains pursuant to the safe harbors provided in IRS Notice 2003-65.[18] Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year. As discussed below, however, special rules may apply in the case of a corporation that experiences an ownership change as the result of a bankruptcy proceeding.

Notwithstanding the rules described above, if subsequent to an ownership change, a debtor corporation and its subsidiaries do not continue the debtor corporation's historic business or use a significant portion of its historic business assets in a new business for two years after the ownership change, the annual limitation resulting from the ownership change is zero.

(iii) Special Bankruptcy Exceptions

An exception to the foregoing annual limitation rules generally applies when so-called "qualified creditors" of a debtor corporation in chapter 11 receive, in respect of their Claims, at least 50 percent of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan (the "382(l)(5) Exception"). Under the 382(l)(5) Exception, a debtor's Pre-Change Losses are not limited on an annual basis, but, instead, NOLs, NOL carryforwards, and 163(j) Carryovers will be reduced by the amount of any interest deductions claimed during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies and the Debtors undergo another "ownership change" within two years after the Effective Date, then the Debtors' Pre-Change Losses thereafter would be effectively eliminated in their entirety. If the Debtors were to undergo another

[18] Regulations have been proposed that would significantly change the application of the rules relating to built-in gains and losses for purposes of computing the 382 Limitation. However, proposed regulations have also been released that would "grandfather" companies that undergo an "ownership change" pursuant to an order entered in a bankruptcy case that was commenced prior to, or within 30 days of, the publication of the finalized new rules in this area. Accordingly, the Debtors do not expect the proposed regulations to apply to them or to the Reorganized Debtors with respect to the "ownership change" that will occur pursuant to the Plan.

"ownership change" after the expiration of this two year period, the resulting 382 limitation would be determined under the regular rules for ownership changes.

Where the 382(l)(5) Exception is not applicable to a corporation in bankruptcy (either because the debtor does not qualify for the 382(l)(5) Exception or the debtor otherwise elects not to utilize the 382(l)(5) Exception), a second special rule will generally apply (the "382(l)(6) Exception"). Under the 382(l)(6) Exception, the 382 Limitation will be calculated by reference to the lesser of the value of the debtor corporation's new stock (with certain adjustments) immediately after the ownership change or the value of such debtor corporation's assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule for determining the 382 Limitation, which requires the fair market value of a debtor corporation that undergoes an "ownership change" to be determined before the events giving rise to the ownership change. The 382(l)(6) Exception also differs from the 382(l)(5) Exception because the debtor corporation is not required to reduce its NOL carryforwards by the amount of interest deductions claimed within the prior three-year period, and the debtor may undergo a change of ownership within two years without automatically triggering the elimination of its Pre-Change Losses. The resulting limitation would be determined under the regular rules for ownership changes.

The Debtors do not currently know whether they are eligible for the 382(l)(5) Exception, and regardless of whether the 382(l)(5) Exception is available, the Reorganized Debtors may decide to affirmatively elect out of the 382(l)(5) Exception so that the 382(l)(6) Exception instead applies. Whether the Reorganized Debtors take advantage of the 382(l)(6) Exception or the 382(l)(5) Exception, though, the Reorganized Debtors' use of their Pre-Change Losses after the Effective Date may be adversely affected if an "ownership change" within the meaning of section 382 of the IRC were to occur after the Effective Date.

B. Certain U.S. Federal Income Tax Consequences to U.S. Holders of Allowed Claims Entitled to Vote

1. *General Considerations*

The treatment of each holder of Claims will be the same regardless of whether the Restructuring Transactions are structured as a Recapitalization Transaction or a NewCo Transaction.

In general, as discussed in more detail below, the Restructuring Transactions will be taxable transactions for U.S. federal income tax purposes for holders of Class 5 Second Lien Claims, Class 6A Obligor General Unsecured Claims, and Class 4 Midwest Note Claims.[19].

The U.S. federal income tax consequences for Class 3 First Lien Claims will depend, in part, on whether the Claims surrendered, and any take-back debt received in exchange for such Claims, constitute "securities" for U.S. federal income tax purposes.

Neither the IRC nor the Treasury Regulations define the term "security." Whether a debt instrument constitutes a "security" for U.S. federal income tax purposes is determined based on all the relevant facts and circumstances, but most authorities have held that the length of the term of a debt instrument is an important factor in determining whether such instrument is a security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including

[19] In the case of Class 4 Midwest Notes Claims, this is because the Midwest Notes Exit Facility Term Loans are expected to be issued by an entity other than the issuer of the Class 4 Midwest Notes Claims for U.S. federal income tax purposes and, therefore, the holders of such Claims are not exchanging a security for a security of the same issuer.

the security for payment, the creditworthiness of the obligor, the subordination or lack thereof to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable, or contingent, and whether such payments are made on a current basis or accrued.

The character of any gain or loss recognized by a U.S. Holder as capital gain or loss or as ordinary income or loss will be determined by a number of factors, including the tax status of the holder, the nature of the Claim in such holder's hands, whether the Claim constitutes a capital asset in the hands of the holder, whether the Claim was purchased at a discount, and whether and to what extent the Holder has previously claimed a bad debt deduction with respect to its Claim. If recognized gain is capital gain, it generally would be long term capital gain if the holder held its Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations as discussed below.

2. *Consequences to Holders of Class 3 First Lien Claims*

In exchange for full and final satisfaction, compromise, settlement, release and discharge of the Class 3 First Lien Claims, each holder thereof will receive its Pro Rata share of: (a) Reorganized Windstream Equity Interests, subject to dilution on account of the Rights Offering, Backstop Premium, and the Management Incentive Plan; (b) Cash; (c) the Distributable Subscription Rights; and (d) if applicable, the First Lien Replacement Term Loans.

(a) Treatment of Holders of Class 3 First Lien Claims if such Claims Are Treated as Securities

If the Class 3 First Lien Claims are treated as securities, then the exchange of such Claims should be a partial tax-free exchange pursuant to sections 354 and 356 of the IRC. A U.S. Holder of such a Claim should recognize gain (but not loss), to the extent of the lesser of (a) the amount of gain realized from the exchange, which should be equal to (i) the sum of (A) any Cash received, and (B) the fair market value (or issue price, in the case of debt instruments) of any non-Cash consideration, minus (ii) the U.S. Holder's adjusted basis, if any, in the Claim; and (b) the sum of (i) any Cash received, and (ii) the fair market value (or issue price, in the case of debt instruments) of any non-Cash consideration that constitutes "other property" that is not permitted to be received under sections 354 and 356 of the IRC without recognition of gain.

With respect to non-Cash consideration that is treated as a "stock or security" of Reorganized Windstream, such U.S. Holder should obtain a tax basis in such property equal to: (a) the tax basis of the Claim surrendered, less (b) the Cash and "other property" received, plus (c) gain recognized (if any). The holding period for such non-Cash consideration should include the holding period for the exchanged Claims.

With respect to non-Cash consideration that is not treated as a "stock or security" of Reorganized Windstream, U.S. Holders should obtain a tax basis in such property equal to the property's fair market value (or issue price, in the case of debt instruments) as of the date such property is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such property.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, original issue discount ("OID") or market discount (which differs from the

treatment described above), see the sections entitled "Accrued Interest (and OID)" and "Market Discount" below.

(b) Treatment of Holders of Class 3 First Lien Claims if such Claims Are Not Treated as Securities

If the Class 3 First Lien Claims are not treated as securities, then the exchange of such Claims should be treated as a taxable exchange pursuant to section 1001 of the IRC.

A U.S. Holder of a Class 3 First Lien Claim who is subject to this treatment should recognize gain or loss equal to: (a) the sum of (i) any Cash received, (ii) the fair market value (or issue price, in the case of debt instruments) of any non-Cash consideration, minus (b) the Holder's adjusted tax basis in its Class 3 First Lien Claim.

Such U.S. Holder should obtain a tax basis in the non-Cash consideration received equal to the consideration's fair market value (or issue price, in the case of debt instruments) as of the date such consideration is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such consideration.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, OID or market discount, (which differs from the treatment described above), see the sections entitled "Accrued Interest (and OID)" and "Market Discount" below.

3. *Consequences to Holders of Class 4 Midwest Notes Claims*

In exchange for full and final satisfaction, compromise, settlement, release and discharge of the Class 4 Midwest Notes Claims, each holder thereof will receive its Pro Rata share of the Midwest Notes Exit Facility Term Loans.

The exchange of such Claims should be treated as a taxable exchange pursuant to section 1001 of the IRC. A U.S. Holder of a Class 4 Midwest Notes Claim who is subject to this treatment should recognize gain or loss equal to: (a) the issue price of the Midwest Notes Exit Facility Term Loans, minus (b) the Holder's adjusted tax basis in its Class 4 Midwest Notes Claim.

Other than with respect to any amounts received that are attributable to accrued but untaxed interest (or OID), and subject to the rules relating to market discount, such U.S. Holder should obtain a tax basis in the Midwest Notes Exit Facility Term Loans, equal to its issue price as of the date such consideration is distributed to the U.S. Holder. The holding period for any such property should begin on the day following the receipt of such consideration.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, OID or market discount, (which differs from the treatment described above), see the sections entitled "Accrued Interest (and OID)" and "Market Discount" below.

4. *Consequences to Holders of Class 5 Second Lien Claims and Class 6A Obligor General Unsecured Claims*

In exchange for full and final satisfaction, compromise, settlement, release and discharge of the Class 5 Second Lien Claims and Class 6A Obligor General Unsecured Claims, each holder thereof will either: (a) receive its Pro Rata share of the amount of Cash specified in the Plan, or (b) if any such class of

holders votes as a class to reject the Plan, then such class will receive treatment consistent with section 1129(a)(7) of the Bankruptcy Code.

A U.S. Holder of a Class 5 Second Lien Claims or Class 6A Obligor General Unsecured Claims who is subject to this treatment should recognize gain or loss equal to: (a) the Cash received, minus (b) the Holder's adjusted tax basis in its Claim. Holders of Claims should consult with their own tax advisors regarding the treatment of any consideration other than Cash that may be received pursuant to the Plan.

For the treatment of the exchange to the extent a portion of the consideration received is allocable to accrued but unpaid interest, OID or market discount, (which differs from the treatment described above), see the sections entitled "Accrued Interest (and OID)" and "Market Discount" below.

5. *Treatment of Rights Offering*

Although not entirely free from doubt, the Reorganized Debtors intend to take the position that a U.S. Holder of a Class 3 First Lien Claim that elects to exercise its Distributable Subscription Rights should be treated as purchasing, in exchange for its Distributable Subscription Rights and the amount of Cash paid by the U.S. Holder to exercise such Distributable Subscription Rights, Reorganized Windstream Equity Interests. Such a purchase should generally be treated as the exercise of an option under general U.S. federal income tax principles, and such U.S. Holder should not recognize income, gain, or loss for U.S. federal income tax purposes when it exercises the Distributable Subscription Rights. A U.S. Holder's aggregate tax basis in the Reorganized Windstream Equity Interests should equal the sum of (a) the amount of Cash paid by the U.S. Holder to exercise the Distributable Subscription Rights, plus (b) such U.S. Holder's tax basis in the Distributable Subscription Rights immediately before the Distributable Subscription Rights are exercised. A U.S. Holder's holding period for the Reorganized Windstream Equity Interests received pursuant to such exercise should begin on the day following the Effective Date.

A U.S. Holder that elects not to exercise the Distributable Subscription Rights may be entitled to claim a (likely short-term capital) loss equal to the amount of tax basis allocated to such Distributable Subscription Rights, subject to any limitation on such U.S. Holder's ability to utilize capital losses. U.S. Holders electing not to exercise their Distributable Subscription Rights should consult with their own tax advisors as to the tax consequences of such decision.

6. *Accrued Interest (and OID)*

To the extent that any amount received by a U.S. Holder of a surrendered Claim under the Plan is attributable to accrued but untaxed interest (or OID) on the debt instruments constituting the surrendered Claim, such amount should be taxable to the U.S. Holder as ordinary interest income (to the extent not already included in income by the U.S. Holder). Conversely, a U.S. Holder of a surrendered Claim may be able to recognize a deductible loss to the extent that any accrued interest on the debt instruments constituting such Claim was previously included in the Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point. The tax basis of any non-Cash consideration treated as received in satisfaction of accrued but untaxed interest (or OID) should equal the amount of such accrued but untaxed interest (or OID). The holding period for such non-Cash consideration should begin on the day following the receipt of such property.

The extent to which the consideration received by a U.S. Holder of a surrendered Claim will be attributable to accrued interest on the debt constituting the surrendered Claim is unclear. Certain legislative history and case law indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, while certain Treasury Regulations treat payments as allocated first to any accrued but untaxed interest. The Plan provides that amounts paid to Holders of Claims will be allocated first to unpaid principal and then to

unpaid interest. The IRS could take the position that the consideration received by the Holder should be allocated in some way other than as provided in the Plan. Holders of Claims are urged to consult their tax advisor regarding the allocation of consideration and the deductibility of accrued but unpaid interest for U.S. federal income tax purposes.

7. *Market Discount*

Under the "market discount" provisions of sections 1276 through 1278 of the IRC, some or all of any gain realized by a U.S. Holder exchanging the debt instruments constituting its Allowed Claim may be treated as ordinary income (instead of capital gain), to the extent of the amount of "market discount" on the debt constituting the surrendered Claim.

Any gain recognized by a U.S. Holder on the taxable disposition (determined as described above) of a Claim that was acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while such debt instruments were considered to be held by the U.S. Holder (unless the U.S. Holder elected to include such market discount in its income as the market discount accrued). To the extent that a U.S. Holder surrendered Claims that were acquired by the U.S. Holder with market discount in exchange for other property pursuant to a tax-free or other reorganization transaction for other property, any market discount that accrued on such surrendered Claims and was not recognized by the U.S. Holder may be required to be carried over to the property received therefor and any gain recognized by the U.S. Holder on the subsequent sale, exchange, redemption, or other disposition of such property may be treated as ordinary income to the extent of the accrued but unrecognized market discount with respect to the surrendered Claim.

8. *Certain Considerations Regarding the First Lien Replacement Term Loans and Midwest Notes Exit Facility Term Loans*

(a) Cash Interest

Cash interest on the First Lien Replacement Term Loans and Midwest Notes Exit Facility Term Loans will be includable by a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with such holder's regular method of accounting for U.S. federal income tax purposes.

(b) Issue Price

Holders of Class 4 Midwest Notes Claims will receive their Pro Rata share of Midwest Notes Exit Facility Term Loans. The Midwest Notes Exit Facility Term Loans will be issued as part of the New Exit Facility Term Loan and have the same terms as all other term loans issued as New Exit Facility Term Loans and, in fact, shall constitute a portion of the New Exit Facility Term Loans. Accordingly, this discussion assumes that the Midwest Notes Exit Facility Term Loans will be part of the same "issue" as the rest of the New Exit Facility Term Loans. Assuming that is the case, since a portion of the New Exit Facility Term Loans will be issued for Cash, the issue price of the Midwest Notes Exit Facility Term Loans will be determined based on such Cash amount.

The consideration received by U.S. Holders of Class 3 First Lien Claims will include some combination of Reorganized Windstream Equity Interests, First Lien Replacement Term Loans, Distributable Subscription Rights, and Cash. Collectively, this will likely be subject to the "investment unit" rules for purposes of determining the issue price for any First Lien Replacement Term Loans received on account of such Claims. In such case, the issue price of the First Lien Replacement Term Loans will depend, in part, on whether the First Lien Replacement Term Loans are treated as part of the same "issue" as the New Exit Facility Term Loans which will, in turn, depend on whether the First Lien Replacement Term Loans have precisely the same terms as the New Exit Facility Term Loans. The discussion below

assumes that the First Lien Replacement Term Loans are treated as part of a single "issue" with the New Exit Facility Term Loans; if that is ultimately not the case, the tax consequences will differ.

The application of the "investment unit" rules, and the determination of the issue price of a debt instrument to which the "investment unit" rules apply, is highly complex where, as here, only a portion of the investment unit may be publicly traded. That complexity is further heightened here where, in the absence of the "investment unit" rules, the issue price of the First Lien Replacement Term Loans would be determined by reference to the cash paid for the New Exit Facility Term Loans if they are part of the same issue. While not free from doubt, the Debtors expect to take the position that, under these circumstances, the issue price of the First Lien Replacement Term Loans will be the same as the issue price for the New Exit Facility Term Loans and, accordingly, will be established by the amount of cash paid for the New Exit Facility Term Loans. Other outcomes, which could depend on trading values (or price quotes) of the First Lien Replacement Term Loans *or* the Class 3 First Lien Claims.

An issuer's application of these rules is binding on all holders unless a holder explicitly discloses a different allocation on a timely filed income tax return for the taxable year that includes the acquisition date of the relevant debt instrument.

A debt instrument is treated as issued with OID for U.S. federal income tax purposes if its issue price is less than its stated redemption price at maturity by more than a de minimis amount. A debt instrument's stated redemption price at maturity includes all principal and interest payable over the term of the debt instrument, other than "qualified stated interest." Stated interest payable at a fixed rate is "qualified stated interest" if it is unconditionally payable in cash at least annually. The terms of the New Exit Facility Term Loans, including the extent to which they will be issued with OID, have not yet been determined; to the extent not all the interest on the New Exit Facility Term Loans is unconditionally payable in cash at least annually, or to the extent the purchase price is less than the face amount of such debt, New Exit Facility Term Loans (and, accordingly, the Midwest Notes Exit Facility Term Loans and the First Lien Replacement Term Loans) may be considered to be issued with OID.

The determination of the issue price of, and OID with respect to, the First Lien Replacement Term Loans and Midwest Notes Exit Facility Term Loans could be significantly different in the event they are not treated as part of a single "issue" with the New Exit Facility Term Loans.

(c) Acquisition Premium or Amortizable Bond Premium on the First Lien Replacement Term Loans and Midwest Notes Exit Facility Term Loans

If, pursuant to the rules described above, a U.S. Holder's initial tax basis in the First Lien Replacement Term Loans or Midwest Notes Exit Facility Term Loans is greater than the issue price of such debt but less than the stated principal amount of such debt, such First Lien Replacement Term Loans and Midwest Notes Exit Facility Term Loans will have an "acquisition premium." Under the acquisition premium rules, the amount of OID that must be included by the U.S. Holder in its gross taxable income with respect to the applicable First Lien Replacement Term Loans or Midwest Notes Exit Facility Term Loans for any taxable year will be reduced by the portion of the acquisition premium properly allocable to that year. Alternatively, if a U.S. Holder's initial tax basis in the First Lien Replacement Term Loans or Midwest Notes Exit Facility Term Loans exceeds its stated principal amount, the U.S. Holder will be considered to have acquired the First Lien Replacement Term Loans or Midwest Notes Exit Facility Term Loans with "amortizable bond premium" and will not be required to include any OID in income. A U.S. Holder may generally elect to amortize the premium over the remaining term of the First Lien Replacement Term Loans or Midwest Notes Exit Facility Term Loans on a constant yield method as an offset to stated interest when includible in income under such holder's regular accounting method. If a U.S. Holder elects to amortize bond premium, such holder must reduce its tax basis in the First Lien Replacement Term Loans

or Midwest Notes Exit Facility Term Loans by the amount of the premium used to offset stated interest. If a U.S. Holder does not elect to amortize the premium, that premium will decrease the gain or increase the loss otherwise recognized on disposition of the First Lien Replacement Term Loans or Midwest Notes Exit Facility Term Loans. If, pursuant to the rules described above, a U.S. Holder's initial tax basis in the First Lien Replacement Term Loans or Midwest Notes Exit Facility Term Loans is less than the issue price of such debt, see the above section, entitled "Market Discount."

9. *Dividends on Reorganized Windstream Equity Interests*

Any distributions made on account of the Reorganized Windstream Equity Interests will constitute dividends for U.S. federal income tax purposes to the extent of the current or accumulated earnings and profits of Reorganized Windstream as determined under U.S. federal income tax principles. Certain qualified dividends received by a non-corporate taxpayer are taxed at preferential rates. To the extent that a holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the holder's basis in its shares. Any such distributions in excess of the holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain.

Distributions that constitute dividends for U.S. federal income tax purposes are paid to U.S. Holders that are corporations generally will be eligible for the dividends-received deduction. However, the dividends-received deduction is only available if certain holding period requirements are satisfied. The length of time that a shareholder has held its stock is reduced for any period during which the shareholder's risk of loss with respect to the stock is diminished by reason of the existence of certain options, contracts to sell, short sales, or similar transactions. In addition, to the extent that a corporation incurs indebtedness that is directly attributable to an investment in the stock on which the dividend is paid, all or a portion of the dividends received deduction may be disallowed.

10. *Sale, Redemption, or Repurchase of Non-Cash Consideration.*

Unless a non-recognition provision of the IRC applies, and subject to the market discount rules discussed above, holders generally will recognize capital gain or loss upon the sale, redemption, or other taxable disposition of non-Cash consideration received pursuant to the Plan. Such capital gain will be long-term capital gain if at the time of the sale, exchange, retirement, or other taxable disposition, the holder held the applicable non-Cash consideration for more than one year. Long-term capital gains of a non-corporate taxpayer generally are taxed at preferential rates. Under the recapture rules of section 108(e)(7) of the IRC, a U.S. Holder may be required to treat gain recognized on such dispositions of the Reorganized Windstream Equity Interests as ordinary income if such U.S. Holder took a bad debt deduction with respect to its Claim or recognized an ordinary loss on the exchange of its Claim for Reorganized Windstream Equity Interests.

For a description of certain limitations on the deductibility of capital losses, see the section entitled "Limitation on Use of Capital Losses" below.

11. *Limitations on Use of Capital Losses.*

A U.S. Holder of a Claim or Interest who recognizes capital losses as a result of the distributions under the Plan will be subject to limits on the use of such capital losses. For a non-corporate U.S. Holder, capital losses may be used to offset any capital gains (without regard to holding periods), and also ordinary income to the extent of the lesser of (1) $3,000 annually ($1,500 for married individuals filing separate returns) or (2) the excess of the capital losses over the capital gains. A non-corporate U.S. Holder may carry over unused capital losses and apply them against future capital gains and a portion of their ordinary

income for an unlimited number of years. For corporate holders, capital losses may only be used to offset capital gains. A corporate U.S. Holder that has more capital losses than may be used in a tax year may carry back unused capital losses to the three years preceding the capital loss year or may carry over unused capital losses for the five years following the capital loss year.

12. *Medicare Tax*

Certain U.S. Holders that are individuals, estates, or trusts are required to pay an additional 3.8 percent tax on, among other things, interest, dividends and gains from the sale or other disposition of capital assets. U.S. Holders that are individuals, estates, or trusts should consult their tax advisors regarding the effect, if any, of this tax provision on their ownership and disposition of debt of, and equity interests in, the Debtors and Reorganized Debtors.

13. *Distribution Reserve Accounts and Delayed Equity Distributions*

The Plan provides that certain distributions may be delayed while contingent, unliquidated, or disputed Claims are addressed. Pending the resolution of such Claims, a portion of the property to be received by holders of Claims or Interests may be deposited into various Claim distribution accounts described in the Plan (including the Non-Obligor General Unsecured Claims Reserve and the Obligor Claims Reserve, but for the avoidance of doubt, not including the Professional Fee Escrow). The property that is subject to delayed distribution will be subject to "disputed ownership fund" treatment under section 1.468B-9 of the Treasury Regulations. Pursuant to such treatment, a separate federal income tax return shall be filed with the IRS with respect to such accounts. Such accounts will be liable, as an entity, for taxes, including with respect to interest, if any, or appreciation in property between the Effective Date and date of distribution. Such taxes shall be paid out of the assets of such accounts (and reductions shall be made to amounts disbursed from such accounts to account for the need to pay such taxes). To the extent property is not distributed to U.S. Holders of applicable Claims on the Effective Date but, instead, is transferred to such accounts, although not free from doubt, U.S. Holders should not recognize any gain or loss on the date that the property is so transferred. Instead, gain or loss should be recognized when and to the extent property is actually distributed to such U.S. Holders.

C. Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders of Claims

The following discussion includes only certain U.S. federal income tax consequences to Non-U.S. Holders. The discussion does not include any non-U.S. tax considerations. The rules governing the U.S. federal income tax consequences to Non-U.S. Holders are complex. Each Non-U.S. Holder should consult its own tax advisor regarding the U.S. federal, state, and local and the foreign tax consequences to such Non-U.S. Holder and the ownership and disposition of non-Cash consideration.

1. *Gain Recognition*

Whether a Non-U.S. Holder realizes gain or loss on the exchange and the amount of such gain or loss is determined in the same manner as set forth above in connection with U.S. Holders.

Any gain realized by a Non-U.S. Holder on the exchange of its Claim generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year in which the exchange occurs and certain other conditions are met, or (b) such gain is effectively connected with the conduct by such Non-U.S. Holder of

a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception applies, to the extent that any gain is taxable, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States in the same manner as a U.S. Holder. In order to claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide properly executed original copies of IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such a Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30 percent (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. *Interest Payments; Accrued but Untaxed Interest.*

Payments to a Non-U.S. Holder that are attributable to either (a) interest on (or OID accruals with respect to) debt received under the Plan, or (b) accrued but untaxed interest on their Allowed Claim generally will not be subject to U.S. federal income or withholding tax, provided that the withholding agent has received or receives, prior to payment, appropriate documentation (generally, IRS Form W-8BEN or W-8BEN-E) establishing that the Non-U.S. Holder is not a U.S. person, unless:

- the Non-U.S. Holder actually or constructively owns 10 percent or more of the total combined voting power of all classes of the Debtor obligor on a Claim (in the case of consideration received in respect of accrued but unpaid interest) or Reorganized Windstream, with respect to the debt received under the Plan (in the case of interest payments with respect thereto);

- the Non-U.S. Holder is a "controlled foreign corporation" that is a "related person" with respect to the Debtors (each, within the meaning of the IRC);

- the Non-U.S. Holder is a bank receiving interest described in section 881(c)(3)(A) of the IRC; or

- such interest (or OID) is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (in which case, provided the Non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent), the Non-U.S. Holder (i) generally will not be subject to withholding tax, but (ii) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued but untaxed interest at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

A Non-U.S. Holder that does not qualify for exemption from withholding tax with respect to interest that is not effectively connected income generally will be subject to withholding of U.S. federal income tax at a 30 percent rate (or at a reduced rate or exemption from tax under an applicable income tax

treaty) on (a) interest on debt received under the Plan and (b) payments that are attributable to accrued but untaxed interest on such Non-U.S. Holder's Allowed Claim. For purposes of providing a properly executed IRS Form W-8BEN or W-8BEN-E, special procedures are provided under applicable Treasury Regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

3. *Sale, Redemption, or Repurchase of Non-Cash Consideration.*

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to any gain realized on the sale or other disposition (including a cash redemption) of its Pro Rata share of the non-Cash consideration received under the Plan unless:

- such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition or who is subject to special rules applicable to former citizens and residents of the United States;

- such gain is effectively connected with such Non-U.S. Holder's conduct of a U.S. trade or business (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States); or

- in the case of the sale of Reorganized Windstream Equity Interests, Reorganized Windstream (or a relevant successor thereto) is, or has been during a specified testing period, a "U.S. real property holding corporation" (a "USRPHC") for U.S. federal income tax purposes.

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If the third exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax on any gain recognized on the disposition of all or a portion of its Reorganized Windstream Equity Interests under the Foreign Investment in Real Property Tax Act ("FIRPTA"). Taxable gain from the disposition of an interest in a USRPHC (generally equal to the difference between the amount realized and such Non-U.S. Holder's adjusted tax basis in such interest) will constitute effectively connected income pursuant to the application of the second exception described above. Further, the buyer of the Reorganized Windstream Equity Interests will be required to withhold a tax equal to 15 percent of the amount realized on the sale. The amount of any such withholding would be allowed as a credit against the Non-U.S. Holder's federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the Non-U.S. Holder properly and timely files a tax return with the IRS. In general, the FIRPTA provisions will not apply if (a) the Non-U.S. Holder does not directly or indirectly own (and has not directly or indirectly owned) more than 5 percent by value of a class of stock of a USRPHC during a specified testing period, and (b) such class of stock is regularly traded on an established securities market. In the event Reorganized Windstream Equity Interests are regularly traded on an established securities market, the withholding obligation described above would not apply, even if a Non-U.S. Holder is subject to the

substantive FIRPTA tax. The Debtors have not yet determined whether the Reorganized Windstream Equity Interests will be regularly traded on an established securities market on, or any time after, the Effective Date.

In general, a corporation is a USRPHC as to a Non-U.S. Holder if the fair market value of the corporation's U.S. real property interests (as defined in the IRC and applicable Treasury Regulations) equals or exceeds 50 percent of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (applying certain look-through rules to evaluate the assets of subsidiaries) at any time within the shorter of the 5-year period ending on the effective time of the applicable disposition by the Non-U.S. Holder or the period of time the Non-U.S. Holder held stock of such corporation. The Debtors have not determined whether they are, or whether Reorganized Windstream will be (as of the Effective Date or at any point in the future), a USRPHC.

4. *Dividends on Reorganized Windstream Equity Interests*

Any distributions made with respect to Reorganized Windstream Equity Interests will constitute dividends for U.S. federal income tax purposes to the extent of the issuer's current or accumulated earnings and profits as determined under U.S. federal income tax principles. Unless Reorganized Windstream is considered a USRPHC (see discussion below), to the extent that a Non-U.S. Holder receives distributions that would otherwise constitute dividends for U.S. federal income tax purposes but that exceed such current and accumulated earnings and profits, such distributions will be treated first as a non-taxable return of capital reducing the Non-U.S. Holder's basis in its shares. Any such distributions in excess of a Non-U.S. Holder's basis in its shares (determined on a share-by-share basis) generally will be treated as capital gain from a sale or exchange (and the respective excess distributions as proceeds from a sale or exchange).

Except as described below, dividends paid with respect to Reorganized Windstream Equity Interests held by a Non-U.S. Holder that are not effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (or if an income tax treaty applies, are not attributable to a permanent establishment maintained by such non-U.S. Holder in the United States) will be subject to withholding at a rate of 30 percent (or lower treaty rate or exemption from tax, if applicable). A Non-U.S. Holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under a tax treaty by filing IRS Form W-8BEN or W-8BEN-E (or a successor form) upon which the Non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to Reorganized Windstream Equity Interests held by a Non-U.S. Holder that are effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (and if an income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30 percent (or at a reduced rate or exemption from tax under an applicable income tax treaty).

If Reorganized Windstream is considered a USRPHC, distributions to a Non-U.S. Holder will generally be subject to withholding by Reorganized Windstream at a rate of 15 percent to the extent they are not treated as dividends for U.S. federal income tax purposes. In the event Reorganized Windstream Equity Interests are regularly traded on an established securities market, withholding would not be required if the Non-U.S. Holder does not directly or indirectly own (and has not directly or indirectly owned) more than 5 percent of the aggregate fair market value of the class of equity interests that includes Reorganized Windstream Equity Interests during a specified testing period. Exceptions to such withholding may also

be available to the extent a Non-U.S. Holder furnishes a certificate qualifying such Non-U.S. Holder for a reduction or exemption of withholding pursuant to applicable Treasury Regulations.

5. *FATCA.*

Under legislation commonly referred to as the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding at a rate of 30 percent on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S. source payments of fixed or determinable, annual or periodical income (including dividends, if any, on shares of Reorganized Windstream Equity Interests). FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding.

Withholding with respect to the gross proceeds of a disposition of any stock, debt instrument, or other property that can produce U.S.-source dividends or interest has been eliminated under proposed Treasury Regulations, which can be relied on until final regulations become effective.

Each Non-U.S. Holder should consult its own tax advisor regarding the possible impact of these rules on such Non-U.S. Holder's ownership of the Claims or the Reorganized Windstream Equity Interests.

D. Information Reporting and Withholding

The Debtors, Reorganized Debtors, Distribution Agent and applicable withholding agents will withhold all amounts required by law to be withheld from payments of interest and dividends, whether in connection with distributions under the Plan or in connection with payments made on account of consideration received pursuant to the Plan, and will comply with all applicable information reporting requirements. The IRS may make the information returns reporting such interest and dividends and withholding available to the tax authorities in the country in which a Non-U.S. Holder is resident. In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a holder of a Claim may be subject to backup withholding (currently at a rate of 24 percent) with respect to distributions or payments made pursuant to the Plan unless that holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) timely provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding (generally in the form of a properly executed IRS Form W-9 for a U.S. Holder, and, for a Non-U.S. Holder, in the form of a properly executed applicable IRS Form W-8 (or otherwise establishes such Non-U.S. Holder's eligibility for an exemption)). Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided that the required information is timely provided to the IRS.

In addition, from an information reporting perspective, Treasury Regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders of Claims subject to the Plan are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the holders' tax returns.

THE FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS

TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED BY THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR NON-U.S. TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

[*Remainder of page intentionally left blank.*]

XIII. RECOMMENDATION OF THE DEBTORS

In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' creditors than would otherwise result in any other scenario. Accordingly, the Debtors recommend that holders of Claims entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

Dated: May 14, 2020

WINDSTREAM HOLDINGS, INC.
on behalf of itself and all other Debtors

/s/ Tony Thomas

Tony Thomas
President and Chief Executive Officer

Exhibit A

Plan of Reorganization

Solicitation Version

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
WINDSTREAM HOLDINGS, INC., *et al.*,[1]	)	Case No. 19-22312 (RDD)
Debtors.	)	(Jointly Administered)

FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION OF WINDSTREAM HOLDINGS, INC. *ET AL.*, PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE

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Counsel to the Debtors and Debtors in Possession

Dated: May 14, 2020

[1] The last four digits of Debtor Windstream Holdings, Inc.'s tax identification number are 7717. Due to the large number of Debtors in these chapter 11 cases, for which joint administration has been granted, a complete list of the debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at http://www.kccllc.net/windstream. The location of the Debtors' service address for purposes of these chapter 11 cases is: 4001 North Rodney Parham Road, Little Rock, Arkansas 72212.

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INTRODUCTION

Windstream Holdings, Inc. and its debtor affiliates (each a "Debtor" and, collectively, the "Debtors" or "Windstream"), propose this joint plan of reorganization pursuant to chapter 11 of title 11 of the United States Code. Capitalized terms used and not otherwise defined shall have the meanings ascribed to such terms in Article I.A. Holders of Claims and Interests may refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, and projections of future operations, as well as a summary and description of the Plan. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors.

ALL HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE I.

DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

A. *Defined Terms*

As used in this Plan, capitalized terms have the meanings set forth below.

1. "*2024 Second Lien Notes Indenture*" means that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated August 2, 2018, between Windstream Services, LLC and Windstream Finance Corp., as co-issuers, the entities specified therein, as guarantors, and Wilmington Trust, National Association, as trustee and collateral agent.

2. "*2025 Second Lien Notes Indenture*" means that indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated August 2, 2018, between Windstream Services, LLC and Windstream Finance Corp., as co-issuers, the entities specified therein, as guarantors, and Wilmington Trust, National Association, as trustee and collateral agent.

3. "*6.375% 2023 Notes*" means the 6.375% senior notes due 2023 issued pursuant to the 6.375% 2023 Notes Indenture.

4. "*6.375% 2023 Notes Indenture*" means that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated January 23, 2013, between Windstream Services, LLC and Windstream Finance Corp., as co-issuers, the entities specified therein, as guarantors, and U.S. Bank National Association, as trustee, that governs the 6.375% 2023 Notes.

5. "*7.500% 2022 Notes*" means the 7.500% senior notes due 2022 issued pursuant to the 7.500% 2022 Notes Indenture.

6. "*7.500% 2022 Notes Indenture*" means that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated November 22, 2011, between Windstream Services, LLC and Windstream Finance Corp., as co-issuers, the entities specified therein, as guarantors, and U.S. Bank National Association, as trustee, that governs the 7.500% 2022 Notes.

7. "*7.500% 2023 Notes*" means the 7.500% senior notes due 2023 issued pursuant to the 7.500% 2023 Notes Indenture.

8. "*7.500% 2023 Notes Indenture*" means that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated March 16, 2011, between Windstream

Services, LLC and Windstream Finance Corp., as co-issuers, the entities specified therein, as guarantors, and U.S. Bank National Association, as trustee, that governs the 7.500% 2023 Notes.

9. "*7.750% 2020 Notes*" means the 7.750% senior notes due 2020 issued pursuant to the 7.750% 2020 Notes Indenture.

10. "*7.750% 2020 Notes Indenture*" means that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated October 6, 2010, between Windstream Services, LLC and Windstream Finance Corp., as co-issuers, the entities specified therein, as guarantors, and U.S. Bank National Association, as trustee, that governs the 7.750% 2020 Notes.

11. *"7.750% 2021 Notes*" means the 7.750% senior notes due 2021 issued pursuant to the 7.750% 2021 Notes Indenture.

12. "*7.750% 2021 Notes Indenture*" means that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated August 26, 2013, between Windstream Services, LLC and Windstream Finance Corp., as co-issuers, the entities specified therein, as guarantors, and U.S. Bank National Association, as trustee, that governs the 7.750% 2021 Notes.

13. *"8.750% 2024 Notes"* means the 8.750% senior notes due 2024 issued pursuant to the 8.750% 2024 Indenture.

14. "*8.750% 2024 Notes Indenture*" means that certain indenture agreement (as may be amended, restated, supplemented, or otherwise modified from time to time) dated December 13, 2017, between Windstream Services, LLC and Windstream Finance Corp., as co-issuers, the entities specified therein, as guarantors, and UMB Bank National Association, as successor trustee, that governs the 8.750% 2024 Notes.

15. "*Administrative Claim*" means a Claim for the costs and expenses of administration of the Estates pursuant to sections 503(b) (including Claims arising under section 503(b)(9) of the Bankruptcy Code), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date until and including the Effective Date of preserving the Estates and operating the Debtors' businesses; (b) Allowed Professional Fee Claims; and (c) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

16. "*Administrative Claims Bar Date*" means the first Business Day that is 30 days following the Effective Date, except as specifically set forth in the Plan.

17. "*Affiliate*" shall have the meaning set forth in section 101(2) of the Bankruptcy Code.

18. "*Allowed*" means with respect to any Claim, except as otherwise provided herein: (a) a Claim that is evidenced by a Proof of Claim Filed by the Claims Bar Date in accordance with the Claims Bar Date Order (or for which Claim under the Plan, the Bankruptcy Code, or a Final Order of the Bankruptcy Court a Proof of Claim is not or shall not be required to be Filed); (b) a Claim that is listed in the Schedules, if any, as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim, as applicable, has been timely Filed; or (c) a Claim Allowed pursuant to the Plan or a Final Order; *provided* that with respect to a Claim described in clauses (a) and (b) above, such Claim shall be considered Allowed only if and to the extent that with respect to such Claim no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or, if such an objection is so interposed and the Claim, as applicable, shall have been Allowed by a Final Order. "Allow," "Allowing," and "Allowance," shall have correlative meanings. For the avoidance of doubt, (i) there is no requirement to file a Proof of Claim (or move the Bankruptcy Court for allowance) to be an Allowed Claim under the Plan, and (ii) the Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable nonbankruptcy law.

19. "*Assumed Executory Contract/Unexpired Lease Schedule*" means the schedule (as may be amended) of Executory Contracts and Unexpired Leases (including any amendments or modifications thereto) that will be assumed by the Reorganized Debtors pursuant to the Plan, which shall be included in the Plan Supplement.

20. "*Backstop Commitment"* means the commitment, on the terms set forth in the Backstop Commitment Agreement, of the Backstop Parties to backstop the Rights Offering.

21. *"Backstop Commitment Agreement"* means that certain Backstop Commitment Agreement, dated as of March 13, 2020, by and among the Backstop Parties and Windstream, as may be amended, supplemented, or modified from time to time, setting forth, among other things, the terms and conditions of the Rights Offering, the Backstop Commitment, and the payment of the Backstop Premium.

22. *"Backstop Parties"* means Elliott, the members of the First Lien Ad Hoc Group or their successors or assigns (in each case, as allowed pursuant to the Backstop Commitment Agreement) that have committed to backstop the Rights Offering on the terms set forth in the Backstop Commitment Agreement, solely in their capacities as such.

23. "*Backstop Premium*" means the backstop premium payable to the Backstop Parties in consideration for the Backstop Commitment equal to 8% of the $750 million committed amount, to be paid in Reorganized Windstream Equity Interests or in cash on the terms set forth in the Backstop Commitment Agreement.

24. "*Backstop Priority Tranche*" means $375 million of the Reorganized Windstream Equity Interests issued pursuant to the Rights Offering to be made available to the Backstop Parties and Priority Non-Backstop Parties.

25. "*Ballot*" means a ballot providing for the acceptance or rejection of the Plan and to make an election with respect to the Third Party Release provided by Article VIII.D.

26. "*Bankruptcy Code*" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended from time to time.

27. "*Bankruptcy Court*" means the United States Bankruptcy Court for the Southern District of New York having jurisdiction over the Chapter 11 Cases, and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 and/or the General Order of the District Court pursuant to section 151 of title 28 of the United States Code, the United States District Court for the Southern District of New York.

28. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

29. "*Business Day*" means any day, other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

30. "*Cash*" means the legal tender of the United States of America.

31. "*Cause of Action*" means any claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise. Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

32. "*Chapter 11 Cases*" means: (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court; and (b) when used with reference to all of the Debtors, the procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the Bankruptcy Court.

33. "*Chubb"* means ACE American Insurance Company and each of its U.S.-based affiliated insurance companies, collectively, and together with their U.S. based successors.

34. "*Chubb Insurance Program*" means the "Insurance Program" as that term is defined in the *Order (I) Authorizing Assumption of the Prepetition Insurance Program, (II) Authorizing the Debtors to Enter into the Postpetition Insurance Program, and (III) Granting Related Relief* [Docket No. 702].

35. "*Claim*" means any claim, as defined in section 101(5) of the Bankruptcy Code, against any of the Debtors.

36. "*Claims Bar Date Order*" means the *Order (I) Setting Bar Dates for Submitting Proofs of Claim, (II) Approving Procedures for Submitting Proofs of Claim, and (III) Approving Notice Thereof* [Docket No. 518].

37. "*Claims Bar Date*" means 4:00 p.m. Eastern Time on July 15, 2019, as established by the Claims Bar Date Order.

38. "*Claims Objection Deadline*" means the deadline for objecting to Claims, which shall be on the date that is the later of (a) 180 days after the Effective Date and (b) such later date as may be fixed by the Bankruptcy Court.

39. "*Claims Register*" means the official register of Claims maintained by the Notice and Claims Agent in the Chapter 11 Cases.

40. "*Class*" means a category of holders of Claims or Interests as set forth in Article III pursuant to section 1122(a) of the Bankruptcy Code.

41. "*Committee*" means the statutory committee of unsecured creditors, appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code by the U.S. Trustee, pursuant to the *Notice of Appointment of Official Committee of Unsecured Creditors* [Docket No. 136] on March 12, 2019 and represented by Morrison & Foerster LLP.

42. "*Committee Member*" means each Entity that is a member of the Committee.

43. "*Communications Act*" means chapter 5 of title 47 of the United States Code, 47 U.S.C. §§ 151-162, as now in effect or hereafter amended, or any other successor federal statute, and the rules and regulations promulgated thereunder.

44. "*Compensation and Benefits Programs*" means all employment and severance agreements and policies, and all employment, compensation, and benefit plans, policies, workers' compensation programs, savings plans, retirement plans, deferred compensation plans, qualified and non-qualified pension plans, supplemental executive retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, life and accidental death and dismemberment insurance plans, and programs of the Debtors, and all amendments and modifications thereto, applicable to the Debtors' employees, former employees, retirees, and non-employee directors and the employees, former employees and retirees of their subsidiaries, including all savings plans, retirement plans, health care plans, disability plans, severance benefit agreements, and plans, incentive plans, deferred compensation plans and life, accidental death, and dismemberment insurance plans.

45. "*Conditions Precedent*" means conditions required to occur before the Effective Date as described in Article IX.A.

46. "*Confirmation Date*" means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

47. "*Confirmation Hearing*" means the hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to sections 1128 and 1129 of the Bankruptcy Code.

48. "*Confirmation Order*" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

49. "*Confirmation*" means the entry of the Confirmation Order on the docket of the Chapter 11 Cases.

50. "*Consenting Creditors*" has the meaning ascribed to such term in the Plan Support Agreement.

51. "*Consummation*" means the occurrence of the Effective Date.

52. "*Credit Agreement*" means that certain Credit Agreement, dated as of dated July 17, 2006 (as amended, restated, supplemented, or otherwise modified from time to time prior to the Petition Date in accordance with the terms thereof), by and among Windstream Services, LLC, as borrower, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent.

53. "*Cure Claim*" means a monetary Claim based upon the Debtors' defaults under any Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtors pursuant to section 365 of the Bankruptcy Code.

54. "*Cure Notice*" means a notice sent to the non-Debtor counterparties to an Executory Contract or Unexpired Lease in connection with the proposed assumption or assumption and assignment of such Executory Contract or Unexpired Lease under the Plan pursuant to section 365 of the Bankruptcy Code, the form and substance of which notice shall be approved by the Disclosure Statement Order and shall include (a) procedures for objecting to proposed assumptions or assumptions and assignments of Executory Contracts and Unexpired Leases, (b) the proposed amount to be paid on account of Cure Claims, and (c) procedures for resolution by the Bankruptcy Court of any related disputes; *provided* that the Assumed Executory Contract/Unexpired Lease Schedule and any Amended Assumed Executory Contract/Unexpired Lease Schedule may each constitute a "Cure Notice" hereunder.

55. "*D&O Liability Insurance Policies*" means all insurance policies (including any "tail policy") of any of the Debtors that cover current or former directors', managers', and officers' liability.

56. "*Description of Restructuring Transactions*" means a summary description of certain Restructuring Transactions, including any changes to the corporate and/or capital structure of the Debtors (to the extent known) to be made on the Effective Date as determined by the Debtors, to be filed with the Plan Supplement.

57. "*DIP Agent*" means Citibank N.A., in its capacity as administrative agent and collateral agent under the DIP Credit Agreement, including any successor thereto.

58. *"DIP Credit Agreement*" means that certain superpriority secured debtor-in-possession credit agreement (as may be amended, supplemented, or otherwise modified from time to time) dated March 13, 2019, between Windstream Holdings, Inc. and Windstream Services, LLC, as borrowers, the Debtor guarantors that are party thereto, the lenders party thereto, DIP Agent, and Credit Suisse Loan Funding LLC, Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Barclays Bank PLC, and Deutsche Bank Securities Inc., as co-documentation agents, that governs the DIP Facilities.

59. "*DIP Facilities*" means those certain debtor-in-possession financing facilities in accordance to the terms and conditions set forth in the DIP Credit Agreement and the Final DIP Order, as applicable.

60. "*DIP Facilities Claims*" means any Claim held by the DIP Lenders or the DIP Agent, against any Debtor, derived from, based upon, or secured pursuant to the DIP Credit Agreement, including claims for all principal

amounts outstanding, interest, fees, expenses, costs, and other charges arising thereunder or related thereto, in each case, with respect to the DIP Facilities.

61. "*DIP Lenders*" means the banks, financial institutions, and other lenders party to the DIP Credit Agreement with respect to the DIP Facilities from time to time.

62. "*DIP Orders*" means, collectively, the Interim DIP Order and the Final DIP Order.

63. "*Disclosure Statement*" means the disclosure statement (as may be further amended, supplemented, or modified from time to time in accordance with its terms) for the Plan, including all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

64. "*Disclosure Statement Order*" means a Final Order of the Bankruptcy Court approving the Disclosure Statement.

65. *"Distributable Exit Facility Proceeds"* means the proceeds of the Required Exit Facility Term Loans available for distribution to holders of the Allowed First Lien Claims as set forth in Article IV.D.1 of this Plan.

66. *"Distributable Flex Proceeds"* means the proceeds of the Flex Exit Facility Term Loans available for distribution to holders of the Allowed First Lien Claims as set forth in Article IV.D.1 of this Plan.

67. "*Distributable Subscription Rights*" mean the difference between (a) $750 million or, if the Flex Exit Facility Term Loans are funded on the Effective Date, the amount after giving effect to the Flex Adjustment and (b) the amount of the Backstop Priority Tranche subscribed by the Backstop Parties and the Priority Non-Backstop Parties.

68. "*Distribution Agent*" means, as applicable, Reorganized Windstream or any Entity Reorganized Windstream selects to make or to facilitate distributions in accordance with the Plan.

69. "*Distribution Record Date*" means, other than with respect to publicly held Securities, the record date for purposes of making distributions under the Plan on account of Allowed Claims, which date shall be on or as soon as is reasonably practicable after the Effective Date.

70. "*DTC*" means The Depository Trust Company.

71. "*Effective Date*" means, with respect to the Plan, the date that is the first Business Day, on which: (a) no stay of the Confirmation Order is in effect; (b) all Conditions Precedent specified in Article IX.A have been satisfied or waived (in accordance with Article IX.B); and (c) the Plan is declared effective.

72. "*Elliott"* means Elliott Investment Management, L.P. and its affiliated funds in their capacity as holders of First Lien Claims, Second Lien Claims, and Unsecured Notes Claims.

73. "*Entity*" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

74. "*Equity Allocation Mechanism*" means the methodology for allocating Reorganized Windstream Equity Interests and/or Special Warrants among the holders of Allowed First Lien Claims as set forth in Article IV.E of this Plan. Further procedures regarding the Equity Allocation Mechanism will be set forth in the Plan Supplement, as necessary.

75. *"ERISA"* means the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1301-1461 as amended (2012 & Supp. V 2017), and the regulations promulgated thereunder.

76. "*Estate*" means, as to each Debtor, the estate created for any Debtor in its Chapter 11 Case pursuant to sections 301 and 541 of the Bankruptcy Code.

77. "*Exculpated Parties*" means collectively, and in each case in its capacity as such: (a) the Debtors; (b) any official committees appointed in the Chapter 11 Cases and each of their respective members; (c) the Consenting Creditors; (d) the DIP Lenders; (e) the DIP Agent; (f) the Backstop Parties; and (g) with respect to each of the foregoing, such Entity and its current and former Affiliates, and such Entity's and its current and former Affiliates' current and former equity holders, subsidiaries, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.

78. "*Executory Contract*" means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

79. "*Exercise Date*" means a date occurring within five business days after the following conditions have been satisfied: (i) any required declaratory ruling is granted by the FCC to allow Reorganized Windstream or its affiliates, as applicable, to exceed 25 percent indirect foreign ownership and specifically approve any foreign investor with greater than 5 percent ownership; (ii) the FCC has issued all other requisite approvals for the exercise of the Special Warrants; and (iii) the State PUCs grant any requisite approvals for the change of ownership that will arise from the exercise of the Special Warrants.

80. "*FCC*" means the Federal Communications Commission, including any official bureau or division thereof acting on delegated authority, and any successor governmental agency performing functions similar to those performed by the Federal Communications Commission on the Effective Date.

81. "*FCC Applications*" means, collectively, each requisite application, petition, or other request filed or to be filed with the FCC in connection with the Restructuring Transactions and the Plan, including the applications filed with the FCC seeking FCC consent to the Transfer of Control.

82. "*FCC Approval*" means the FCC's grant of the FCC Applications, including any grants by operation of law; provided that the possibility that an appeal, request for stay, or petition for rehearing or review by a court or administrative agency may be filed with respect to such grant, or that the FCC may reconsider or review such grant on its own authority, shall not prevent such grant from constituting FCC Approval for purposes of the Plan.

83. "*FCC Licenses*" means licenses, authorizations, waivers, and permits that are issued from time to time by the FCC.

84. "*File*," "*Filed*," or "*Filing*" means file, filed, or filing in the Chapter 11 Cases with the Bankruptcy Court or, with respect to the filing of a Proof of Claim or a proof of Interest, and the Notice and Claims Agent.

85. "*Final DIP Order*" means the *Final Order (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Secured Parties, (E) Modifying the Automatic Stay, and (F) Granting Related Relief* [Docket No. 376].

86. "*Final Order*" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be Filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought; *provided*, that, the possibility that a request for relief under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the Local Bankruptcy Rules of the Bankruptcy Court or applicable non-bankruptcy law, may be filed relating to such order shall not prevent such order from being a Final Order.

87. "*First Lien Claims*" means all claims derived from or based upon the Credit Agreement and First Lien Notes Indenture.

88. "*First Lien Notes Indenture*" means that certain indenture agreement (as may have been amended, modified, supplemented, or amended and restated from time to time) dated November 6, 2017, among Windstream Services, LLC and Windstream Finance Corp., as co-issuers, the entities specified therein, as guarantors, and Delaware Trust Company, as successor to U.S. Bank National Association, as trustee and collateral agent.

89. "*First Lien Notes Indenture Trustee*" means Delaware Trust Company, as successor to U.S. Bank National Association in its capacity as collateral agent and indenture trustee under the First Lien Notes Indenture.

90. "*First Lien Replacement Term Loans*" mean new term loans to be distributed to holders of First Lien Claims in the event that the amount of the Required Exit Facility Term Loans is reduced to an amount less than the Required Exit Facility Term Loans Target as set forth in Article IV.D.1 of this Plan.

91. "*Flex Adjustment*" means the proportionate downward adjustment in the Rights Offering amount and the Plan Equity Value in the event that the Flex Exit Facility Term Loans are funded on the Effective Date in a manner that preserves the 37.5% discount to Plan Equity Value, such that if the aggregate principal amount of the Flex Exit Facility Term Loans is $350 million, the Plan Equity Value will equal $900 million and the Rights Offering amount will equal $540 million.

92. "*Flex Exit Facility Term Loans*" means up to $350 million in principal of new term loans under the New Exit Facility Term Loan, which may be funded on the Effective Date on the terms and conditions set forth in Article IV.D.1 of this Plan.

93. "*General Unsecured Claim*" means any Claim other than an Administrative Claim, a Professional Fee Claim, a Secured Tax Claim, an Other Secured Claim, a Priority Tax Claim, an Other Priority Claim, a First Lien Claim, a Midwest Notes Claim, a Second Lien Claim, or a DIP Facilities Claim.

94. "*Governance Term Sheet*" has the meaning ascribed to such term in the Plan Support Agreement.

95. "*Governmental Unit*" shall have the meaning set forth in section 101(27) of the Bankruptcy Code.

96. "*Impaired*" means, when used in reference to a Class of Claims or Interests, a Class of Claims or Interests that is impaired within the meaning of section 1124 of the Bankruptcy Code.

97. "*Indemnification Obligations*" means each of the Debtors' indemnification obligations in effect as of the Effective Date, whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, indemnification agreements, or employment or other contracts, for their current and former directors, officers.

98. "*Intercompany Claims*" means, collectively, any Claim held by a Debtor against another Debtor.

99. "*Intercompany Interest*" means any Interest held by a Debtor in another Debtor.

100. "*Interests*" means any equity security (as defined in section 101(16) of the Bankruptcy Code) in any Debtor and any other rights, options, warrants, stock appreciation rights, phantom stock rights, restricted stock units, redemption rights, repurchase rights, convertible, exercisable or exchangeable securities or other agreements, arrangements or commitments of any character relating to, or whose value is related to, any such interest or other ownership interest in any Debtor.

101. "*Interim DIP Order*" means the *Interim Order (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Secured Parties, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing and (G) Granting Related Relief* [Docket No. 75].

102. "*Judicial Code*" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001.

103. "*Lien*" shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

104. *"Management Incentive Plan"* means the post-Effective Date management equity incentive plan, the terms of which will be set forth in the Plan Supplement.

105. "*Midwest Notes Claims*" means all claims derived from or based upon the Midwest Notes Indenture.

106. *"Midwest Notes Exit Facility Term Loans"* means $100 million in Required Exit Facility Term Loans under the New Exit Facility Term Loan that will be distributed to holders of the Midwest Notes Claims.

107. "*Midwest Notes Indenture*" means that certain Indenture dated February 23, 1998 (as the same may have been amended, modified, supplemented, or amended and restated from time to time), by and among Windstream Holding of the Midwest, Inc. (f/k/a Alltel Communications Holdings of the Midwest, Inc., f/k/a Aliant Communications Inc.), as issuer, and Ankura Trust Company, LLC, in its capacity as successor trustee, for the 6 ¾% Senior Notes due 2028 in the principal amount of $100 million .

108. "*Midwest Notes Indenture Trustee*" Ankura Trust Company, LLC, in its capacity as trustee for the Midwest Notes Indenture.

109. "*Midwest Notes OID Consideration*" means to the extent that the Required Exit Facility Term Loans are issued with an original issue discount, then holders of Midwest Notes Claims will receive compensation, either in the form of cash or additional Midwest Notes Exit Facility Term Loans corresponding to such original issue discount.

110. "*Minimum Cash Balance*" means a cash balance to be held by the Debtors on the Effective Date in an amount equal to $75 million plus any amounts received on account of GCI (as defined in the Uniti Term Sheet) reimbursements and Cash Payments (as defined in the Uniti Term Sheet) received by the Debtors on or before the Effective Date.

111. *"New Exit Facility"* means the new money senior secured credit facility in an aggregate principal amount up to $3,250 million and as otherwise described in Article IV.D.1 of this Plan.

112. "*New Exit Facility Term Loan"* means the term loan facility arising under the New Exit Facility in an aggregate principal amount up to $2,500 million and as otherwise described in Article IV.D.1 of this Plan.

113. "*New Exit Facility Revolver"* means the revolving credit facility arising under the New Exit Facility in an aggregate principal amount up to $750 million and as otherwise described in Article IV.D.1 of this Plan.

114. "*Non-Obligor Debtor*" means any Debtor listed on **Exhibit 2** to this Plan.

115. "*Non-Obligor General Unsecured Claims*" means any general unsecured claims against the Non-Obligor Debtors.

116. "*Non-Obligor General Unsecured Claims Reserve*" means a reserve funded with proceeds from the New Exit Facility and any other cash on hand held by the Debtors as of the Effective Date in accordance with Article IV.D.1 of this Plan in an amount determined by the Debtors in their discretion and business judgment with the consent of the Requisite Backstop Parties to fund distributions on account of Allowed Non-Obligor General Unsecured Claims pursuant to Article III.B.7 of this Plan.

117. "*Notice and Claims Agent*" means Kurtzman Carson Consultants LLC, the notice, claims, and solicitation agent retained by the Debtors pursuant to the *Order Authorizing Retention and Appointment of Kurtzman Carson Consultants LLC as Claims and Noticing Agent* [Docket No. 59].

118. "*Obligor Claims Reserve*" means a reserve funded with proceeds from the New Exit Facility and any other cash on hand held by the Debtors as of the Effective Date in accordance with Article IV.D.1 of this Plan in an amount determined by the Debtors, with the consent of the Requisite Backstop Parties and the Required Consenting

Creditors to fund distributions on account of Allowed Second Lien Claims and Allowed Obligor General Unsecured Claims pursuant to Article III.B.5 and Article III.B.6 of this Plan.

119. "*Obligor Debtor*" means any Debtor listed on **Exhibit 1** to this Plan.

120. "*Obligor General Unsecured Claims*" means any general unsecured claims against the Obligor Debtors.

121. "*Other Priority Claim*" means any Claim against any Debtor entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, other than: (a) an Administrative Claim; and (b) a Priority Tax Claim.

122. "*Other Secured Claim*" means any Secured Claim, including any Secured Tax Claim, other than a First Lien Claim, Midwest Notes Claim, Second Lien Claim, or a DIP Facilities Claim. For the avoidance of doubt, "Other Secured Claims" includes any Claim arising under, derived from, or based upon any letter of credit issued in favor of one or more Debtors, the reimbursement obligation for which is either secured by a Lien on collateral or is subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code.

123. "*Ownership Certification*" means a written certification which shall, among other things, be sufficient to enable the Debtors or Reorganized Debtors, as applicable, to determine the extent to which direct and indirect voting and equity interests of the certifying party are held by non-U.S. Persons, as determined under sections 214 and 310(b) of the Communications Act, as interpreted and applied by the FCC, the form of which shall be included in the Plan Supplement.

124. "*Ownership Certification Deadline*" means the date by which holders of First Lien Claims must submit an Ownership Certification, which date shall be disclosed in the Plan Supplement.

125. *"PBGC"* means the Pension Benefit Guaranty Corporation, a wholly-owned United States government corporation, and an agency of the United States created by ERISA.

126. "*Person*" shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

127. "*Petition Date"* means February 25, 2019.

128. *"Plan Equity Value"* means an amount equal to $1,250 million, subject to the Flex Adjustment, if any.

129. "*Plan*" means this First Amended Joint Chapter 11 Plan of Reorganization of Windstream Holdings, Inc., et al., pursuant to Chapter 11 of the Bankruptcy Code (including the Plan Supplement and all exhibits hereto and thereto), as the same may be amended, modified, supplemented or amended and restated from time to time.

130. "*Plan Supplement*" means a supplemental appendix to the Plan, which shall be filed with the Bankruptcy Court prior to the Confirmation Hearing, and additional documents filed with the Bankruptcy Court prior to the Effective Date as amendments to the Plan Supplement. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date.

131. "*Plan Support Agreement*" means that certain Plan Support Agreement, and all of the schedules, documents, and exhibits contained therein, entered into on March 2, 2020 by and among the Debtors, the Consenting Creditors, as amended on March 9, 2020 and March 13, 2020 (and as may be further amended from time to time), and any subsequent Entity that becomes a party thereto pursuant to the terms thereof.

132. "*Priority Non-Backstop Cap*" means the portion of the Backstop Priority Tranche equal to the ratio of $667.3 million in the aggregate principal amount of First Lien Claims held by Priority Non-Backstop Parties to the aggregate principal amount of all First Lien Claims.

133. "*Priority Non-Backstop Parties*" means holders of First Lien Claims that were not held by Backstop Parties as of March 2, 2020, who signed the Plan Support Agreement and became Consenting Creditors by no later than 5:00 p.m. Prevailing Eastern Time on March 13, 2020.

134. "*Priority Tax Claim*" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

135. "*Pro Rata*" means the proportion that an Allowed Claim in a particular Class bears to the aggregate amount of Allowed Claims in that respective Class, or the proportion that Allowed Claims in a particular Class bear to the aggregate amount of Allowed Claims in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim under the Plan, as applicable.

136. "*Professional*" means an Entity employed pursuant to a Final Order of the Bankruptcy Court in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Effective Date, pursuant to sections 327, 328, 329, 330, 331, or 363 of the Bankruptcy Code.

137. "*Professional Fee Claims*" means a Claim by a professional seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 330, 331, 503(b)(2), 503(b)(3), 503(b)(4), or 503(b)(5) of the Bankruptcy Code.

138. "*Professional Fee Claims Estimate*" means the aggregate unpaid Professional Fee Claims through the Effective Date as estimated in accordance with Article II.C.2.

139. "*Professional Fee Escrow*" means a non-interest-bearing escrow account established and funded pursuant to Article II.C.3.

140. "*Proof of Claim*" means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases by the applicable Claims Bar Date.

141. "*Reinstated*" or "*Reinstatement*" means, with respect to Claims and Interests, the treatment provided for in section 1124 of the Bankruptcy Code.

142. "*Rejected Executory Contracts and Unexpired Leases Schedule*" means the schedule (as may be amended), if any, of certain Executory Contracts and Unexpired Leases (including any amendments or modifications thereto) that will be rejected by the Debtors pursuant to the Plan, which shall be included in the Plan Supplement.

143. "*Released Parties*" means, collectively, and in each case in its capacity as such: (a) the Consenting Creditors; (b) the Backstop Parties; (c) the Uniti Parties; (d) the indenture trustees and administrative agents under the Debtors' prepetition Secured credit agreement and Secured notes indentures; (e) the DIP Lenders; (f) the DIP Agent; and (g) with respect to each of the Debtors, the Reorganized Debtors, and each of the foregoing Entities in clauses (a) through (f), such Entity and its current and former Affiliates and subsidiaries, and such Entities' and their current and former Affiliates' and subsidiaries' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals.

144. "*Releasing Parties*"[2] means, collectively, (a) the Consenting Creditors; (b) the Backstop Parties; (c) the Uniti Parties; (d) the indenture trustees and administrative agents under the Debtors' prepetition Secured credit agreement and Secured notes indentures; (e) the DIP Lenders; (f) the DIP Agent; (g) all holders of Claims or Interests that vote to accept the Plan; (h) all holders of Claims or Interests that abstain from voting on the Plan and who do not affirmatively opt out of the releases provided by the Plan by checking the box on the applicable ballot indicating that

[2] For the avoidance of doubt, holders of Class 9 Interests in Windstream shall not be Releasing Parties.

they opt not to grant the releases provided in the Plan; (i) all holders of Claims or Interests that vote to reject the Plan and who do not affirmatively opt out of the releases provided by the Plan by checking the box on the applicable ballot indicating that they opt not to grant the releases provided in the Plan; and (j) with respect to each of the Debtors, the Reorganized Debtors, and each of the foregoing Entities in clauses (a) through (i), such Entity and its current and former Affiliates and subsidiaries, and such Entities' and their current and former Affiliates' and subsidiaries' current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such collectively.

145. "*Reorganized Debtors*" means (a) Debtors, as reorganized pursuant to and under the Plan or any successor thereto by merger, amalgamation, consolidation, or otherwise, and, (b) the direct and indirect subsidiaries of the Reorganized Debtors described in (a), in each case, after giving effect to the Restructuring Transactions.

146. "*Reorganized Windstream*" means the parent entity of the Reorganized Debtors, after giving effect to the Restructuring Transactions, which may be (a) Windstream Holdings, Inc., as reorganized pursuant to and under the Plan, or any successor thereto, by merger, amalgamation, consolidation, or otherwise, or (b) a new entity formed to acquire, directly or indirectly, substantially all of the assets of the Debtors.

147. "*Reorganized Windstream Board*" means the new board of directors of Reorganized Windstream who shall be appointed by the Requisite Backstop Parties in accordance with the Governance Term Sheet and whose identities shall be set forth in the Plan Supplement to the extent known at the time of filing.

148. "*Reorganized Windstream Equity Interests*" means the common stock, partnership interests, or limited liability company interests of Reorganized Windstream, as applicable, to be issued upon the Effective Date in accordance with the Plan.

149. "*Reorganized Windstream Organizational Documents*" means the form of the certificates or articles of incorporation, bylaws, limited liability company operating agreements or such other applicable formation documents of each Reorganized Debtor, which shall be in form and substance consistent with the Governance Term Sheet.

150. "*Required Consenting Creditors*" has the meaning ascribed to such term in the Plan Support Agreement.

151. *"Required Exit Facility Term Loans"* means term loans arising under the New Exit Facility Term Loan in an amount up to the Required Exit Facility Term Loans Target and otherwise as set forth in Article IV.D.1 of this Plan.

152. *"Required Exit Facility Term Loans Target"* means $2,150 million in new term loans (including the Midwest Notes Exit Facility Term Loans) arising under the New Exit Facility Term Loan.

153. "*Requisite Backstop Parties*" mean (a) at least two members of the First Lien Ad Hoc Group holding a majority of the aggregate amount of commitments under the Backstop Commitment Agreement held by all members of the First Lien Ad Hoc Group and (b) Elliott.

154. "*Restructuring Term Sheet*" has the meaning ascribed to such term in the Plan Support Agreement.

155. "*Restructuring Transactions*" means any transaction and any actions as may be necessary or appropriate to implement the restructuring of the Debtors and Reorganized Debtors on the terms set forth in the Plan, Plan Support Agreement, and Description of Restructuring Transactions, including the issuance of all Securities, notes, instruments, certificates, and other documents required to be issued pursuant to the Plan, or mergers, consolidations, amalgamations, arrangements, continuances, restructurings, conversions, dissolutions, transfers, liquidations, or other corporate transactions, as described in Article IV.J of the Plan.

156. "*Rights Offering*" means the $750 million common equity rights offering, subject to any Flex Adjustment, as set forth in Article IV.D.2 of this Plan.

157. "*Rights Offering Documents*" means collectively, the Backstop Commitment Agreement, and any and all other agreements, documents, and instruments delivered or entered into in connection with the Rights Offering, including the Rights Offering Procedures.

158. "*Rights Offering Procedures*" means those certain rights offering procedures with respect to the Rights Offering, which rights offering procedures shall be set forth in the Rights Offering Documents.

159. "*Schedule of Retained Causes of Action*" means the schedule of certain Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time.

160. "*Schedules*" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and substantially in accordance with the Official Bankruptcy Forms, as the same may have been amended, modified, or supplemented from time to time.

161. "*SEC*" means the Securities and Exchange Commission.

162. "*Second Lien Claims*" means, collectively, all claims derived from, based upon, or secured pursuant to the 2024 Second Lien Notes Indenture and 2025 Second Lien Indenture, including claims for all principal amounts outstanding, interest, fees, expenses, costs, and other charges arising thereunder or related thereto.

163. "*Second Lien Notes Indentures*" means, collectively, the 2024 Second Lien Notes Indenture and the 2025 Second Lien Notes Indenture.

164. "*Second Lien Notes Indenture Trustees*" mean Wilmington Trust, National Association in its capacity as collateral agent and indenture trustee under the Second Lien Notes Indentures.

165. "*Second Lien Notes Indenture Trustee Charging Lien*" means any Lien or priority of payment to which the Second Lien Notes Indenture Trustees are entitled under their respective Second Lien Notes Indenture(s) against distributions to be made to holders of Second Lien Claims for payment of any Second Lien Notes Indenture Trustee Fees.

166. "*Second Lien Notes Indenture Trustee Fees*" means all reasonable compensation, fees, expenses, disbursements and indemnity claims, including, without limitation, attorneys' and agents' fees, expenses and disbursements, incurred by the Second Lien Notes Indenture Trustees under their respective Second Lien Notes Indenture(s), whether before or after the Petition Date or before or after the Effective Date.

167. "*Secured*" means, when referring to a Claim: (a) secured by a Lien on collateral to the extent of the value of such collateral, as determined in accordance with section 506(a) of the Bankruptcy Code or (b) subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code.

168. "*Secured Tax Claim*" means any Secured Claim against any Debtor that, absent its secured status, would be entitled to priority in right of payment under section 507(a)(8) of the Bankruptcy Code (determined irrespective of time limitations), including any related Secured Claim for penalties.

169. "*Securities Act*" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as amended, together with the rules and regulations promulgated thereunder or any similar federal, state, or local law.

170. "*Securities Exchange Act*" means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a–78nn.

171. "*Security*" shall have the meaning set forth in section 101(49) of the Bankruptcy Code.

172. "*Special Warrant*" means a warrant, issued by the Reorganized Debtors pursuant to the Plan, the Equity Allocation Mechanism, and the Special Warrant Agreement, to purchase Reorganized Windstream Equity Interests, the terms of which will provide that (i) the holder may exercise its rights to purchase Reorganized Windstream Equity Interests at no cost and (ii) will not be exercisable unless such exercise complies with applicable law, including, without limitation, the Communications Act and the rules and regulations of the FCC and the FCC has issued any requisite approval of such exercise.

173. "*Special Warrant Agreement*" means that certain warrant agreement, to be effective on the Effective Date, governing the Special Warrants to be issued by the Reorganized Debtors, the form of which shall be included in the Plan Supplement and which shall be in form and substance acceptable to the Debtors and the Requisite Backstop Parties.

174. "*State PUCs*" means the public utilities commission or similar regulatory agency in each U.S. state (which, for this definition, shall include the District of Columbia) with jurisdiction over intrastate telecommunications services.

175. "*State PUC Applications*" means, collectively, each requisite notice, application, petition, or other request filed or to be filed with the State PUCs that have jurisdiction in connection with the Restructuring Transactions and the Plan.

176. "*State PUC Approval*" means, collectively, the grant by State PUCs the State PUC Applications, including any grants by operation of law; provided that the possibility that an appeal, request for stay, or petition for rehearing or review by a court or administrative agency may be filed with respect to such grant, or that a State PUC may reconsider or review such grant on its own authority, shall not prevent such grant from constituting State PUC Approval for purposes of the Plan.

177. "*Transfer of Control*" has the meaning set forth in Article XII.I of the Plan.

178. "*U.S. Trustee*" means the Office of the United States Trustee for Region 2.

179. "*Unexpired Lease*" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

180. "*Unimpaired*" means, with respect to a Claim or a Class of Claims or Interests, a Claim or an Interest that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

181. "*Uniti*" means Uniti Group Inc. and each of its direct and indirect subsidiaries party to the Plan Support Agreement.

182. "*Uniti 9019 Motion*" has the meaning ascribed to such term in the Plan Support Agreement.

183. "*Uniti Arrangement*" means that certain Master Lease dated April 24, 2015 by and among CSL National, LP, the landlords party thereto, and Windstream Holdings, Inc. as tenant.

184. "*Uniti Parties*" has the meaning ascribed to such term in the Plan Support Agreement.

185. *"Uniti Term Sheet*" means the sheet attached as Exhibit D to the Plan Support Agreement describing the terms and conditions of the settlement with Uniti.

186. "*Uniti Transactions"* means the transactions described in the Uniti Term Sheet.

187. "*Unsecured Notes*" means, collectively, the 6.375% 2023 Notes, the 7.500% 2022 Notes, the 7.500% 2023 Notes, the 7.750% 2020 Notes, the 7.750% 2021 Notes, and the 8.750% 2024 Notes.

188. "*Unsecured Notes Claims*" means, collectively, all claims derived from or based upon the Unsecured Notes or the Unsecured Notes Indentures, including in each case claims for all principal amounts outstanding, interest, Unsecured Notes Indenture Trustee Fees, expenses, costs, and other charges arising thereunder or related thereto.

189. "*Unsecured Notes Indentures*" means, collectively, the 6.375% 2023 Notes Indenture, 7.500% 2022 Notes Indenture, 7.500% 2023 Notes Indenture, 7.750% 2020 Notes Indenture, 7.750% 2021 Notes Indenture, and 8.750% 2024 Notes Indenture.

190. "*Unsecured Notes Indenture Trustee Charging Lien*" means any Lien or priority of payment to which the Unsecured Notes Indenture Trustees are entitled under their respective Unsecured Notes Indenture(s) against distributions to be made to holders of Unsecured Notes Claims for payment of any Unsecured Notes Indenture Trustee Fees.

191. "*Unsecured Notes Indenture Trustee Fees*" means all reasonable compensation, fees, expenses, disbursements and indemnity claims, including, without limitation, attorneys' and agents' fees, expenses and disbursements, incurred by the Unsecured Notes Indenture Trustees under their respective Unsecured Notes Indenture(s), whether before or after the Petition Date or before or after the Effective Date.

192. "*Unsecured Notes Indenture Trustees*" means, collectively, (i) U.S. Bank National Association in its capacity as trustee, under the 6.375% 2023 Notes Indenture, 7.500% 2022 Notes Indenture, 7.500% 2023 Notes Indenture, 7.750% 2020 Notes Indenture, and 7.750% 2021 Notes Indenture; and (ii) UMB Bank, National Association, in its capacity as successor trustee, under the 8.750% 2024 Notes Indenture.

193. "*Voting Deadline*" means 4:00 p.m. (Eastern Time) on June 17, 2020, as specifically set forth in the Disclosure Statement Order, which is the deadline for submitting Ballots to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code.

194. "*Windstream*" means Windstream Holdings, Inc. and each of its subsidiaries.

195. "*Windstream Holdings*" means Windstream Holdings, Inc.

196. "*Windstream Pension Plan"* means that certain Windstream Pension Plan, a single-employer defined benefit plan insured by the PBGC and covered by Title IV of ERISA.

197. "*Windstream Services*" means Windstream Services, LLC.

B. *Rules of Interpretation*

For purposes herein: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) except as otherwise provided in the Plan, any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified in accordance with the Plan; (c) unless otherwise specified herein, all references herein to "Articles" are references to Articles of the Plan; (d) unless otherwise stated herein, the words "herein," "hereof," and ''hereto'' refer to the Plan in its entirety rather than to a particular portion of the Plan; (e) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (f) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation"; (g) unless otherwise specified, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply to the Plan; (h) any capitalized term used herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (i) any docket number references in the Plan shall refer to the docket number of any document Filed with the Bankruptcy Court in the Chapter 11 Cases; (j) references to "Proofs of Claim," "holders of Claims," "disputed Claims," and the like shall include "Proofs of Interest," "holders of Interests,"

"disputed Interests," and the like as applicable; (k) references to "shareholders," "directors," and/or "officers" shall also include "members" and/or "managers," as applicable, as such terms are defined under the applicable state limited liability company laws; (l) any effectuating provisions may be interpreted by the Debtors, or after the Effective Date, the Reorganized Debtors in their sole discretion in a manner consistent with the overall purpose and intent of the Plan all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; and (m) except as otherwise provided, any references to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter.

C. *Computation of Time*

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction may occur pursuant to the Plan shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

D. *Governing Law*

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated herein, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided* that corporate or limited liability company governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated or formed (as applicable) in the State of New York shall be governed by the laws of the state of incorporation or formation (as applicable) of the applicable Debtor or Reorganized Debtor.

E. *Reference to Monetary Figures*

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided herein.

F. *Reference to the Debtors or the Reorganized Debtors*

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

G. *Controlling Document*

In the event of an inconsistency between the Plan and the Disclosure Statement, the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan and the Plan Supplement, the terms of the relevant document in the Plan Supplement shall control (unless stated otherwise in such Plan Supplement document or in the Confirmation Order). In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

H. *Consultation, Information, Notice, and Consent Rights*

Notwithstanding anything herein to the contrary, any and all consultation, information, notice, and consent rights of the parties to the Plan Support Agreement set forth in the Plan Support Agreement (including the exhibits thereto) with respect to the form and substance of this Plan, all exhibits to the Plan, and the Plan Supplement, and all other Definitive Documents (as defined in the Plan Support Agreement), including any amendments, restatements, supplements, or other modifications to such agreements and documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference (including to the applicable definitions in Article I.A hereof) and fully enforceable as if stated in full herein.

Failure to reference the rights referred to in the immediately preceding paragraph as such rights relate to any document referenced in the Plan Support Agreement shall not impair such rights and obligations.

ARTICLE II.

ADMINISTRATIVE CLAIMS AND PRIORITY CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, including DIP Facilities Claims, Professional Fee Claims, and Priority Tax Claims have not been classified and, thus, are excluded from the classification of Claims and Interests set forth in Article III.

A. *Administrative Claims*

Except to the extent otherwise expressly provided herein, other than Professional Fee Claims and Administrative Claims that have already been paid during the Chapter 11 Cases, and except to the extent that a holder of an Allowed Administrative Claim and the applicable Debtor, prior to the Effective Date, or after the Effective Date, the applicable Reorganized Debtor, agrees to less favorable treatment, each holder of an Allowed Administrative Claim shall be paid in full in Cash: (a) if such Administrative Claim is Allowed as of the Effective Date, not later than the Effective Date; or (b) if such Administrative Claim is not Allowed as of the Effective Date, upon entry of an order of the Bankruptcy Court Allowing such Claim, or as soon as reasonably practicable thereafter; *provided* that if an Allowed Administrative Claim arises from liabilities incurred by the Estates in the ordinary course of business after the Petition Date, such Claim shall be paid in accordance with the terms and conditions of the particular transaction giving rise to such Claim in the ordinary course.

HOLDERS OF ADMINISTRATIVE CLAIMS THAT ARE REQUIRED TO, BUT DO NOT, FILE AND SERVE A REQUEST FOR PAYMENT OF SUCH ADMINISTRATIVE CLAIMS BY THE ADMINISTRATIVE CLAIMS BAR DATE SHALL BE FOREVER BARRED, ESTOPPED, AND ENJOINED FROM ASSERTING SUCH ADMINISTRATIVE CLAIMS AGAINST THE DEBTORS, THE REORGANIZED DEBTORS, OR THEIR RESPECTIVE PROPERTY AND ASSETS AND SUCH ADMINISTRATIVE CLAIMS SHALL BE DEEMED DISCHARGED AS OF THE EFFECTIVE DATE.

B. *DIP Facilities Claims*

All DIP Facilities Claims shall be deemed Allowed as of the Effective Date in an amount equal to (a) the principal amount outstanding under the DIP Credit Agreement on such date, (b) all accrued and unpaid interest thereon to the date of payment and (c) all accrued and unpaid fees, expenses and noncontingent indemnification obligations payable under the DIP Credit Agreement and the DIP Orders.

Except to the extent that a holder of an Allowed DIP Facilities Claim agrees to a less favorable treatment, each Allowed DIP Facilities Claim, as well as any other fees, interest or other obligations owing to third parties under the DIP Credit Agreement and/or the DIP Orders, shall be indefeasibly paid in full, in Cash, by the Debtors on the Effective Date in accordance with the terms of the DIP Credit Agreement and the DIP Orders, including without limitation, the execution and delivery of a release agreement, on terms and conditions acceptable to the DIP Agent and the DIP Lenders, and contemporaneously with the foregoing payment and delivery of the release agreement, the DIP Facilities shall be deemed cancelled, all Liens on property of the Debtors and the Reorganized Debtors arising out of or related to the DIP Facilities shall automatically terminate, and all collateral subject to such Liens shall be automatically released, in each case without further action by the DIP Agent or the DIP Lenders and all guarantees of the Debtors and Reorganized Debtors arising out of or related to the DIP Facilities Claims shall be automatically discharged and released, in each case without further action by the DIP Agent or the DIP Lenders pursuant to the terms of the DIP Facilities. The DIP Agent and the DIP Lenders shall take all actions to effectuate and confirm such termination, release and discharge as reasonably requested by the Debtors or the Reorganized Debtors. For the avoidance of doubt, to the extent that any obligations under the DIP Credit Agreement and/or the DIP Orders remain unsatisfied as of the Effective Date, any unsatisfied claims thereunder shall not be released by the terms of this Plan until such obligations are indefeasibly paid in full, in Cash.

C. *Professional Fee Claims*

1. Final Fee Applications

All final requests for payment of Professional Fee Claims must be Filed with the Bankruptcy Court no later than the first Business Day that is forty-five (45) days after the Effective Date unless otherwise ordered by the Bankruptcy Court.

2. Professional Fee Claims Estimate

Professionals shall estimate in good faith their unpaid Professional Fee Claims and other unpaid fees and unreimbursed expenses incurred in rendering services to the Debtors or the Committee, as applicable, before and as of the Confirmation Date and shall deliver such good faith estimate to the Debtors no later than five (5) Business Days prior to the Effective Date; *provided* that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Filed Professional Fee Claims. If a Professional does not provide an estimate, the Debtors shall estimate in good faith the unpaid and unbilled fees and expenses of such Professional.

3. Professional Fee Escrow Account

If the Professional Fee Claims Estimate is greater than zero, as soon as reasonably practicable after the Confirmation Date and no later than the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow with Cash equal to the Professional Fee Claims Estimate, and no Liens, Claims, or interests shall encumber the Professional Fee Escrow in any way. The Professional Fee Escrow (including funds held in the Professional Fee Escrow) (a) shall not be and shall not be deemed property of the Debtors or the Reorganized Debtors and (b) shall be held in trust for the Professionals; provided, that funds remaining in the Professional Fee Escrow after all Allowed Professional Fee Claims have been irrevocably paid in full shall revert to the Reorganized Debtors. Allowed Professional Fee Claims shall be paid in Cash to such Professionals from funds held in the Professional Fee Escrow when such Claims are Allowed by an order of the Bankruptcy Court; provided, that the Debtors' and Reorganized Debtors' obligations with respect to Professional Fee Claims shall not be limited nor deemed limited in any way to the balance of funds held in the Professional Fee Escrow, as such amounts are solely estimates.

If the amount in the Professional Fee Escrow is insufficient to fund payment in full of all Allowed amounts owing to Professionals, the deficiency shall be promptly funded by the Debtors or the Reorganized Debtors, as applicable, to the Professional Fee Escrow without any further action or order of the Bankruptcy Court.

4. Post-Confirmation Date Fees and Expenses

Except as otherwise specifically provided in the Plan, on and after the Confirmation Date, the Debtors or the Reorganized Debtors, as applicable, shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred by the Debtors and the Reorganized Debtors subject to the terms of the Plan. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention for services rendered after such date shall terminate, and the Debtors or the Reorganized Debtors, as applicable, may employ any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court.

D. *Priority Tax Claims*

Except to the extent that a holder of an Allowed Priority Tax Claim and the applicable Debtor prior to the Effective Date, or after the Effective Date, the applicable Reorganized Debtor agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in section 1129(a)(9)(C) of the Bankruptcy Code and, for the avoidance of doubt, holders of Allowed Priority Tax Claims

will receive interest on such Allowed Priority Tax Claims after the Effective Date to the extent required by sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

E. *Payment of U.S. Trustee Statutory Fees*

All fees payable pursuant to 28 U.S.C. § 1930(a) shall be paid for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or closed, whichever occurs first, by the Debtors or the Reorganized Debtors, as applicable.

ARTICLE III.

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. *Summary of Classification*

Claims and Interests, except for Administrative Claims, including DIP Facilities Claims, Professional Fee Claims, and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

The classification of Claims and Interests against each Debtor pursuant to the Plan is as set forth below. The Plan shall apply as a separate Plan for each of the Debtors, and the classification of Claims and Interests set forth herein shall apply separately to each of the Debtors. All of the potential Classes for the Debtors are set forth herein. Certain of the Debtors may not have holders of Claims or Interests in a particular Class or Classes, and such Claims shall be treated as set forth in Article III.E.

1. Class Identification

The classification of Claims and Interests against each Debtor (as applicable) pursuant to the Plan is as follows:

Class	Claim / Interest	Status	Voting Rights
1	Other Secured Claims	Unimpaired	Deemed to Accept
2	Other Priority Claims	Unimpaired	Deemed to Accept
3	First Lien Claims	Impaired	Entitled to Vote
4	Midwest Notes Claims	Impaired	Entitled to Vote
5	Second Lien Claims	Impaired	Entitled to Vote
6A	Obligor General Unsecured Claims	Impaired	Entitled to Vote

Class	Claim / Interest	Status	Voting Rights
6B	Non-Obligor General Unsecured Claims	Unimpaired	Deemed to Accept
7	Intercompany Claims	Impaired/Unimpaired	Deemed to Reject/ Deemed to Accept
8	Intercompany Interests	Impaired/Unimpaired	Deemed to Reject/Deemed to Accept
9	Interests in Windstream	Impaired	Deemed to Reject

B. *Treatment of Claims and Interests*

Each holder of an Allowed Claim or Allowed Interest, as applicable, shall receive under the Plan the treatment described below in full and final satisfaction, settlement, release, and discharge of and in exchange for such holder's Allowed Claim or Allowed Interest, except to the extent different treatment is agreed to by (i) the Reorganized Debtors, (ii) the Required Consenting Creditors, (iii) the Requisite Backstop Parties, and (iv) the holder of such Allowed Claim or Allowed Interest, as applicable. Unless otherwise indicated, the holder of an Allowed Claim or Allowed Interest, as applicable, shall receive such treatment on the Effective Date or as soon as reasonably practicable thereafter.

1. Class 1 – Other Secured Claims

   a. *Classification*: Class 1 consists of Other Secured Claims.

   b. *Treatment*: Each holder of an Allowed Other Secured Claim shall receive, at the Debtors' option, in consultation with the Required Consenting Creditors and the Requisite Backstop Parties: (a) payment in full in cash; (b) the collateral securing its Allowed Other Secured Claim; (c) Reinstatement of its Allowed Other Secured Claim; or (d) such other treatment rendering its Allowed Other Secured Claim unimpaired in accordance with section 1124 of the Bankruptcy Code.

   c. *Voting*: Class 1 is Unimpaired under the Plan. Each holder of an Other Secured Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each holder of an Other Secured Claim is not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Priority Claims

   a. *Classification*: Class 2 consists of Other Priority Claims.

   b. *Treatment*: Each holder of an Allowed Other Priority Claim shall receive treatment in a manner consistent with section 1129(a)(9) of the Bankruptcy Code.

   c. *Voting*: Class 2 is Unimpaired under the Plan. Each holder of an Other Priority Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each holder of an Other Priority Claim is not entitled to vote to accept or reject the Plan.

3. Class 3 – First Lien Claims

a. *Classification*: Class 3 consists of all First Lien Claims.

b. *Treatment*: Each holder of an Allowed First Lien Claim shall receive its Pro Rata share of:

(i) 100% of the Reorganized Windstream Equity Interests, subject to dilution on account of the Rights Offering, the Backstop Premium, the Special Warrants, and the Management Incentive Plan;

(ii) cash in an amount equal to the sum of (a) the Distributable Exit Facility Proceeds, (b) the Distributable Flex Proceeds, (c) the cash proceeds of the Rights Offering, and (d) all other cash held by the Debtors as of the Effective Date in excess of the Minimum Cash Balance;

(iii) the Distributable Subscription Rights; and

(iv) as applicable, the First Lien Replacement Term Loans.

c. *Equity Allocation Mechanism:* Notwithstanding the foregoing, the distribution of Reorganized Windstream Equity Interests to holders of Allowed First Lien Claims pursuant to Article III.B.3.b.i of this Plan, pursuant to the Rights Offering, and on account of the Backstop Premium shall be made pursuant to, and subject to the terms and conditions of, the Equity Allocation Mechanism.

d. *Voting*: Class 3 is Impaired under the Plan. Each holder of an Allowed First Lien Claim is entitled to vote to accept or reject the Plan.

4. Class 4 – Midwest Notes Lien Claims

a. *Classification*: Class 4 consists of all Midwest Notes Claims.

b. *Treatment*: Each holder of an Allowed Midwest Notes Claim shall receive its Pro Rata share of the Midwest Notes Exit Facility Term Loans, the principal amount of which shall be $100 million, plus any interest and fees due and owing under the Midwest Notes Indenture and/or the Final DIP Order to the extent unpaid as of the Effective Date, and any additional Midwest Notes OID Consideration.

c. *Voting*: Class 4 is Impaired under the Plan. Each holder of an Allowed Class 4 Midwest Notes Claim is entitled to vote to accept or reject the Plan.

5. Class 5 – Second Lien Claims

a. *Classification*: Class 5 consists of all Second Lien Claims.

b. *Treatment*:

(i) ***If holders of Allowed Second Lien Claims vote as a class to accept the Plan***, on the Effective Date, each holder of an Allowed Second Lien Claim shall receive Cash in an amount equal to $0.00125 for each $1.00 of Allowed Second Lien Claims.

(ii) ***If holders of Allowed Second Lien Claims vote as a class to reject the Plan***, on the Effective Date, each holder of an Allowed Second Lien Claim shall receive treatment consistent with section 1129(a)(7) of the Bankruptcy Code.

c. *Voting*: Class 5 is Impaired under the Plan. Each holder of an Allowed Class 5 Second Lien Claim is entitled to vote to accept or reject the Plan.

6. Class 6A – Obligor General Unsecured Claims

a. *Classification*: Class 6A consists of all Obligor General Unsecured Claims.

b. *Treatment*:

(i) ***If holders of Allowed Obligor General Unsecured Claims vote as a class to accept the Plan***, on the Effective Date, each holder of an Allowed Obligor General Unsecured Claim shall receive Cash in an amount equal to $0.00125 for each $1.00 of such Allowed Obligor General Unsecured Claims.

(i) ***If holders of Allowed Obligor General Unsecured Claims vote as a class to reject the Plan***, on the Effective Date, each holder of such an Allowed Obligor General Unsecured Claim shall receive treatment consistent with section 1129(a)(7) of the Bankruptcy Code.

c. *Voting*: Class 6A is Impaired under the Plan. Each holder of an Allowed Class 6A Obligor General Unsecured Claim is entitled to vote to accept or reject the Plan.

7. Class 6B – Non-Obligor General Unsecured Claims

a. *Classification*: Class 6B consists of all Non-Obligor General Unsecured Claims.

b. *Treatment*: On the later of the Effective Date or the date that such Allowed Non-Obligor General Unsecured Claim becomes due in the ordinary course of the Debtors' or Reorganized Debtors' business, each holder of an Allowed Non-Obligor General Unsecured Claim shall, at the election of the Requisite Backstop Parties, in consultation with the Debtors, be (a) Reinstated or (b) paid in full in Cash.

c. *Voting*: Class 6B is Unimpaired under the Plan. Each holder of a Non-Obligor General Unsecured Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, each holder of a Non-Obligor General Unsecured Claim is not entitled to vote to accept or reject the Plan.

8. Class 7 – Intercompany Claim

a. *Classification*: Class 7 consists of all Intercompany Claims.

b. *Treatment*: Subject to the Description of Restructuring Transactions, each Allowed Intercompany Claim shall be Reinstated, distributed, contributed, set off, settled, cancelled and released, or otherwise addressed at the option of the Debtors in consultation with the Required Consenting Creditors and Requisite Backstop Parties.

c. *Voting*: Class 7 is either (i) Unimpaired, in which case the holders of Intercompany Claims are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or (ii) Impaired, and not receiving any distribution under the Plan, in which case the holders of Intercompany Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

9. Class 8 – Intercompany Interests

a. *Classification*: Class 8 consists of all Intercompany Interests.

b. *Treatment*: Subject to the Description of Restructuring Transactions, Intercompany Interests shall receive no recovery or distribution and be Reinstated solely to the extent necessary to maintain the Debtors' corporate structure.

c. *Voting*: Class 8 is either (i) Unimpaired, in which case the holders of Intercompany Claims are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or (ii) Impaired, and not receiving any distribution under the Plan, in which case the holders of Intercompany Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

10. Class 9 – Interests in Windstream[3]

a. *Classification*: Class 9 consists of all Interests in Windstream.

b. *Treatment*: Each holder of an Interest in Windstream shall have such Interest cancelled, released, and extinguished without any distribution.

c. *Voting*: Holders of Interests in Windstream are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, holders of Interests in Windstream are not entitled to vote to accept or reject the Plan.

C. *Special Provision Governing Unimpaired Claims*

Except as otherwise specifically provided in the Plan, nothing herein shall be deemed to affect, diminish, or impair the Debtors' or the Reorganized Debtors' rights and defenses, both legal and equitable, with respect to any Reinstated Claim or Unimpaired Claim, including legal and equitable defenses to setoffs or recoupment against Reinstated Claims or Unimpaired Claims; and, except as otherwise specifically provided in the Plan, nothing herein shall be deemed to be a waiver or relinquishment of any Claim, Cause of Action, right of setoff, or other legal or equitable defense which the Debtors had immediately prior to the Petition Date, against or with respect to any Claim that is Unimpaired by the Plan. Except as otherwise specifically provided in the Plan, the Reorganized Debtors shall have, retain, reserve, and be entitled to assert all such Claims, Causes of Action, rights of setoff, and other legal or equitable defenses which the Debtors had immediately prior to the Petition Date fully as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights with respect to any Reinstated Claim or Claim that is Unimpaired by this Plan may be asserted after the Confirmation Date and the Effective Date to the same extent as if the Chapter 11 Cases had not been commenced.

D. *Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code*

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

E. *Elimination of Vacant Classes*

Any Class of Claims or Interests that does not have a holder of an Allowed Claim or Allowed Interest or a Claim or Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be

[3] Claims against the Debtors in connection with the Securities Litigation are subordinated to the same level as Interests in Windstream pursuant to section 510(b) of the Bankruptcy Code and, accordingly, will receive treatment consistent with Class 9.

deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

F. *Voting Classes; Presumed Acceptance by Non-Voting Classes*

If a Class contains Claims eligible to vote and no holders of Claims eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be presumed to have been accepted by the holders of such Claims in such Class.

G. *Controversy Concerning Impairment*

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

H. *Intercompany Interests*

To the extent not cancelled under the Plan, distributions on account of Intercompany Interests are not being received by holders of such Intercompany Interests on account of their Intercompany Interests but for the purposes of administrative convenience and due to the importance of maintaining the corporate structure, for the ultimate benefit of the holders of Reorganized Windstream Equity Interests, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the holders of Allowed Claims.

ARTICLE IV.

MEANS FOR IMPLEMENTATION OF THE PLAN

A. *No Substantive Consolidation*

The Plan is being proposed as a joint plan of reorganization of the Debtors for administrative purposes only and constitutes a separate chapter 11 plan of reorganization for each Debtor. The Plan is not premised upon the substantive consolidation of the Debtors with respect to the Classes of Claims or Interests set forth in the Plan.

B. *Sources of Consideration for Plan Distributions*

The Reorganized Debtors, or Debtors, as applicable, shall fund distributions under the Plan with: (a) Cash on hand; (b) the issuance and distribution of Reorganized Windstream Equity Interests and Special Warrants; (c) proceeds of the New Exit Facility; (d) the First Lien Replacement Term Loans, as applicable; (e) subscription rights to participate in the Rights Offering; and (f) proceeds of the Rights Offering.

C. *Issuance and Distribution of Reorganized Windstream Equity Interests*

Upon the Effective Date, the issuance of the Reorganized Windstream Equity Interests shall be authorized without the need for any further corporate action and without any further action by the holders of Claims or Interests.

On the Effective Date, or as soon as is reasonably practicable thereafter, applicable holders of First Lien Claims shall receive shares or units of Reorganized Windstream Equity Interests in exchange for their Claims pursuant to Article III.B.

All of the shares or units of Reorganized Windstream Equity Interests issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessed. Each distribution and issuance of the Reorganized Windstream Equity Interests under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

D. *New Exit Facility and Rights Offering*

1. The New Exit Facility

Prior to the Effective Date, the Debtors will secure commitments to fund a new money senior secured credit facility in an aggregate amount up to $3,250 million, which will include the following facilities:

a. the New Exit Facility Revolver which will be undrawn on the Effective Date and may include (a) a letter of credit sub-facility up to an aggregate principal amount of $350 million to support obligations related to funding received from state and federal broadband subsidy programs and (b) an additional letter of credit sub-facility up to an aggregate principal amount of $50 million; and

b. the New Exit Facility Term Loan, which will be funded or distributed, as applicable, on the Effective Date and (a) will include the Required Exit Facility Term Loans, which shall include the Midwest Notes Exit Facility Term Loans, and (b) may include the Flex Exit Facility Term Loans at the election of the Requisite Backstop Parties, in consultation with the Debtors and otherwise on the terms set forth in the Plan Support Agreement. The Midwest Notes Exit Facility Term Loans will rank *pari passu* with, and be secured on the same terms as, the other Required Exit Facility Term Loans, and have the same terms as, and be fungible in all respects with, the other Required Exit Facility Term Loans. The interest rate, maturity date, and other terms of the New Exit Facility will be consistent with the Plan Support Agreement and otherwise reasonably acceptable to the Debtors, the Required Consenting Creditors, and the Requisite Backstop Parties. To the extent that the Required Exit Facility Term Loans are issued with an original issue discount, then holders of Midwest Notes Claims will receive Midwest Notes OID Consideration, either in the form of cash or additional Midwest Notes Exit Facility Term Loans corresponding to such original issue discount.

The Required Exit Facility Term Loans (other than the Midwest Notes Exit Facility Term Loans) may be reduced to an amount less than $2,050 million at the election of Requisite Backstop Parties. To the extent the amount of the Required Exit Facility Term Loans funded on the Effective Date is lower than the Required Exit Facility Term Loans Target, the Debtors will distribute the First Lien Replacement Term Loans in an amount equal to the difference between the Required Exit Facility Term Loans Target and the amount of Required Exit Facility Term Loans actually funded on the Plan Effective Date to holders of First Lien Claims in lieu of the applicable cash distributions; *provided* that the aggregate amount of the First Lien Replacement Term Loans will not exceed an amount to be agreed by the Requisite Backstop Parties and set forth in the Plan Supplement. The First Lien Replacement Term Loans, as applicable, will rank *pari passu* with and secured on substantially the same terms as the New Exit Facility Term Loan and have the same terms as the New Exit Facility Term Loan or such other terms as agreed by the Requisite Backstop Parties and the Debtors.

On the Effective Date, the net cash proceeds of the remaining Required Exit Facility Term Loans (and other cash on hand held by the Debtors as of the Effective Date) will be:

a. first, used to pay in full in cash Allowed DIP Claims, Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Secured Claims, Allowed Other Priority Claims, and executory contract and unexpired lease Cure Claims as and to the extent that such Claims are required to be paid in cash under this Plan;

b. second, used to fund the Non-Obligor General Unsecured Claims Reserve;

c. third, used to fund the Obligor Claims Reserve;

d. fourth, used, to the extent necessary, to fund the Minimum Cash Balance; and

e. fifth, distributed to holders of Allowed First Lien Claims in accordance with Article III.B.3 of this Plan, which amounts shall constitute the Distributable Exit Facility Proceeds.

Confirmation of the Plan shall be deemed (a) approval of the New Exit Facility (including, for the avoidance of doubt, the Midwest Notes Exit Facility Term Loans) and all the transactions and related agreements contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees and expenses to be paid by the Debtors or the Reorganized Debtors, as applicable, in connection therewith, to the extent not approved by the Bankruptcy Court previously, and (b) authorization for the Debtors or the Reorganized Debtors, as applicable, to, without further notice to or order of the Bankruptcy Court, (i) execute and deliver those documents and agreements necessary or appropriate to pursue or obtain the New Exit Facility (including, for the avoidance of doubt, the Midwest Notes Exit Facility Term Loans), and incur and pay any fees and expenses in connection therewith, and (ii) act or take action under applicable law, regulation, order, or rule or vote, consent, authorization, or approval of any person, subject to such modifications as the Debtors or the Reorganized Debtors, as applicable, may deem to be necessary to consummate the New Exit Facility.

On the Effective Date, all Liens and security interests granted pursuant to, or in connection with the New Exit Facility (including, for the avoidance of doubt, the Midwest Notes Exit Facility Term Loans): (i) shall be deemed to be approved and shall, without the necessity of the execution, recordation, or filing of mortgages, security agreements, control agreements, pledge agreements, financing statements, or other similar documents, be valid, binding, fully perfected, fully enforceable Liens on, and security interests in, the collateral securing the New Exit Facility (including, for the avoidance of doubt, the Midwest Notes Exit Facility Term Loans), with the priorities established in respect thereof under applicable non-bankruptcy law, the Plan, and the Confirmation Order; and (ii) shall not be enjoined or subject to discharge, impairment, release, avoidance, recharacterization, or subordination (including equitable subordination) for any purposes whatsoever and shall not constitute preferential transfers, fraudulent conveyances, or other voidable transfers under the Bankruptcy Code or any applicable non-bankruptcy law, the Plan, or the Confirmation Order.

The Reorganized Debtors and the Persons granted Liens and security interests under the New Exit Facility (including, for the avoidance of doubt, the Midwest Notes Exit Facility Term Loans) are authorized to make all filings and recordings and to obtain all governmental approvals and consents necessary to establish and perfect such Liens and security interests under the provisions of the applicable state, provincial, federal, or other law (whether domestic or foreign) that would be applicable in the absence of the Plan and the Confirmation Order (it being understood that perfection shall occur automatically by virtue of the entry of the Confirmation Order without the need for any filings or recordings) and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

2. The Rights Offering

On the Effective Date, the Debtors will consummate the $750 million Rights Offering pursuant to which holders of Allowed First Lien Claims will be distributed subscription rights to purchase the Reorganized Windstream Equity Interests at a 37.5% discount to Plan Equity Value. Both the amount of the Rights Offering and the Plan Equity Value are subject to the Flex Adjustment in the event that the Flex Exit Facility Term Loans are funded on the Effective Date.

Without limiting the obligations of the Backstop Parties to fund the full amount of the Rights Offering, the Backstop Parties will have the option to purchase the Backstop Priority Tranche on a Pro Rata Basis based on their backstop commitments and otherwise in accordance with the Plan Support Agreement. The Priority Non-Backstop Parties shall be eligible to participate in up to $79.4 million of the Backstop Priority Tranche on a Pro Rata basis; *provided* that no single Priority Non-Backstop Party, together with any of its affiliates or managed funds, may participate on account of more than $141 million in aggregate principal amount of First Lien Claims for purposes of determining its pro rata share of the Backstop Priority Tranche. Any rights not exercised by the Priority Non-Backstop Parties in the Backstop Priority Tranche shall be made available for the Backstop Parties to purchase on a Pro Rata basis based on their backstop commitments. Any rights not exercised by the Backstop Parties in the Backstop Priority Tranche shall be available for distribution as Distributable Subscription Rights to Holders of First Lien Claims pursuant to Article III.B.3 of the Plan.

The issuance of such subscription rights to participate in the Rights Offering will be exempt from SEC registration under applicable law. The proceeds of the Rights Offering will be distributed to holders of First Lien Claims in accordance with this Plan. The Reorganized Windstream Equity Interests issued to the Backstop Parties, the Priority Non-Backstop Parties and other holders of Allowed First Lien Claims in connection with the Rights Offering will be subject to dilution on account of the Backstop Premium and the Management Incentive Plan.

E. *Equity Allocation Mechanism and Special Warrant Agreement*

To the extent the Debtors determine to pursue a two-step FCC regulatory approval process, as described in the Disclosure Statement, on the Effective Date, the Reorganized Debtors are authorized to issue and shall issue the Reorganized Windstream Equity Interests and the Special Warrants in accordance with the terms of the Plan, the Special Warrant Agreement, and the Equity Allocation Mechanism without the need for any further corporate or stockholder action. All of the Reorganized Windstream Equity Interests issuable under the Plan, when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable, and the Special Warrants issued pursuant to the Plan shall be duly authorized and validly issued. For the avoidance of doubt, the acceptance of Reorganized Windstream Equity Interests and/or Special Warrants by a holder of an Allowed First Lien Claim shall be deemed as such holder's agreement to the Special Warrant Agreement, as may be amended or modified from time to time following the Effective Date in accordance with the terms of such documents.

With the exception of Elliott, which, notwithstanding any Certification as a U.S. Holder, shall receive a combination of Reorganized Windstream Equity Interests and Special Warrants as if it were a Non-U.S. Holder as described below, each holder of an Allowed First Lien Claim that (i) timely delivers an Ownership Certification by the Ownership Certification Deadline (or delivers an Ownership Certification that the Debtors determine in their discretion to treat as timely) and (ii) certifies therein that its foreign ownership, as calculated in accordance with FCC rules, is zero, and is thus a "U.S. Holder", shall receive Reorganized Windstream Equity Interests on the Effective Date in accordance Article III.B.3 of this Plan, the Rights Offering Procedures, and the New Warrant Agreement. For the avoidance of doubt, any Reorganized Windstream Equity Interests received by such U.S. Holders on the Effective Date shall be subject to dilution on account of, among other things, the Special Warrants.

Each holder of an Allowed First Lien Claim that (i) (A) timely delivers an Ownership Certification by the Ownership Certification Deadline (or delivers an Ownership Certification that the Debtors determine in their discretion to treat as timely) and (B) certifies therein that its foreign ownership, calculated in accordance with FCC rules, is greater than zero, (ii) does not timely deliver, and the Debtors do not treat as having timely delivered, an Ownership Certification by the Ownership Certification Deadline, or (iii) delivers an Ownership Certification that does not allow the Debtors to determine such holder's foreign ownership (with respect to sections (A)–(C) herein, each a "Non-U.S. Holder," and collectively, the "Non-U.S. Holders") shall, on the Effective Date, shall, on the Effective Date, receive one or both of Reorganized Windstream Equity Interests and Special Warrants as of the Effective Date and pending the occurrence of the Exercise Date, as defined below.

Subject to the terms and conditions set forth in the Special Warrant Agreement, Special Warrants may be exercised on or after the Exercise Date or otherwise as specified by the Special Warrant Agreement. The Exercise Date shall occur within five business days after the following conditions have been satisfied: (i) any required declaratory ruling is granted by the FCC to allow Reorganized Windstream or its affiliates, as applicable, to exceed 25 percent indirect foreign ownership and specifically approve any foreign investor with greater than 5 percent ownership; (ii) the FCC has issued all other requisite approvals for the exercise of the Special Warrants; and (iii) the State PUCs grant any requisite approvals for the change of ownership that will arise from the exercise of the Special Warrants. Prior to the Exercise Date, Special Warrants will be subject to the same restrictions on transfer as apply to Reorganized Windstream Equity Interests.

In determining foreign ownership for distributions of Reorganized Windstream Equity Interests on the Effective Date, the Debtors will rely on the information provided in each holder's Ownership Certification. The Debtors will treat any holder that does not (i) timely deliver an Ownership Certification by the Ownership Certification Deadline or (ii) deliver an Ownership Certification that allows the Debtors to clearly determine such holder's foreign ownership as a 100 percent foreign-owned, non-U.S. holder; provided, that the Debtors shall have discretion, with the consent of the Requisite Backstop Parties, to treat any Ownership Certification delivered after the Ownership Certification Deadline but prior to the Effective Date as if such Ownership Certification had been delivered prior to

the Ownership Certification Deadline if the Debtors reasonably believe, after consulting with the Requisite Backstop Parties, that doing so will not delay the receipt of the required regulatory approvals or the occurrence of the Effective Date.

F. *Corporate Existence*

Except as otherwise provided in the Plan (including with respect to any Restructuring Transaction undertaken pursuant to the Plan) or as otherwise set forth in the Description of Restructuring Transactions, the Reorganized Windstream Organizational Documents, or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on and after the Effective Date, or as otherwise may be agreed between the Debtors, the Required Consenting Creditors, and the Requisite Backstop Parties ,and, to the extent required under section 3.02 of the Plan Support Agreement, the Required Consenting Midwest Noteholders, each Debtor shall continue to exist as a Reorganized Debtor and as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other analogous formation documents) in effect before the Effective Date, except to the extent such certificate of incorporation and bylaws (or other analogous formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval (other than any requisite filings required under applicable state, provincial, or federal law).

G. *Vesting of Assets in the Reorganized Debtors*

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, all property in each Estate, all Causes of Action, all Executory Contracts and Unexpired Leases assumed by any of the Debtors, and any property acquired by any of the Debtors, including Interests held by the Debtors in non-Debtor subsidiaries, pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances unless expressly provided otherwise by the Plan or Confirmation Order. On and after the Effective Date, except as otherwise provided in the Plan, including with respect to the waiver of Avoidance Claims in Article IV.S, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property, and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

H. *Cancellation of Existing Securities*

On the later of the Effective Date and the date on which distributions are made pursuant to the Plan (if not made on the Effective Date), except as otherwise specifically provided for in the Plan or set forth in the Description of Restructuring Transactions: (a) the obligations of the Debtors under the Prepetition Credit Agreement, the First Lien Notes Indenture, the Midwest Notes Indenture, the Second Lien Notes Indenture, the Unsecured Notes Indentures, and any other certificate, equity security, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors giving rise to any Claim or Interest (except such agreements, certificates, notes, or other instruments or documents evidencing indebtedness or obligation of or ownership interest in the Debtors that are reinstated or amended and restated pursuant to the Plan), shall be cancelled solely as to the Debtors, and the Reorganized Debtors, the DIP Agent, the Agent, the First Lien Notes Indenture Trustees, the Midwest Notes Indenture Trustee, the Second Lien Notes Indenture Trustees, and the Unsecured Notes Indenture Trustees shall not have any continuing duties or obligations thereunder and shall be discharged; and (b) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, indentures, purchase rights, options, or other instruments or documents evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors (except such agreements, certificates, notes or other instruments evidencing indebtedness or obligation of or ownership interest in the Debtors that are specifically reinstated, amended and reinstated, or entered into pursuant to the Plan) shall be released and discharged; except that the applicable indentures and credit agreements shall continue in effect solely for the purpose of: (i) allowing the applicable agents and indenture trustees to receive distributions from the Debtors and to make further distributions to the applicable holders of Claims (subject to any

applicable charging liens, including any Second Lien Notes Indenture Trustee Charging Lien and any Unsecured Notes Indenture Trustee Charging Lien), and allowing such holders to accept distributions, on account of such Claims; (ii) preserving the applicable agents' and indenture trustees' rights to payment of fees and expenses, including any Second Lien Notes Indenture Trustee Fees and any Unsecured Notes Indenture Trustee Fees, and allowing the maintenance, exercise, and enforcement of any applicable charging lien, including any Second Lien Notes Indenture Trustee Charging Lien and any Unsecured Notes Indenture Trustee Charging Lien, for the payment of fees and expenses, including any Second Lien Notes Indenture Trustee Fees and any Unsecured Notes Indenture Trustee Fees, and for indemnification as against any money or property distributed to holders; (iii) preserving the right of applicable agents and indenture trustees to exculpation and indemnification from the Debtors pursuant and subject to the terms of the applicable credit agreements and indentures; and (iv) preserving the applicable agents' and indenture trustees' right to appear and be heard in the Chapter 11 Cases or in any other proceeding in the Bankruptcy Court, including but not limited to enforcing any obligations owed to it under the Plan or Confirmation Order; *provided* that nothing in this Plan shall affect the discharge of Claims pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan, or result in any liability or expense to the Reorganized Debtors. On the Effective Date, each holder of a certificate or instrument evidencing a Claim that is discharged by the Plan shall be deemed to have surrendered such certificate or instrument in accordance with the applicable indenture or agreement that governs the rights of such holder of such Claim. Such surrendered certificate or instrument shall be deemed cancelled as set forth in, and subject to the exceptions set forth in, this Article IV.H. On and after the Effective Date, the duties and responsibilities of the indenture trustees under their respective indenture(s) shall be discharged and released, except (i) to the extent required to effectuate the Plan including, but not limited to, making distributions under the Plan to the holders of Allowed Claims under their respective indenture(s) and (ii) with respect to any rights of the First Lien Indenture Trustee or the Second Lien Indenture Trustees to payment of fees, expenses, and indemnification obligations as against any money or property distributable to holders of the First Lien Claims under the First Lien Notes Indenture or to holders of the Second Lien Claims under the Second Lien Notes Indentures, as applicable, including any rights to priority of payment and/or to exercise charging liens. After the performance by the applicable agents' and indenture trustees and their respective representatives and professionals of any obligations and duties required under or related to the Plan or the Confirmation Order, the agents and the indenture trustees shall be relieved of and released from any obligations and duties arising thereunder.

I. *Corporate Action*

Upon the Effective Date, all actions contemplated by the Plan or as set forth in the Description of Restructuring Transactions, shall be deemed authorized and approved by the Bankruptcy Court in all respects, including, as applicable: (a) the issuance of the Reorganized Windstream Equity Interests; (b) the selection of the directors and officers for Reorganized Windstream and the other Reorganized Debtors; (c) implementation of the Restructuring Transactions; and (d) all other actions contemplated by the Plan or otherwise deemed necessary or appropriate by the Debtors, the Reorganized Debtors, or Reorganized Windstream, as the case may be (whether to occur before, on, or after the Effective Date). Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of Reorganized Windstream and the other Reorganized Debtors, and any corporate action required by the Debtors, Reorganized Windstream, or the other Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, or officers of the Debtors, Reorganized Windstream, or the other Reorganized Debtors. On or before the Effective Date, as applicable, the appropriate officers of the Debtors, Reorganized Windstream, or the Reorganized Debtors shall be authorized to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary to effect the transactions contemplated by the Plan), in the name of and on behalf of Reorganized Windstream and the other Reorganized Debtors, to the extent not previously authorized by the Bankruptcy Court. The appropriate officers of the Debtors, Reorganized Windstream, or the Reorganized Debtors shall be authorized to adopt the execution of any corporate documents to the extent deemed necessary or appropriate. The authorizations and approvals contemplated by this Article IV.I shall be effective notwithstanding any requirements under non-bankruptcy law.

J. *Restructuring Transactions*

Following the Confirmation Date or as soon as reasonably practicable thereafter, the Debtors or the Reorganized Debtors, as applicable, may take all actions as may be necessary or appropriate to effectuate any Restructuring Transactions described in, approved by, contemplated by, or necessary to effectuate the Plan. The

Restructuring Transactions may include one or more of the following: (i) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase, or liquidation containing terms that are consistent with the terms of the Plan; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance, or dissolution pursuant to applicable law; (iv) the execution and delivery of the Rights Offering Documents and any documentation related to the New Exit Facility; (v) the execution and delivery of the Reorganized Windstream Organizational Documents, and any certificates or articles of incorporation, bylaws, or such other applicable formation documents (if any) of each Reorganized Debtor (including all actions to be taken, undertakings to be made, and obligations to be incurred and fees and expenses to be paid by the Debtors and/or the Reorganized Debtors, as applicable); (vi) the issuance, distribution, reservation, or dilution, as applicable, of the Reorganized Windstream Equity Interests and/or Special Warrants, as set forth herein and (vii) all other actions that the Debtors or Reorganized Debtors, as applicable, reasonably determine to be necessary, including making filings or recordings that may be required by applicable law in connection with the Plan.

K. *Reorganized Windstream Organizational Documents*

To the extent required under the Plan or applicable non-bankruptcy law, on the Effective Date, the Reorganized Debtors will file such Reorganized Windstream Organizational Documents as are required to be filed with the applicable Secretary of State and/or other applicable authorities in the state, province, or country of incorporation in accordance with the corporate laws of the respective state, province, or country of incorporation. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the Reorganized Windstream Organizational Documents will prohibit the issuance of non-voting equity securities. After the Effective Date, the Reorganized Debtors may amend and restate their respective Reorganized Windstream Organizational Documents, and the Reorganized Debtors may file their respective certificates or articles of incorporation, bylaws, or such other applicable formation documents, and other constituent documents as permitted by the laws of the respective states, provinces, or countries of incorporation and the Reorganized Windstream Organizational Documents.

Corporate governance for Reorganized Windstream and its subsidiaries, including the Reorganized Windstream Organizational Documents, shall be consistent with section 1123(a)(6) of the Bankruptcy Code and shall be consistent with the Governance Term Sheet.

L. *Reorganized Windstream Board*

The Reorganized Windstream Board shall be appointed by Requisite Backstop Parties in accordance with the Governance Term Sheet and the identities of directors on the board shall be set forth in the Plan Supplement to the extent known at the time of filing.

M. *FCC and State PUC Licenses.*

The required FCC and State PUC Applications were filed on the date of the Plan, or will be filed as soon as reasonably practicable thereafter, with respect to the transactions contemplated by the Restructuring Transactions. To the extent the Debtors pursue a two-step FCC regulatory approval process as described in the Disclosure Statement, any entity that acquires a First Lien Claim may be issued Special Warrants in lieu of Reorganized Windstream Equity Interests that would otherwise be issued under the Plan in accordance with the Equity Allocation Mechanism.

N. *Effectuating Documents; Further Transactions.*

On and after the Effective Date, the Reorganized Debtors, and their respective officers, directors, members, or managers (as applicable), are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan, Restructuring Transactions, and the Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

O. *Exemption from Certain Taxes and Fees*

To the maximum extent permitted pursuant to section 1146(a) of the Bankruptcy Code, any transfer from a Debtor to a Reorganized Debtor or to any Entity pursuant to or under the Plan pursuant to: (i) the issuance, distribution, transfer, or exchange of any debt, securities, or other interest in the Debtors or the Reorganized Debtors; (ii) the creation, modification, consolidation, or recording of any mortgage, deed of trust or other security interest, or the securing of additional indebtedness by such or other means; (iii) the making, assignment, or recording of any lease or sublease; or (iv) the making, delivery, or recording of any deed or other instrument of transfer pursuant to or under the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents pursuant to such transfers of property without the payment of any such tax, recordation fee, or governmental assessment. Unless the Bankruptcy Court orders otherwise, all sales, transfers, and assignments of owned and leased property approved by the Bankruptcy Court on or before the Effective Date shall be deemed to have been in pursuant to or under the Plan.

P. *Preservation of Causes of Action*

In accordance with section 1123(b) of the Bankruptcy Code, but subject to Article VIII hereof, each Reorganized Debtor, as applicable, shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action of the Debtors, whether arising before or after the Petition Date, including any actions specifically enumerated in the Schedule of Retained Causes of Action, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date, other than the Causes of Action released by the Debtors pursuant to the releases and exculpations contained in the Plan, which shall be deemed released and waived by the Debtors and the Reorganized Debtors as of the Effective Date.

The Reorganized Debtors may pursue such retained Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity (other than the Released Parties) may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against it as any indication that the Debtors or the Reorganized Debtors, as applicable, will not pursue any and all available Causes of Action of the Debtors against it. The Debtors and the Reorganized Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. Unless otherwise agreed upon in writing by the parties to the applicable Cause of Action, all objections to the Schedule of Retained Causes of Action must be Filed with the Bankruptcy Court on or before thirty (30) days after the Effective Date. Any such objection that is not timely filed shall be disallowed and forever barred, estopped, and enjoined from assertion against any Reorganized Debtor, without the need for any objection or responsive pleading by the Reorganized Debtors or any other party in interest or any further notice to or action, order, or approval of the Bankruptcy Court.** The Reorganized Debtors may settle any such objection without any further notice to or action, order, or approval of the Bankruptcy Court. If there is any dispute regarding the inclusion of any Cause of Action on the Schedule of Retained Causes of Action that remains unresolved by the Debtors or Reorganized Debtors, as applicable, and the objection party for thirty (30) days, such objection shall be resolved by the Bankruptcy Court. Unless any Causes of Action of the Debtors against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation.

The Reorganized Debtors reserve and shall retain such Causes of Action of the Debtors notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in the Reorganized Debtors, except as otherwise expressly provided in the Plan. The

applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court.

Q. *Insurance Policies*

1. Director and Officer Liability Insurance

To the extent that the D&O Liability Insurance Policies are considered to be Executory Contracts, notwithstanding anything in the Plan to the contrary, effective as of the Effective Date, the Reorganized Debtors shall be deemed to have assumed all unexpired D&O Liability Insurance Policies with respect to the Debtors' directors, managers, officers, and employees serving on, prior to, or after the Petition Date pursuant to section 365(a) of the Bankruptcy Code. Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtors' assumption of each of the unexpired D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, any agreements, documents, and instruments related thereto, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtors under the Plan as to which no Proof of Claim need be filed.

2. Other Insurance Policies

From and after the Effective Date, each of the Debtors' insurance policies in existence as of the Effective Date shall be reinstated and continued in accordance with their terms and, to the extent applicable, shall be deemed assumed by the applicable Reorganized Debtor pursuant to section 365 of the Bankruptcy Code and Article V of the Plan. Nothing in the Plan shall affect, impair or prejudice the rights of the insurance carriers, the insureds, or the Reorganized Debtors under the insurance policies in any manner, and such insurance carriers, the insureds, and Reorganized Debtors shall retain all rights and defenses under such insurance policies, and such insurance policies shall apply to, and be enforceable by and against, the insureds, and the Reorganized Debtors in the same manner and according to the same terms and practices applicable to the Debtors, as existed prior to the Effective Date.

3. Chubb Insurance Policies

Notwithstanding anything to the contrary in the Disclosure Statement, the Plan, Plan Supplement, the Confirmation Order, any agreement or order related to post-petition or exit financing, any bar date notice or claim objection, or any other order of the Bankruptcy Court (including, without limitation, any other provision that purports to be preemptory or supervening or grants an injunction or release, confers bankruptcy court jurisdiction or requires a party to opt out of any releases):

a. nothing alters, modifies or otherwise amends the terms and conditions of the Chubb Insurance Program (including any agreement to arbitrate disputes and any provisions regarding the provision, maintenance, use, nature and priority of the Chubb Collateral) except that on and after the Effective Date, the Reorganized Debtors jointly and severally shall assume the Chubb Insurance Program in its entirety pursuant to sections 105 and 365 of the Bankruptcy Code;

b. nothing therein releases or discharges (i) Chubb's security interests in and liens on the Chubb Collateral and (ii) the claims of Chubb arising from or pursuant to the Chubb Insurance Program and such claims are actual and necessary expenses of the Debtors' estates (or the Reorganized Debtors, as applicable) and shall be paid in full in the ordinary course of businesses, whether as an Allowed Administrative Claim under section 503(b)(1)(A) of the Bankruptcy Code or otherwise, regardless of when such amounts are or shall become liquidated, due or paid without the need or requirement for Chubb to file

or serve a request, motion, or application for payment of or proof of any Administrative Claim (and further and for the avoidance of doubt, any claim bar date shall not be applicable to Chubb); and

c. the automatic stay of Bankruptcy Code section 362(a) and the injunction set forth in Article VIII of the Plan, if and to the extent applicable, shall be deemed lifted without further order of the Bankruptcy Court, solely to permit: (A) claimants with valid workers' compensation claims or direct action claims against an Insurer under applicable non-bankruptcy law to proceed with their claims; (B) Chubb to administer, handle, defend, settle, and/or pay, in the ordinary course of business and without further order of the Bankruptcy Court, (i) all workers' compensation claims covered by the Chubb Insurance Program, (ii) all claims where a claimant asserts a direct claim against Chubb under applicable law or an order has been entered by the Bankruptcy Court granting a claimant relief from the automatic stay or the injunction set forth in Article XI of the Plan to proceed with its claim and (iii) all costs in relation to each of the foregoing; (C) Chubb to draw against any or all of the Chubb Collateral provided by or on behalf of the Debtors (or the Reorganized Debtors, as applicable) at any time and to hold the proceeds thereof as security for the obligations of the Debtors (and the Reorganized Debtors, as applicable) to Chubb and/or apply such proceeds to the obligation of the Debtors (and the Reorganized Debtors, as applicable) under the Chubb Insurance Program, in such order as Chubb may determine; and (D) subject to the terms of the Chubb Insurance Program and/or applicable non-bankruptcy law, Chubb to (i) cancel any policies under the Chubb Insurance Program, and (ii) take other actions relating thereto, to the extent permissible under applicable non-bankruptcy law, each in accordance with the terms of the Chubb Insurance Program.

Terms used in Article IV.Q.3 but not defined in the Plan shall have the meanings attributed to them in that certain *Order (I) Authorizing Assumption of the Prepetition Insurance Program, (II) Authorizing the Debtors to Enter into the Postpetition Insurance Program, and (III) Granting Related Relief* entered by the Bankruptcy Court on June 20, 2019 [Docket No. 702].

R. *Management Incentive Plan*

Upon the Effective Date, the Management Incentive Plan will be adopted and effective. The terms of the Management Incentive Plan shall be set forth in the Plan Supplement.

S. *Employee and Retiree Benefits*

1. General Employee and Retiree Compensation Benefits

Unless otherwise expressly provided herein or in the Plan Supplement, all employee wages, compensation, benefit programs, and collective bargaining agreements in place as of the Effective Date with the Debtors shall be assumed by the Reorganized Debtors and shall remain in place as of the Effective Date, and the Reorganized Debtors will continue to honor such agreements, arrangements, programs, and plans, including but not limited to those that arise under expired collective bargaining agreements (consistent with otherwise applicable law). All proofs of claim filed for amounts due under any agreement and any cure obligations shall be considered satisfied pursuant to each collective bargaining agreement and obligation to assume and cure in the ordinary course. For the avoidance of doubt, pursuant to section 1129(a)(13) of the Bankruptcy Code, from and after the Effective Date, all retiree benefits (as such term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law. On the Effective Date, the Debtors shall enter into severance and change in control arrangements with senior executives in amounts and on terms and conditions to be agreed with and approved by the Debtors and the Requisite Backstop Parties.

2. Windstream Pension Plan

PBGC is a wholly-owned United States government corporation and agency created under Title IV of ERISA to administer the federal pension insurance program and to guarantee the payment of certain pension benefits upon termination of a pension plan covered by Title IV of ERISA. Debtor Windstream Services sponsors the Windstream Pension Plan, which is covered by Title IV of ERISA. PBGC asserts that the other Debtors are each members of Windstream Services' controlled group, as defined in 29 U.S.C. § 1301(a)(14).

On the Effective Date the Reorganized Debtors shall assume and continue to maintain the Windstream Pension Plan in accordance with its terms (as such terms may be amended from time to time) and applicable non-bankruptcy law (and the Reorganized Debtors reserve all rights thereunder).

After the Effective Date, the Reorganized Debtors shall: (i) satisfy the minimum funding requirements under 29 U.S.C. §§ 412 and 430 and 29 U.S.C. §§ 1082 and 1083; (ii) pay all required premiums, if any, owed to PBGC under 29 U.S.C. §§ 1306 and 1307, for the Windstream Pension Plan under ERISA or the Internal Revenue Code; and (iii) administer the Windstream Pension Plan in accordance with the applicable provisions of ERISA and the Internal Revenue Code (and the Reorganized Debtors reserve all rights thereunder).

Since the Plan provides that the Reorganized Debtors will continue the Windstream Pension Plan, PBGC and the Debtors agree that all PBGC claims will be withdrawn as of the Effective Date without incurring liability in the bankruptcy.

With respect to the Windstream Pension Plan, no provision of the Disclosure Statement, Plan, Confirmation Order, or section 1141 of the Bankruptcy Code shall be construed to discharge, release, or relieve the Reorganized Debtors, their successors, or any individuals from liabilities or requirements imposed under any law or regulatory provision with respect to the Windstream Pension Plan or from claims of the PBGC. PBGC and the Windstream Pension Plan will not be enjoined or precluded from enforcing such liability with respect to the Windstream Pension Plan as a result of any provision of the Disclosure Statement, Plan, Confirmation Order, or section 1141 of the Bankruptcy Code.

ARTICLE V.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. *Assumption and Rejection of Executory Contracts and Unexpired Leases*

On the Effective Date, except as otherwise provided herein, all Executory Contracts or Unexpired Leases not otherwise assumed or rejected will be deemed assumed by the applicable Reorganized Debtor in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, other than: (a) those that are identified on the Rejected Executory Contracts and Unexpired Leases Schedule; (b) those that have been previously rejected by a Final Order; (c) those that have been previously assumed by a Final Order; (d) those that are the subject of a motion to reject Executory Contracts or Unexpired Leases that is pending on the Confirmation Date; or (e) those that are subject to a motion to reject an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection is after the Effective Date; *provided* that notwithstanding anything to the contrary herein, no Executory Contract or Unexpired Lease shall be assumed or rejected without the written consent of the Required Consenting Creditors and the Requisite Backstop Parties.

Entry of the Confirmation Order shall constitute an order of the Bankruptcy Court approving the assumptions, assumptions and assignments, or rejections of such Executory Contracts or Unexpired Leases as set forth in the Plan, the Assumed Executory Contract/Unexpired Lease Schedule or the Rejected Executory Contracts and Unexpired Leases Schedule, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Except as otherwise specifically set forth herein, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable contracting Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Bankruptcy Court authorizing and providing for its assumption under applicable federal law. To the extent any provision in any Executory Contract or Unexpired Lease assumed pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed

breached by, the assumption of such Executory Contract or Unexpired Lease (including, without limitation, any "change of control", "assignment", or similar provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan, including the Restructuring Transactions shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default, breach, violation or acceleration rights with respect thereto. For the avoidance of doubt, no Restructuring Transaction shall be deemed to violate the terms of any assumed Unexpired Lease of non-residential real property. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by a Final Order of the Bankruptcy Court on or after the Effective Date but may be withdrawn, settled, or otherwise prosecuted by the Reorganized Debtors. Notwithstanding anything to the contrary in the Plan, the Debtors or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the Assumed Executory Contracts and Unexpired Leases Schedule and the Rejected Executory Contracts and Unexpired Leases Schedule at any time up to forty-five (45) days after the Effective Date.

B. *Claims Based on Rejection of Executory Contracts or Unexpired Leases*

Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be filed with the Bankruptcy Court within thirty (30) days after the date of service of the order approving such rejection. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within such time will be disallowed upon an order of the Bankruptcy Court, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Reorganized Debtors, the Estates, or property of the foregoing parties, without the need for any objection by the Debtors or the Reorganized Debtors, as applicable, or further notice to, or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules, if any, or a Proof of Claim to the contrary.** Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims and shall be treated in accordance with Article III.B.6 or Article III.B.7 of this Plan, as applicable.

C. *Cure of Defaults for Assumed Executory Contracts and Unexpired Leases*

The Debtors or the Reorganized Debtors, as applicable, shall pay Cure Claims, if any, on the Effective Date or as soon as practicable thereafter, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. Any Cure Claim shall be deemed fully satisfied, released, and discharged upon payment by the Debtors or the Reorganized Debtors of such Cure Claim, as applicable; *provided* that nothing herein shall prevent the Reorganized Debtors, from paying any Cure Claim despite the failure of the relevant counterparty to file such request for payment of such Cure Claim. The Reorganized Debtors may settle any Cure Claim on account of any Executory Contract or Unexpired Lease without any further notice to or action, order, or approval of the Bankruptcy Court.

The Debtors shall distribute, or cause to be distributed, Cure Notices to the applicable third parties; *provided* that solely to the extent a cure amount is related to an Executory Contract or Unexpired Lease that is identified on an Amended Assumed Executory Contract/Unexpired Lease Schedule, the Debtors shall distribute, or cause to be distributed, such Cure Notice to the applicable third party on the date that such amended schedule is Filed. **Any objection by a counterparty to an Executory Contract or Unexpired Lease to the proposed assumption, assumption and assignment or related cure amount must be Filed, served and actually received by the Debtors on or before 14 days following distribution of the applicable Cure Notice.** Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption, assumption and assignment, or cure amount related thereto (if any) will be deemed to have assented to such assumption, assumption and assignment, or cure amount. Notwithstanding anything herein to the contrary, in the event that any Executory Contract or Unexpired Lease is removed from the Rejected Executory Contracts and Unexpired Leases Schedule after such deadline, a Cure Notice with respect to such Executory Contract or Unexpired Lease will be sent promptly to the counterparty thereof and a noticed hearing set to consider whether such Executory Contract or Unexpired Lease can be assumed or assumed and assigned.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of

provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any Assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease. The portions of any Proofs of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court, and any remaining portions of such Proofs of Claim shall remain unaffected unless otherwise specifically objected to.

D. *Dispute Resolution*

In the event of a dispute between the Debtors and a non-Debtor counterparty to any Executory Contract or Unexpired Lease to be assumed or assumed and assigned regarding (a) the amount of any Cure Claim, (b) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed, or (c) any other matter pertaining to assumption, assumption and assignment or the cure payments required by section 365(b)(1) of the Bankruptcy Code, such dispute shall be resolved by a Final Order of the Bankruptcy Court (which may be the Confirmation Order) or as may be agreed upon in writing by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease. Cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following: (i) the entry of a Final Order or orders resolving the dispute and approving the assumption or assumption and assignment, which Final Order or orders may, for the avoidance of doubt, be entered (and any related hearing may be held) after the Effective Date, or (ii) upon the written, consensual resolution between the counterparty to any Executory Contract or Unexpired Lease and the Debtors or Reorganized Debtors, as applicable. The Debtors or Reorganized Debtors, as applicable, reserve the right to reject any Executory Contract or Unexpired Lease in resolution of any cure disputes. If the Bankruptcy Court determines that the Allowed Cure Claim with respect to any Executory Contract or Unexpired Lease is greater than the amount set forth in the applicable Cure Notice, the Debtors or Reorganized Debtors, as applicable, will have the right to add such Executory Contract or Unexpired Lease to the Rejected Executory Contracts and Unexpired Leases Schedule, in which case such Executory Contract or Unexpired Lease will be deemed rejected as of the Effective Date.

E. *Indemnification Obligations*

Notwithstanding anything in the Plan to the contrary each Indemnification Obligation shall be assumed by the applicable Debtor, effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code or otherwise, shall remain in full force and effect, shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of when such obligation arose.

The Debtors shall assume the Indemnification Obligations for the current and former directors, officers, managers, employees, and other professionals of the Debtors, in their capacities as such. Notwithstanding the foregoing, nothing shall impair the ability of Reorganized Debtors to modify indemnification obligations (whether in the bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, indemnification agreements, employment contracts, or otherwise) arising after the Effective Date; *provided* that none of the Reorganized Debtors shall amend or restate any Reorganized Windstream Organizational Documents before or after the Effective Date to terminate or adversely affect any of the Reorganized Debtors' Indemnification Obligations.

F. *Employee Compensation and Benefits.*

1. Compensation and Benefit Programs.

Subject to the provisions of the Plan, all Compensation and Benefits Programs shall be treated as Executory Contracts under the Plan and deemed assumed on the Effective Date pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code, except for:

a. all employee equity or equity-based incentive plans, and any provisions set forth in the Compensation and Benefits Program that provide for rights to acquire Existing Equity Interests in any of the Debtors; and

b. Compensation and Benefits Programs that, as of the entry of the Confirmation Order, have been specifically waived by the beneficiaries of any employee benefit plan or contract.

Any assumption of Compensation and Benefits Programs pursuant to the terms herein shall not be deemed to trigger any applicable change of control, immediate vesting, termination, or similar provisions therein. No counterparty shall have rights under a Compensation and Benefits Program assumed pursuant to the Plan other than those applicable immediately prior to such assumption. The company may terminate and payout deferred compensation arrangements.

2. Workers' Compensation Programs.

As of the Effective Date, except as set forth in the Plan Supplement, the Debtors and the Reorganized Debtors shall continue to honor their obligations under: (a) all applicable workers' compensation laws in states in which the Reorganized Debtors operate; and (b) the Debtors' written contracts, agreements, agreements of indemnity, self-insured workers' compensation bonds, policies, programs, and plans for workers' compensation and workers' compensation insurance. All Proofs of Claims on account of workers' compensation shall be deemed withdrawn automatically and without any further notice to or action, order, or approval of the Bankruptcy Court; *provided* that nothing in the Plan shall limit, diminish, or otherwise alter the Debtors' or Reorganized Debtors' defenses, Causes of Action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs, and plans; *provided further* that nothing herein shall be deemed to impose any obligations on the Debtors in addition to what is provided for under applicable state law.

G. *Modifications, Amendments, Supplements, Restatements, or Other Agreements*

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, and supplements to, or restatements of, prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

H. *Reservation of Rights*

Neither the inclusion of any Executory Contract or Unexpired Lease on the Debtors' Schedules, or the Rejected Executory Contracts and Unexpired Leases Schedule, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors, or, after the Effective Date, the Reorganized Debtors, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

I. *Nonoccurrence of Effective Date*

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases of nonresidential real property pursuant to section 365(d)(4) of the Bankruptcy Code.

ARTICLE VI.

PROVISIONS GOVERNING DISTRIBUTIONS

A. *Timing and Calculation of Amounts to Be Distributed*

Unless otherwise provided in the Plan, on the Effective Date, or as soon as reasonably practicable thereafter (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), the Distribution Agent shall make initial distributions under the Plan on account of each holder of an Allowed Claim in the full amount of the distributions that the Plan provides for Allowed Claims in each applicable Class. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are disputed Claims, distributions on account of any such disputed Claims shall be made pursuant to the provisions set forth in Article VII. Except as specifically provided in the Plan, holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. *Rights and Powers of Distribution Agent*

1. Powers of the Distribution Agent

The Distribution Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred On or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable and documented fees and expenses incurred by the applicable Distribution Agent on or after the Effective Date (including taxes) and any reasonable and documented compensation and expense reimbursement claims (including reasonable attorney fees and expenses) made by the applicable Distribution Agent shall be paid in Cash by the Reorganized Debtors.

C. *Special Rules for Distributions to Holders of Disputed Claims and Interests*

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed by the relevant parties: (a) no partial payments and no partial distributions shall be made with respect to a disputed Claim until all such disputes in connection with such disputed Claim have been resolved by settlement or Final Order; and (b) any Entity that holds both an Allowed Claim and a disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the disputed Claim have been resolved by settlement or Final Order or the Claims have been Allowed or expunged. Any dividends or other distributions arising from property distributed to holders of Allowed Claims in a Class and paid to such holders under the Plan shall also be paid, in the applicable amounts, to any holder of a disputed Claim in such Class that becomes an Allowed Claim after the date or dates that such dividends or other distributions were earlier paid to holders of Allowed Claims in such Class.

D. *Delivery of Distributions and Fractional, Undeliverable, or Unclaimed Distributions*

1. Record Date for Distribution

On the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those record holders listed on the Claims Register as of the close of business on the Distribution Record Date. Notwithstanding anything to the contrary

in the Plan or the Confirmation Order, the Distribution Record Date shall not apply to publicly held securities if distributions to such securities will be effectuated through DTC.

2. Delivery of Distributions

Except as otherwise provided herein, the Distribution Agent shall make distributions to holders of Allowed Claims and Allowed Interests (as applicable) as of the Distribution Record Date at the address for each such holder as indicated on the Debtors' records as of the date of any such distribution; *provided* that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors.

Distributions to be made to holders of Second Lien Claims Unsecured Notes Claims shall be made to, or at the direction of , as applicable, the Second Lien Notes Indenture Trustees or the Unsecured Notes Indenture Trustees, which, subject to their rights to assert their Second Lien Notes Indenture Trustee Charging Lien or Unsecured Notes Indenture Trustee Charging Lien, as applicable, against distributions, shall transmit or direct the transmission of such distributions to holders of Second Lien Claims or Unsecured Notes Claims, as applicable. The Second Lien Notes Indenture Trustees and the Unsecured Notes Indenture Trustees may establish their own record date(s) for distributions to holders of Second Lien Claims and Unsecured Notes Claims, as applicable, and shall transfer or direct the transfer of such distributions through the facilities of DTC. The Second Lien Indenture Trustees and the Unsecured Notes Indenture Trustees shall be entitled to recognize and deal for all purposes under the Plan with holders of the Second Lien Claims or Unsecured Notes Claims, as applicable, to the extent consistent with the customary practices of DTC, and all distributions to be made to holders of Second Lien Claims or Unsecured Notes Claims, as applicable, shall be delivered to the Second Lien Notes Indenture Trustees or the Unsecured Notes Indenture Trustees, as applicable, in a form that is eligible to be distributed through the facilities of DTC. Upon presentation of an invoice in customary form, the Reorganized Debtors shall pay the reasonable, documented expenses of the Second Lien Indenture Trustees and each Unsecured Notes Indenture Trustee in making distributions to holders of Second Lien Claims or Unsecured Notes Claims, as applicable, under the Plan.

3. Minimum Distributions

Holders of Allowed Claims entitled to distributions of $50.00 or less shall not receive distributions, and each Claim to which this limitation applies shall be discharged pursuant to Article VIII of this Plan, and its holder shall be forever barred pursuant to Article VIII of this Plan from asserting that Claim against the Reorganized Debtors or their property.

4. No Fractional Distributions

No fractional shares or units of Reorganized Windstream Equity Interests shall be distributed, and no Cash shall be distributed in lieu of such fractional amounts. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of shares or units of Reorganized Windstream Equity Interests that is not a whole number, such Reorganized Windstream Equity Interests, shall be rounded as follows: (a) fractions of greater than one-half shall be rounded to the next higher whole number and (b) fractions of one-half or less shall be rounded to the next lower whole number with no further payment therefore. The total number of authorized shares or units of Reorganized Windstream Equity Interests to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in payment of Cash of a fraction of a dollar, the actual payment shall be rounded as follows: (a) fractions of greater than half dollars shall be rounded to the next whole dollar and (b) fractions of less than half dollars shall be rounded to the next lower whole dollar.

5. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any holder is returned as undeliverable, no distribution to such holder shall be made unless and until the Reorganized Debtors have determined the then-current address of such holder, at which time such distribution shall be made to such holder without interest. After such date, all unclaimed property or interests in property shall be redistributed Pro Rata as provided under the Plan (it being understood that, for purposes of this Article VI.D.5, "Pro Rata" shall be determined as if the Claim underlying such unclaimed distribution had been

disallowed) and all other unclaimed property or interests in property shall revert to the Reorganized Debtors without need for a further order by the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any holder to such property or Interest in property shall be discharged and forever barred.

A distribution shall be deemed unclaimed if a holder has not: (a) accepted a particular distribution or, in the case of distributions made by check, negotiated such check; (b) given notice to the Reorganized Debtors of an intent to accept a particular distribution; (c) responded to the Debtors' or Reorganized Debtors' requests for information necessary to facilitate a particular distribution; or (d) taken any other action necessary to facilitate such distribution.

E. *Securities Registration Exemption*

Except with respect to the Reorganized Windstream Equity Interests underlying the Management Incentive Plan and Reorganized Windstream Equity Interests not subscribed for in the Rights Offering issued to the Backstop Parties pursuant to the Backstop Commitment Agreement, all shares or units of Reorganized Windstream Equity Interests and Special Warrants issued under the Plan will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon section 1145 of the Bankruptcy Code. Shares or units of Reorganized Windstream Equity Interests and Special Warrants issued under the Plan in reliance upon section 1145 of the Bankruptcy Code are exempt from, among other things, the registration requirements of Section 5 of the Securities Act and any other applicable U.S. state or local law requiring registration prior to the offering, issuance, distribution, or sale of Securities. The Reorganized Windstream Equity Interests and Special Warrants issued pursuant to section 1145 of the Bankruptcy Code: (a) are not "restricted securities" as defined in Rule 144(a)(3) under the Securities Act, and (b) are freely trade and transferable by any holder thereof that (i) is not an "affiliate" of the Reorganized Debtors as defined in Rule 144(a)(1) under the Securities Act, (ii) has not been such an "affiliate" within ninety (90) days of such transfer, (iii) has not acquired the Reorganized Windstream Equity Interests from an "affiliate" within one year of such transfer, and (iv) is not an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code. Reorganized Windstream Equity Interests shall be issued in reliance on section 1145 of the Bankruptcy Code, as applicable hereunder. Reorganized Windstream Equity Interests underlying the Management Incentive Plan will be issued pursuant to an effective registration statement or pursuant to an exemption from registration under the Securities Act and other applicable law. Reorganized Windstream Equity Interests not subscribed for in the Rights Offering issued to the Backstop Parties pursuant to the Backstop Commitment Agreement will be issued pursuant to Section 4(a)(2) of the Securities Act and other applicable law.

F. *Allocations*

Unless otherwise specifically provided for in an order of the Bankruptcy Court, the Plan, or the Confirmation Order, or required by applicable law, distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest as Allowed herein.

G. *No Postpetition Interest on Claims*

Unless otherwise specifically provided for in an order of the Bankruptcy Court, the Plan, or the Confirmation Order, postpetition interest shall not be paid on any Claims and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any such Claim for purposes of distributions under this Plan.

H. *Setoffs and Recoupment*

Except as otherwise expressly provided herein, the Debtors or the Reorganized Debtors, as applicable, may, but shall not be required to, setoff against or recoup from any Claims of any nature whatsoever that the Debtors or the Reorganized Debtors may have against the claimant, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such Claim it may have against the holder of such Claim. In no event shall any holder of Claims be entitled to set off or recoup any such Claim against any claim, right, or Cause of Action of the Debtor or Reorganized Debtor (as applicable), unless: (a) the

Debtors have consented (which consent shall not be unreasonably withheld), or (b) such holder has Filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date and that such holder asserts, has, or intends to preserve any right of recoupment or setoff pursuant to section 553 of the Bankruptcy Code or otherwise, or (c) such holder timely Filed a Proof of Claim asserting any right of recoupment or setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

I. *Claims Paid or Payable by Third Parties*

1. Claims Paid by Third Parties

A Claim shall be reduced in full, and such Claim shall be disallowed without an objection to such Claim having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor. To the extent a holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such holder shall repay, return, or deliver any distribution held by or transferred to the holder to the applicable Reorganized Debtor to the extent the holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan.

2. Claims Payable by Insurance Carriers

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged to the extent of any agreed upon satisfaction on the Claims Register by the Notice and Claims Agent without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

J. *Compliance with Tax Requirements*

In connection with the Plan, to the extent applicable, the Debtors, Reorganized Debtors or the Distribution Agent, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Debtors, Reorganized Debtors or the Distribution Agent, as applicable, shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate.

ARTICLE VII.

PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. *Allowance of Claims*

After the Effective Date, each of the Debtors or the Reorganized Debtors shall have and retain any and all rights and defenses such Debtor had with respect to any Claim immediately before the Effective Date (unless such Claim is deemed Allowed pursuant to the Plan or the Confirmation Order). Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed pursuant to the Plan or a Final Order, including the Confirmation Order (when it becomes a Final Order), allowing such Claim. For the avoidance of doubt, there is no requirement to file a Proof of Claim (or move the Court for allowance) to be an Allowed Claim under the Plan.

B. *Claims and Interests Administration Responsibilities*

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Reorganized Debtor shall have the exclusive authority: (a) to File, withdraw, or litigate to judgment objections to Claims; (b) to settle or compromise any disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court; and (c) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Bankruptcy Court. For the avoidance of doubt, except as otherwise provided herein, from and after the Effective Date, each Reorganized Debtor shall have and retain any and all rights and defenses such Debtor had immediately prior to the Effective Date with respect to any disputed Claim or Interest, including the Causes of Action retained pursuant to Article IV.P.

C. *Estimation of Claims*

Before or after the Effective Date, the Debtors or the Reorganized Debtors may at any time request that the Bankruptcy Court estimate any disputed Claim or disputed Interest that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any party previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during any appeal relating to such objection. In the event that the Bankruptcy Court estimates any disputed, contingent, or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the Debtors or the Reorganized Debtors, as applicable may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has Filed a motion requesting the right to seek such reconsideration on or before twenty-one (21) days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. *Adjustment to Claims Register Without Objection*

Any duplicate Claim or Interest or any Claim or Interest that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Debtors or the Reorganized Debtors upon stipulation between the impacted holder of any Claim or Interest and the Debtor or Reorganized Debtor, as applicable without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

E. *Time to File Objections to Claims*

Any objections to Claims shall be Filed by the Reorganized Debtors on or before the Claims Objection Deadline, as such deadline may be extended from time to time.

F. *Amendments to Claims*

On or after the Effective Date, except as provided in the Plan or the Confirmation Order, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors.

G. *Distributions After Allowance*

To the extent that a disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of a court of competent jurisdiction allowing any disputed Claim becomes a Final Order, the Reorganized Debtors shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date.

H. *Single Satisfaction of Claims*

Holders of Allowed Claims may assert such Claims against each Debtor obligated with respect to such Claims, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of such Claims. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of any Allowed Claim exceed 100 percent of the underlying Allowed Claim plus applicable interest, if any.

I. *Tax Treatment of Claim Distribution Amounts*

Property deposited into the various Claim distribution accounts described elsewhere in the Plan (including the Non-Obligor General Unsecured Claims Reserve and the Obligor Claims Reserve, but for the avoidance of doubt, not including the Professional Fee Escrow) will be subject to "disputed ownership fund" treatment under section 1.468B-9 of the United States Treasury Regulations. All corresponding elections with respect to such accounts shall be made, and such treatment shall be applied to the extent possible for state, local, and non-U.S. tax purposes. Under such treatment, a separate federal income tax return shall be filed with the IRS with respect to such accounts, any taxes (including with respect to interest, if any, or appreciation in property between the Effective Date and date of distribution) imposed on such accounts shall be paid out of the assets of such accounts (and reductions shall be made to amounts disbursed from such accounts to account for the need to pay such taxes).

ARTICLE VIII.

SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. *Compromise and Settlement of Claims, Interests, and Controversies*

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Plan, the Plan is and shall be deemed a good-faith compromise and settlement of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest.

The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and holders of Claims and Interests and is fair, equitable, and reasonable. The compromises, settlements, and releases described herein shall be deemed nonseverable from each other and from all other terms of the Plan. In accordance with the provisions of the Plan,

pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors, may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

B. *Discharge of Claims and Termination of Interests*

Pursuant to section 1141(d) of the Bankruptcy Code and except as otherwise specifically provided in the Plan or in any contract, instrument, or other agreement or document created pursuant to the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims that the Debtors resolve or compromise after the Effective Date), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, liens on, obligations of, rights against, and Interests in the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims or Interests relate to services that employees of the Debtors have performed prior to the Effective Date and that arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not (a) a Proof of Claim based upon such debt or right is filed or deemed filed pursuant to section 501 of the Bankruptcy Code, (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code, or (c) the holder of such a Claim or Interest has accepted the Plan. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

C. *Debtor Release*

PURSUANT TO SECTION 1123(B) OF THE BANKRUPTCY CODE, FOR GOOD AND VALUABLE CONSIDERATION, ON AND AFTER THE EFFECTIVE DATE, EACH RELEASED PARTY IS DEEMED RELEASED AND DISCHARGED BY THE DEBTORS, THE REORGANIZED DEBTORS, AND THEIR ESTATES FROM ANY AND ALL CAUSES OF ACTION, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED BY OR ON BEHALF OF THE DEBTORS, THAT THE DEBTORS, THE REORGANIZED DEBTORS, OR THEIR ESTATES WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT IN THEIR OWN RIGHT (WHETHER INDIVIDUALLY OR COLLECTIVELY) OR ON BEHALF OF THE HOLDER OF ANY CLAIM AGAINST OR INTEREST IN A DEBTOR OR OTHER ENTITY, BASED ON OR RELATING TO OR IN ANY MANNER ARISING FROM IN WHOLE OR IN PART, THE DEBTORS, THE DEBTORS' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, INTERCOMPANY TRANSACTIONS, THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE PLAN SUPPORT AGREEMENT, THE DISCLOSURE STATEMENT, THE DIP FACILITY, THE FINAL DIP ORDER, THE PLAN, THE RIGHTS OFFERING, THE NEW EXIT FACILITY, OR ANY RESTRUCTURING TRANSACTION, CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE PLAN SUPPORT AGREEMENT, THE BACKSTOP COMMITMENT AGREEMENT, THE DISCLOSURE STATEMENT, THE DIP FACILITY, THE FINAL DIP ORDER, THE RIGHTS OFFERING, THE NEW EXIT FACILITY, OR THE PLAN, THE FILING OF THE CHAPTER 11 CASES, THE PURSUIT OF CONFIRMATION, THE PURSUIT OF CONSUMMATION, THE ADMINISTRATION AND IMPLEMENTATION OF THE PLAN, INCLUDING THE ISSUANCE OR DISTRIBUTION OF SECURITIES PURSUANT TO THE PLAN, OR THE DISTRIBUTION OF PROPERTY UNDER THE PLAN OR ANY OTHER RELATED AGREEMENT, OR UPON ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE.

D. *Third Party Release*

AS OF THE EFFECTIVE DATE, EACH RELEASING PARTY IS DEEMED TO HAVE RELEASED AND DISCHARGED EACH DEBTOR, REORGANIZED DEBTOR, AND RELEASED PARTY FROM ANY AND ALL CAUSES OF ACTION, WHETHER KNOWN OR UNKNOWN, INCLUDING ANY DERIVATIVE

CLAIMS, ASSERTED ON BEHALF OF THE DEBTORS, THAT SUCH ENTITY WOULD HAVE BEEN LEGALLY ENTITLED TO ASSERT (WHETHER INDIVIDUALLY OR COLLECTIVELY), BASED ON OR RELATING TO OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE DEBTORS' IN- OR OUT-OF-COURT RESTRUCTURING EFFORTS, INTERCOMPANY TRANSACTIONS, THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE PLAN SUPPORT AGREEMENT, THE BACKSTOP COMMITMENT AGREEMENT, THE DISCLOSURE STATEMENT, THE DIP FACILITY, THE FINAL DIP ORDER, THE PLAN, THE RIGHTS OFFERING, THE NEW EXIT FACILITY, OR ANY RESTRUCTURING TRANSACTION, CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE PLAN SUPPORT AGREEMENT, THE DISCLOSURE STATEMENT, THE DIP FACILITY, THE FINAL DIP ORDER, THE RIGHTS OFFERING, THE NEW EXIT FACILITY, OR THE PLAN, THE FILING OF THE CHAPTER 11 CASES, THE PURSUIT OF CONFIRMATION, THE PURSUIT OF CONSUMMATION, THE ADMINISTRATION AND IMPLEMENTATION OF THE PLAN, INCLUDING THE ISSUANCE OR DISTRIBUTION OF SECURITIES PURSUANT TO THE PLAN, OR THE DISTRIBUTION OF PROPERTY UNDER THE PLAN OR ANY OTHER RELATED AGREEMENT, OR UPON ANY OTHER RELATED ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE ON OR BEFORE THE EFFECTIVE DATE. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE RELEASES SET FORTH ABOVE DO NOT RELEASE ANY INDIVIDUAL FROM ANY CLAIM OR CAUSES OF ACTION RELATED TO AN ACT OR OMISSION THAT IS DETERMINED IN A FINAL ORDER BY A COURT OF COMPETENT JURISDICTION TO HAVE CONSTITUTED ACTUAL FRAUD, WILLFUL MISCONDUCT, OR GROSS NEGLIGENCE.

E. *Exculpation*

EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THE PLAN, NO EXCULPATED PARTY SHALL HAVE OR INCUR, AND EACH EXCULPATED PARTY IS RELEASED AND EXCULPATED FROM ANY CAUSE OF ACTION FOR ANY CLAIM RELATED TO ANY ACT OR OMISSION IN CONNECTION WITH, RELATING TO OR ARISING OUT OF THE CHAPTER 11 CASES, THE FORMULATION, PREPARATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE PLAN SUPPORT AGREEMENT AND RELATED PREPETITION TRANSACTIONS, THE DISCLOSURE STATEMENT, THE PLAN, THE DIP FACILITY, THE FINAL DIP ORDER, THE RIGHTS OFFERING, THE NEW EXIT FACILITY, OR ANY RESTRUCTURING TRANSACTION, CONTRACT, INSTRUMENT, RELEASE OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH THE DISCLOSURE STATEMENT, THE DIP FACILITY, THE FINAL DIP ORDER, THE RIGHTS OFFERING, THE NEW EXIT FACILITY, OR THE PLAN, THE FILING OF THE CHAPTER 11 CASES, THE PURSUIT OF CONFIRMATION, THE PURSUIT OF CONSUMMATION, THE ADMINISTRATION AND IMPLEMENTATION OF THE PLAN, INCLUDING THE ISSUANCE OF SECURITIES PURSUANT TO THE PLAN, OR THE DISTRIBUTION OF PROPERTY UNDER THE PLAN OR ANY OTHER RELATED AGREEMENT, EXCEPT FOR CLAIMS RELATED TO ANY ACT OR OMISSION THAT IS DETERMINED IN A FINAL ORDER TO HAVE CONSTITUTED ACTUAL FRAUD OR GROSS NEGLIGENCE, BUT IN ALL RESPECTS SUCH ENTITIES SHALL BE ENTITLED TO REASONABLY RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO THEIR DUTIES AND RESPONSIBILITIES PURSUANT TO THE PLAN. THE EXCULPATED PARTIES HAVE, AND UPON COMPLETION OF THE PLAN SHALL BE DEEMED TO HAVE, PARTICIPATED IN GOOD FAITH AND IN COMPLIANCE WITH THE APPLICABLE LAWS WITH REGARD TO THE SOLICITATION OF VOTES AND DISTRIBUTION OF CONSIDERATION PURSUANT TO THE PLAN AND, THEREFORE, ARE NOT, AND ON ACCOUNT OF SUCH DISTRIBUTIONS SHALL NOT BE, LIABLE AT ANY TIME FOR THE VIOLATION OF ANY APPLICABLE LAW, RULE, OR REGULATION GOVERNING THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN OR SUCH DISTRIBUTIONS MADE PURSUANT TO THE PLAN.

F. *Injunction*

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN OR FOR OBLIGATIONS ISSUED OR REQUIRED TO BE PAID PURSUANT TO THE FINAL DIP ORDER, THE PLAN, OR THE

CONFIRMATION ORDER, ALL ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS OR INTERESTS THAT HAVE BEEN RELEASED, DISCHARGED, OR ARE SUBJECT TO EXCULPATION ARE PERMANENTLY ENJOINED, FROM AND AFTER THE EFFECTIVE DATE, FROM TAKING ANY OF THE FOLLOWING ACTIONS AGAINST, AS APPLICABLE, THE DEBTORS, THE REORGANIZED DEBTORS, THE EXCULPATED PARTIES, OR THE RELEASED PARTIES: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (B) ENFORCING, ATTACHING, COLLECTING, OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE, OR ORDER AGAINST SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (C) CREATING, PERFECTING, OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST SUCH ENTITIES OR THE PROPERTY OR THE ESTATES OF SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS; (D) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION, OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE FROM SUCH ENTITIES OR AGAINST THE PROPERTY OF SUCH ENTITIES ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS UNLESS SUCH HOLDER HAS FILED A MOTION REQUESTING THE RIGHT TO PERFORM SUCH SETOFF ON OR BEFORE THE EFFECTIVE DATE, AND NOTWITHSTANDING AN INDICATION OF A CLAIM OR INTEREST OR OTHERWISE THAT SUCH HOLDER ASSERTS, HAS, OR INTENDS TO PRESERVE ANY RIGHT OF SETOFF PURSUANT TO APPLICABLE LAW OR OTHERWISE; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR INTERESTS RELEASED OR SETTLED PURSUANT TO THE PLAN.

G. *Subordination Rights*

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code, any intercreditor agreements or otherwise, that a holder of a Claim or Interest may have against other Claim or Interest holders with respect to any distribution made pursuant to the Plan. Except as provided in the Plan, all subordination rights that a holder of a Claim may have with respect to any distribution to be made pursuant to the Plan shall be discharged and terminated, and all actions related to the enforcement of such subordination rights shall be permanently enjoined.

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all claims or controversies relating to the subordination rights that a holder of a Claim may have with respect to any Allowed Claim or any distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that such compromise or settlement is in the best interests of the Debtors, the Reorganized Debtors, their respective property, and Claim and Interest holders and is fair, equitable, and reasonable.

H. *Release of Liens*

Except (a) with respect to the Liens securing (1) the New Exit Facility and (2) to the extent elected by the Debtors, with respect to an Allowed Other Secured Claim in accordance with Article III.B.2, or (b) as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates, shall be fully released and discharged, and the holders of such mortgages, deeds of trust, Liens, pledges, or other security interests shall execute such documents as may be reasonably requested by the Debtors or the Reorganized Debtors, as applicable, to reflect or effectuate such releases, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtor and its successors and assigns.

I. *SEC*

Notwithstanding any language to the contrary herein, no provision shall (i) preclude the SEC from enforcing its police and regulatory powers; or, (ii) enjoin, limit, impair, or delay the SEC from commencing or continuing any claims, causes of action, proceeding, or investigating against any non-Debtor person or non-Debtor entity in any forum.

ARTICLE IX.

CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. *Conditions Precedent to the Effective Date*

It shall be a condition to Consummation of the Plan that the following conditions shall have been satisfied or occur in conjunction with the occurrence of the Effective Date (or shall be waived pursuant to Article IX.B):

1. The Bankruptcy Court shall have entered the Confirmation Order, which shall:

   a. be in form and substance consistent with the Plan Support Agreement;

   b. authorize the Debtors to take all actions necessary to enter into, implement, and consummate the contracts, instruments, releases, leases, indentures, and other agreements or documents created in connection with the Plan;

   c. decree that the provisions in the Confirmation Order and the Plan are nonseverable and mutually dependent;

   d. authorize the Debtors, as applicable/necessary, to: (a) implement the Restructuring Transactions, including the Rights Offering; (b) issue the Reorganized Windstream Equity Interests pursuant to the exemption from registration under the Securities Act provided by section 1145 of the Bankruptcy Code or other exemption from such registration or pursuant to one or more registration statements; (c) make all distributions and issuances as required under the Plan, including cash and the Reorganized Windstream Equity Interests; and (d) enter into any agreements, transactions, and sales of property as set forth in the Plan Supplement, including the New Exit Facility and the Management Incentive Plan;

   e. authorize the implementation of the Plan in accordance with its terms; and

   f. provide that, pursuant to section 1146 of the Bankruptcy Code, the assignment or surrender of any lease or sublease, and the delivery of any deed or other instrument or transfer order, in furtherance of, or in connection with the Plan, including any deeds, bills of sale, or assignments executed in connection with any disposition or transfer of assets contemplated under the Plan, shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax;

2. the final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been filed in a manner consistent in all material respects with the Plan Support Agreement, the Restructuring Term Sheet, and the Plan;

3. the Plan Support Agreement shall remain in full force and effect and shall not be terminated;

4. the Final Order approving the DIP Facility shall remain in full force and effect;

5. the Bankruptcy Court shall have entered the Backstop Commitment Agreement Approval Order;

6. the Backstop Commitment Agreement shall remain in full force and effect and shall not have been terminated;

7. the Rights Offering shall have been consummated and shall have been conducted in accordance with the procedures set forth in the Plan;

8. the Uniti Transactions shall have been consummated;

9. to the extent the Debtors pursue a two-step FCC regulatory approval process as described in the Disclosure Statement, the Special Warrant Agreement shall have been executed and delivered, and any conditions precedent to effectiveness contained therein have been satisfied or waived in accordance therewith;

10. the documentation related to the New Exit Facility shall have been duly executed and delivered by all of the Entities that are parties thereto and all conditions precedent (other than any conditions related to the occurrence of the Effective Date) to the effectiveness of the New Exit Facility shall have been satisfied or duly waived in writing in accordance with the terms of each of the New Exit Facility and the closing of the New Exit Facility shall have occurred;

11. the Debtors shall have obtained all authorizations, consents, regulatory approvals, rulings, or documents, including all applicable governmental, material regulatory, and/or third-party approvals and consents, that are necessary to implement and effectuate the Plan, including but not limited to: FCC Approval, State PUC Approvals, and Bankruptcy Court approval, and shall not be subject to unfulfilled conditions (excluding any ongoing State PUC requirements and obligations which may continue beyond the Effective Date), shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on the Restructuring Transactions;

12. all actions, documents, certificates, and agreements necessary to implement the Plan (including any documents contained in the Plan Supplement) shall have been effected or executed and delivered to the required parties and, to the extent required, filed with the applicable governmental units, in accordance with applicable laws and shall comply with the consent rights set forth in the Plan Support Agreement;

13. all professional fees and expenses of retained professionals that require the Bankruptcy Court's approval shall have been paid in full or amounts sufficient to pay such fees and expenses after the Effective Date shall have been placed in a professional fee escrow account pending the Bankruptcy Court's approval of such fees and expenses;

14. all professional fees and expenses and of the advisors to the Consenting Creditors and the Backstop Parties shall have been paid in full in accordance with the Plan Support Agreement; and

15. the Debtors shall have implemented the Restructuring Transactions and all transactions contemplated in the Restructuring Term Sheet in a manner consistent with the Plan Support Agreement, the Restructuring Term Sheet, and this Plan.

B. *Waiver of Conditions Precedent to the Effective Date*

The conditions to the Effective Date of the Plan set forth in this Article IX may be waived only by consent of the Debtors or Reorganized Debtors, as applicable, with the prior consent of the Required Consenting Creditors and the Requisite Backstop Parties without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan, subject to the terms of the Bankruptcy Code and the Bankruptcy Rules, *provided* that no condition that has a material adverse effect on the treatment of the Midwest Notes Claims may be waived without the consent of the Required Consenting Midwest Noteholders, as defined in the Plan Support Agreement; *provided further* that any waiver of Article IX.A.8 above shall also require the prior consent of the Uniti Parties.

C. *Substantial Consummation*

"Substantial consummation" of the Plan, as defined by section 1102(2) of the Bankruptcy Code, shall be deemed to occur on the Effective Date.

D. *Effect of Non-Occurrence of Conditions to the Effective Date*

If the Effective Date does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (a) constitute a waiver or release of any Claims by or Claims against or Interests in the Debtors; (b) prejudice in any manner the rights of the Debtors, any holders of a Claim or Interest, or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any holders, or any other Entity in any respect.

ARTICLE X.

MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. *Modification and Amendments*

The Debtors reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code and the Bankruptcy Rules and, as appropriate, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the Debtors expressly reserve their rights to alter, amend, or modify materially the Plan with respect to the Debtors, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Plan Supplement, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan; *provided* that any alterations, amendments, or modifications that affect the rights, obligations, liabilities and duties of the Consenting Creditors or the Backstop Parties shall require the consent of the Required Consenting Creditors or the Requisite Backstop Parties, as applicable, and, to the extent required under section 3.02 of the Plan Support Agreement, the Required Consenting Midwest Noteholders.

B. *Effect of Confirmation on Modifications*

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. *Revocation or Withdrawal of the Plan*

The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if Confirmation and Consummation does not occur, then: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (c) nothing contained in the Plan shall: (i) constitute a waiver or release of any Claims or Interests; (ii) prejudice in any manner the rights of the Debtors or any other Entity, including the holders of Claims or the non-Debtor subsidiaries; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity, including the non-Debtor subsidiaries.

ARTICLE XI.

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over the Chapter 11 Cases and all matters arising out of, or related to, the Chapter 11 Cases and the Plan, including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests; provided that, for the avoidance of doubt, the Bankruptcy Court's retention of jurisdiction with respect to such matters shall not preclude the Debtors or the Reorganized Debtors as applicable, from seeking relief from any other court, tribunal, or other legal forum of competent jurisdiction with respect to such matters;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (a) the assumption or assumption and assignment of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable in any manner and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Claims related to the rejection of an Executory Contract or Unexpired Lease, cure costs pursuant to section 365 of the Bankruptcy Code, or any other matter related to such Executory Contract or Unexpired Lease; (b) the Reorganized Debtors amending, modifying, or supplementing, after the Confirmation Date, pursuant to Article V, any Executory Contracts or Unexpired Leases to the schedule of Executory Contracts and Unexpired Leases to be assumed; and (c) any dispute regarding whether a contract or lease is or was executory or expired;

4. adjudicate controversies, if any, with respect to distributions to holders of Allowed Claims;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested, or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to Causes of Action;

7. adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

8. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

9. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

10. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

11. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, discharges, releases, injunctions, exculpations, and other provisions contained in Article VIII and enter such orders as may be necessary or appropriate to implement and/or enforce such releases, injunctions, and other provisions;

13. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the holder of a Claim or Interest for amounts not timely repaid pursuant to Article VI.I.1;

14. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

15. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement;

16. adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein;

17. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

18. determine requests for the payment of Claims and Interests entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

20. hear and determine matters concerning exemptions from state and federal registration requirements in accordance with section 1145 of the Bankruptcy Code;

21. hear and determine all disputes involving the existence, nature, or scope of the release provisions set forth in the Plan, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

22. enforce all orders previously entered by the Bankruptcy Court;

23. hear any other matter not inconsistent with the Bankruptcy Code; and

24. enter an order concluding or closing the Chapter 11 Cases.

provided, however, that the Bankruptcy Court shall not retain jurisdiction over disputes concerning documents contained in the Plan Supplement that have a jurisdictional, forum selection, or dispute resolution clause that refers disputes to a different court and any disputes concerning documents contained in the Plan Supplement that contain such clauses shall be governed in accordance with the provisions of such documents.

ARTICLE XII.

MISCELLANEOUS PROVISIONS

A. *Immediate Binding Effect*

Subject to Article IX.A and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the Plan Supplement, and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors or the Reorganized Debtors, as applicable, and any and all holders of Claims or Interests (regardless of whether such Claims or Interests are deemed to have acceptable or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions described in the Plan, each Entity acquiring property under the Plan or the Confirmation Order and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any holder of a Claim or debt has voted on the Plan.

B. *Additional Documents*

On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors and all holders of Claims or Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. *Reservation of Rights*

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order in accordance with Article IX.A hereof. Neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests prior to the Effective Date.

D. *Successors and Assigns*

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, affiliate, officer, director, manager, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

E. *Service of Documents*

Any pleading, notice, or other document required by the Plan to be served on or delivered to the Debtors or Reorganized Debtors, counsel to the Consenting Creditors, and the Committee shall be served on:

Debtors:	Windstream Holdings, Inc. 4001 North Rodney Parham Road Little Rock, Arkansas 72212 Attn.: Kristi Moody with copies to:
Counsel to Debtors:	Kirkland & Ellis LLP Kirkland & Ellis International LLP 601 Lexington Avenue New York, New York 10022 Attn.: Stephen E. Hessler, P.C. and Marc Kieselstein, P.C. and Kirkland & Ellis LLP Kirkland & Ellis International LLP 300 North LaSalle Street Chicago, Illinois 60654 Attn.: Ross M. Kwasteniet, P.C., Brad Weiland, and John R. Luze
Counsel to the Committee	Morrison & Foerster LLP 250 West 55th Street New York, NY 10019 Attn: Lorenzo Marinuzzi and Todd M. Goren
Counsel to the Consenting Creditors	Paul, Weiss, Rifkind, Wharton & Garrison LLP 1285 Avenue of the Americas

New York, NY 10019
Attn: Brian S. Hermann and Samuel E. Lovett

and

Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036
Attn: Keith H. Wofford and Stephen Moeller-Sally

and

Shearman & Sterling LLP
599 Lexington Avenue
New York, NY 10022
Attn: Joel Moss and Jordan A. Wishnew

F. *Term of Injunctions or Stays*

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

G. *Entire Agreement*

Except as otherwise indicated, the Plan and Confirmation Order supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan and Confirmation Order.

H. *Nonseverability of Plan Provisions*

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall be prohibited from altering or interpreting such term or provision to make it valid or enforceable, *provided* that at the request of the Debtors the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such terms or provision shall then be applicable as altered or interpreted provided that any such alteration or interpretation shall be acceptable to the Debtors, the Required Consenting Creditors, and the Requisite Backstop Parties, and, to the extent required under section 3.02 of the Plan Support Agreement, the Required Consenting Midwest Noteholders. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without consent from the Debtors, the Required Consenting Creditors, and the Requisite Backstop Parties, and, to the extent required under section 3.02 of the Plan Support Agreement, the Required Consenting Midwest Noteholders; and (c) nonseverable and mutually dependent.

I. *FCC Rights and Powers*

No provision in the Plan or the Confirmation Order relieves the Debtors or the Reorganized Debtors from their obligations to comply with the Communications Act of 1934, as amended, and the rules, regulations and orders promulgated thereunder by the FCC. No transfer of control any FCC license or authorization held by Debtors or transfer of control of any Debtor, or transfer of control of an FCC licensee controlled by Debtors (each such transfer, a "*Transfer of Control*") shall take place prior to the issuance of FCC regulatory approval for such transfer pursuant to applicable FCC regulations. The FCC's rights and powers to take any action pursuant to its regulatory authority

including, but not limited to, imposing any regulatory conditions on any of the above described transfers, are fully preserved, and nothing herein shall proscribe or constrain the FCC's exercise of such power or authority

J. *Dissolution of Committee*

On the Effective Date, the Committee will dissolve; *provided* that following the Effective Date, the Committee shall continue in existence and have standing and a right to be heard for the following limited purposes: (a) applications, and any relief related thereto, for compensation by Professionals and requests for allowance of Administrative Expense Claims for substantial contribution pursuant to section 503(b)(3)(D) of the Bankruptcy Code; and (b) any appeals of the Confirmation Order or other appeal to which the Committee is a party. Upon the dissolution of the Committee, the Committee Members and their respective Professionals will cease to have any duty, obligation or role arising from or related to the Chapter 11 Cases and shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases. The Reorganized Debtors shall not be responsible for paying any fees or expenses incurred by the Committee Members or advisors to the Committee after the Effective Date, except for the limited purposes identified above.

[*Remainder of page intentionally left blank.*]

Respectfully submitted, as of May 14, 2020

Windstream Holdings, Inc., (for itself and all Debtors)

By: */s/ Tony Thomas*
Name: Tony Thomas
Title: President and Chief Executive Officer

Exhibit 1

Obligor Debtors

Obligor Debtors

Windstream Services, LLC
Allworx Corp.
ARC Networks, Inc.
ATX Communications, Inc.
ATX Telecommunications Services of Virginia, LLC
BOB, LLC
Boston Retail Partners LLC
BridgeCom Holdings, Inc.
BridgeCom Solutions Group, Inc.
Broadview Networks of Massachusetts, Inc.
Broadview Networks of Virginia, Inc.
Buffalo Valley Management Services, Inc.
Business Telecom of Virginia, Inc.
BV-BC Acquisition Corporation
Cavalier IP TV, LLC
Cavalier Services, LLC
Cavalier Telephone, L.L.C.
CCL Historical, Inc.
Choice One Communications of Connecticut Inc.
Choice One Communications of Maine Inc.
Choice One Communications of Massachusetts Inc.
Choice One Communications of Ohio Inc.
Choice One Communications of Rhode Island Inc.
Choice One Communications of Vermont Inc.
Choice One of New Hampshire, Inc.
Cinergy Communications Company of Virginia, LLC
Conestoga Enterprises, Inc.
Conestoga Management Services, Inc.
Connecticut Broadband, LLC
Connecticut Telephone & Communication Systems, Inc.
Conversent Communications Long Distance, LLC
Conversent Communications of Connecticut, LLC
Conversent Communications of Maine, LLC
Conversent Communications of Massachusetts, Inc.
Conversent Communications of New Hampshire, LLC
Conversent Communications of Rhode Island, LLC
Conversent Communications of Vermont, LLC
CoreComm-ATX, Inc.
CoreComm Communications, LLC
CTC Communications of Virginia, Inc.
D&E Communications, LLC
D&E Management Services, Inc.
D&E Networks, Inc.
Equity Leasing, Inc.
Eureka Broadband Corporation
Eureka Holdings, LLC
Eureka Networks, LLC
Eureka Telecom of VA, Inc.
Heart of the Lakes Cable Systems, Inc.
Info-Highway International, Inc.
InfoHighway Communications Corporation
InfoHighway of Virginia, Inc.
Iowa Telecom Data Services, L.C.
Iowa Telecom Technologies, LLC
IWA Services, LLC
KDL Holdings, LLC
McLeodUSA Information Services LLC
McLeodUSA Purchasing, LLC
MPX, Inc.
Norlight Telecommunications of Virginia, LLC
Oklahoma Windstream, LLC
Open Support Systems, LLC
PaeTec Communications of Virginia, LLC
PAETEC Holding, LLC
PAETEC iTEL, L.L.C.
PAETEC Realty LLC
PAETEC, LLC
PCS Licenses, Inc.
Progress Place Realty Holding Company, LLC
RevChain Solutions, LLC
SM Holdings, LLC
Southwest Enhanced Network Services, LLC

Talk America of Virginia, LLC
Teleview, LLC
Texas Windstream, LLC
US LEC of Alabama LLC
US LEC of Florida LLC
US LEC of South Carolina LLC
US LEC of Tennessee LLC
US LEC of Virginia LLC
US Xchange Inc.
US Xchange of Illinois, L.L.C.
US Xchange of Michigan, L.L.C.
US Xchange of Wisconsin, L.L.C.
Valor Telecommunications of Texas, LLC
WIN Sales & Leasing, Inc.
Windstream Alabama, LLC
Windstream Arkansas, LLC
Windstream Business Holdings, LLC
Windstream BV Holdings, LLC
Windstream Cavalier, LLC
Windstream Communications Kerrville, LLC
Windstream Communications Telecom, LLC
Windstream CTC Internet Services, Inc.
Windstream Direct, LLC
Windstream Eagle Holdings LLC
Windstream Eagle Services, LLC
Windstream EN-TEL, LLC
Windstream Finance Corp
Windstream Holding of the Midwest, Inc.
Windstream Iowa Communications, LLC
Windstream Iowa-Comm, LLC
Windstream KDL-VA, LLC
Windstream Kerrville Long Distance, LLC
Windstream Lakedale Link, Inc.
Windstream Lakedale, Inc.
Windstream Leasing, LLC
Windstream Lexcom Entertainment, LLC
Windstream Lexcom Long Distance, LLC
Windstream Lexcom Wireless, LLC
Windstream Montezuma, LLC
Windstream Network Services of the Midwest, Inc.
Windstream NorthStar, LLC
Windstream NuVox Arkansas, LLC
Windstream NuVox Illinois, LLC
Windstream NuVox Indiana, LLC
Windstream NuVox Kansas, LLC
Windstream NuVox Oklahoma, LLC
Windstream Oklahoma, LLC
Windstream SHAL Networks, Inc.
Windstream SHAL, LLC
Windstream Shared Services, LLC
Windstream South Carolina, LLC
Windstream Southwest Long Distance, LLC
Windstream Sugar Land, LLC
Windstream Supply, LLC
Xeta Technologies, Inc.

Exhibit 2

Non-Obligor Debtors

Non-Obligor Debtors

Windstream Holdings, Inc.
American Telephone Company, LLC
A.R.C. Networks, Inc.
ATX Licensing, Inc.
Birmingham Data Link, LLC
BridgeCom International, Inc.
Broadview Networks, Inc.
Broadview NP Acquisition Corp.
Business Telecom, LLC
Cavalier Telephone Mid-Atlantic, L.L.C.
Choice One Communications of New York Inc.
Choice One Communications of Pennsylvania Inc.
Choice One Communications Resale L.L.C.
Conestoga Wireless Company
Conversent Communications of New Jersey, LLC
Conversent Communications of New York, LLC
Conversent Communications of Pennsylvania, LLC
Conversent Communications Resale L.L.C.
CTC Communications Corporation
D&E Wireless, Inc.
Deltacom, LLC
Eureka Telecom, Inc.
Georgia Windstream, LLC
Infocore, Inc.
Intellifiber Networks, LLC
LDMI Telecommunications, LLC
Lightship Telecom, LLC
MASSCOMM, LLC
McLeodUSA Telecommunications Services, L.L.C.
Nashville Data Link, LLC
Network Telephone, LLC
PaeTec Communications, LLC
Talk America, LLC
The Other Phone Company, LLC
TriNet, LLC
TruCom Corporation
US LEC Communications LLC
US LEC of Georgia LLC
US LEC of Maryland LLC
US LEC of North Carolina LLC
US LEC of Pennsylvania LLC
US Xchange of Indiana, L.L.C.
WaveTel NC License Corporation
Windstream Accucomm Networks, LLC
Windstream Accucomm Telecommunications, LLC
Windstream Buffalo Valley, Inc.
Windstream Communications, LLC
Windstream Concord Telephone, LLC
Windstream Conestoga, Inc.
Windstream D&E Systems, LLC
Windstream D&E, Inc.
Windstream FiberNet, LLC (f/k/a Earthlink Carrier, LLC)
Windstream Florida, LLC
Windstream Georgia Communications, LLC
Windstream Georgia Telephone, LLC
Windstream Georgia, LLC
Windstream IT-Comm, LLC
Windstream KDL, LLC
Windstream Kentucky East, LLC
Windstream Kentucky West, LLC
Windstream Lexcom Communications, LLC
Windstream Mississippi, LLC
Windstream Missouri, LLC
Windstream Nebraska, Inc.
Windstream New Edge, LLC (f/k/a Earthlink Business, LLC)
Windstream New York, Inc.
Windstream Norlight, LLC
Windstream North Carolina, LLC
Windstream NTI, LLC
Windstream NuVox Missouri, LLC
Windstream NuVox Ohio, LLC

Windstream NuVox, LLC

Windstream of the Midwest, Inc.

Windstream Ohio, LLC

Windstream Pennsylvania, LLC

Windstream Standard, LLC

Windstream Systems of the Midwest, Inc.

Windstream Western Reserve, LLC

Exhibit B

Liquidation Analysis

Exhibit B

Liquidation Analysis

1) Introduction

Often referred to as the "best interest of creditors" test, section 1129(a)(7) of the Bankruptcy Code[1] requires that the Bankruptcy Court find, as a condition to confirmation of the Plan, that each holder of an impaired Claim or Equity Interest must either (a) accept the Plan or (b) receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such non-accepting holder would receive or retain if the Debtors' assets were to be liquidated under chapter 7 of the Bankruptcy Code on the Effective Date (the "Liquidation Analysis"). In determining whether the Best Interests Test has been met, the dollar amount that would be generated from a hypothetical liquidation of the Debtors' assets in a chapter 7 proceeding must be determined.

This liquidation analysis ("Liquidation Analysis") was prepared by the Debtors with assistance from their financial advisors, and represents the Debtors' best estimate of the cash proceeds, net of liquidation related costs, which would be available for distribution to the Holders of Claims and Interests if the Debtors were to be liquidated in chapter 7 cases that do not preserve the going concern value of the Debtors' estates.

To conduct the Liquidation Analysis, the Debtors and their advisors have:

- estimated the cash proceeds (the "Liquidation Proceeds") that a chapter 7 trustee (the "Trustee") would generate if each Debtor's chapter 11 case were converted to a chapter 7 case on the Liquidation Date and the assets of such Debtor's estate were liquidated or sold;

- determined the distribution (the "Liquidation Distribution") that each holder of a Claim or Interest would receive from the Liquidation Proceeds under the priority scheme dictated in chapter 7; and

- compared each holder's Liquidation Distribution to the estimated distribution under the Plan ("Plan Distribution") that such holders would receive if the Plan were confirmed and consummated.

As the Liquidation Analysis is a hypothetical analysis based on certain assumptions, certain aspects may vary from the Plan, as discussed in the Disclosure Statement, including asset values. The Liquidation Analysis is based upon certain estimates and assumptions discussed herein and in the Disclosure Statement, which should be read in conjunction with the Liquidation Analysis.

[1] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Disclosure Statement, to which this Liquidation Analysis is attached as **Exhibit B** or the Plan attached to the Disclosure Statement as **Exhibit A**.

THE INFORMATION SET FORTH IN THIS LIQUIDATION ANALYSIS IS PRELIMINARY AND IS SUBJECT TO MODIFICATION AND SUPPLEMENTATION BY THE DEBTORS AT ANY TIME UP TO THE CONFIRMATION HEARING. THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE, IN FACT, TO UNDERGO SUCH A LIQUIDATION UNDER CHAPTER 7, AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE ESTIMATED HERE.

2) Basis of Presentation

The Liquidation Analysis has been prepared assuming that the Debtors' chapter 7 liquidation would commence on or about August 31, 2020 (the "Liquidation Date"), which is the assumed effective date of the Debtors' chapter 11 plan. The pro forma values referenced herein are projected as of August 31, 2020. The Debtors assume the Liquidation Date to be a reasonable proxy for the projected Effective Date of the Plan. The Liquidation Analysis was prepared on a legal entity basis for each Debtor, and summarized into a consolidated report.

The Liquidation Analysis represents an estimate of recovery values and percentages based on a hypothetical liquidation if a chapter 7 trustee were appointed by the Bankruptcy Court to convert assets into cash. The determination of the hypothetical proceeds from the liquidation of assets is a highly uncertain process involving the extensive use of estimates and assumptions that, although considered reasonable by the Debtors' management team and their advisors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors and their management team. The Liquidation Analysis should be read in conjunction with the assumptions, qualifications, and explanations set forth in the Disclosure Statement and the Plan in their entirety, as well as the notes and assumptions set forth below.

For liquidating legal entities, the Liquidation Analysis assumes a timeline in which:

I. As of the Effective Date, the Uniti Arrangement is deemed rejected and as a result the Debtors can no longer utilize the network assets subject to the Uniti Arrangement. The analysis assumes that the effectiveness of the Uniti Transactions (as defined in the Plan Support Agreement, [Docket No. 1533]) coincides with the effectiveness of a chapter 11 plan. Accordingly, Uniti is entitled to an unsecured rejection damages claim.

II. Certain portions of the Debtors' operations not reliant on property owned by Uniti (i.e., ILEC operations in states not contributed to Uniti ("Non-Uniti ILEC") and portions of the Enterprise/Wholesale segments) will be sold as a going concern. This assumes that the purchase price for the hypothetical asset sales would be agreed by December 31, 2020.

III. The liquidation of assets from all other operations (e.g., residual fixed assets, working capital, etc.). This is assumed to occur over 24 months following the Liquidation Date (the "Asset Sale Period").

The cessation of business in a liquidation is likely to trigger certain claims that otherwise would not exist under a Plan absent a liquidation. Examples of these kinds of claims include various potential employee claims (for such items as severance), pension termination claims, unpaid chapter 11 administrative claims, and unexpired lease rejection and guarantee claims. Some of these claims could be significant and may be entitled to priority in payment over general unsecured claims. The Liquidation Analysis also does not include estimates for the tax consequences, both federal and state, that may be triggered upon the liquidation and sale events of assets in the manner described above. Such tax consequences may be material. Finally, the Liquidation Analysis does not include recoveries resulting from any potential preference, fraudulent transfer, or other litigation or avoidance actions.

3) Liquidation Process

The Debtors' liquidation would be conducted pursuant to chapter 7 of the Bankruptcy Code, with the Trustee managing the bankruptcy estate (the "Estate") to maximize recovery in an expedited process. The Trustee's initial step would be to develop a liquidation plan to generate proceeds from the sale of entity specific assets for distribution to creditors. The three major components of the liquidation are as follows:

I. Generation of cash proceeds

- Sale of Non-Uniti ILEC portions of the Company. This assumes that Windstream's operations in states where property was not conveyed to Uniti in 2015 can continue and be sold to a third party.

- Sale of portions of the Enterprise and Wholesale businesses. This assumes that approximately 30% of the Enterprise and Wholesale segments, can be maintained as a continuing operation and valued as a going concern. Additionally, the Enterprise and Wholesale valuations assume that all "over-the-top" product revenue (e.g., SD-WAN, UCaaS, etc.) and equipment sales will be monetized as part of the segment monetization(s).

- Liquidation of the remaining portion of assets not accompanying the going concern asset sales, such as: buildings, vehicles, circuits, switches, etc.

- Collection of working capital (*e.g.*, accounts receivable, inventory).

II. Costs related to the liquidation process, such as corporate support, personnel retention/severance costs, and trustee and professional fees.

III. Distribution of net proceeds generated from asset sales to claimants in accordance with the priority scheme under chapter 7 of the Bankruptcy Code.

4) Distribution of Net Proceeds to Claimants

Any available net proceeds would be allocated to Holders of Claims against, and Interests in, the Debtors in accordance with section 726 of the Bankruptcy Code—*i.e.*, the priority scheme applicable in a chapter 7 proceeding.

- ***Debtor in Possession Financing:*** The DIP loan made by Citibank as Agent to the Company, consisting of a $500 million term loan and a $500 million revolving credit facility, to the extent any amount is drawn.

- ***Chapter 11 Super Priority Intercompany Claims:*** claims related to outstanding balances as a result of postpetition intercompany transactions between Debtor entities.

- ***Secured Claims:*** claims arising under the Debtors' secured credit facilities, which include the First Lien Claims, Second Lien Claims, and the Midwest Notes Claims.

- ***Chapter 11 Administrative & Priority Claims:*** Including but not limited to claims as a result of (i) postpetition accounts payable & customer prepayments, (ii) prepetition income, sales, and use tax, (iii) postpetition taxes, (iv) contract rejection claims arising from contracts assumed postpetition but prior to the Liquidation Date, and (v) claims arising under section 503(b)(9) of the Bankruptcy Code.

- ***General Unsecured Claims:*** Including but not limited to (i) Unsecured Notes Claims, (ii) Uniti Arrangement rejection claims, (iii) contract rejection claims, (iv) pension termination claims, (v) prepetition trade payables, (vi) certain other legal and employee related claims, and (vii) prepetition intercompany payables.

5) Conclusion

The Debtors have determined, as summarized in the following analysis, upon the Effective Date, the Plan will provide all Holders of Claims and Interests with a recovery (if any) that is not less than what such holders would receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code, and as such believe that the Plan satisfies the requirement of section 1129(a)(7) of the Bankruptcy Code.

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Recovery Comparison

The following table compares estimated Plan versus Liquidation recoveries by Plan class:

	Hypothetical Liquidation	Plan of Reorganization	Variance
Recovery %			
DIP	100.0%	100.0%	0.0%
First Lien	8.7%	67.1%	-58.4%
Second Lien	0.0%	0.1%	-0.1%
Midwest Notes	2.0%	100.0%	-98.0%
Admin & Priority	26.8%	100.0%	-73.2%
Unsecured Notes	0.0%	0.1%	-0.1%
Unsecured Other (non-I/C, non-Debt)	0.3%	42.3%	-42.0%
Pension Termination[1]	41.0%	N/A	N/A

(1) Considered a "control group" liability.

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Consolidated Debtor Waterfall

($ in millions)

	Consolidated	Guarantors	Non-Guarantors	Notes
Net Distributable Value Before Interco.	**$ 1,587**	**$ 402**	**$ 1,185**	1-14
(+/-) Interco Receivable / (Payable)		803	(803)	
Net Distributable Value After Interco.	**$ 1,587**	**$ 1,205**	**$ 382**	
Total DIP Claims:	**$ 930**	**$ 930**	**$ -**	15
Est. DIP Recovery $	**$ 930**	**$ 930**	**$ -**	
Est. DIP Recovery %	**100.0%**	**100.0%**	**n/a**	
Net Est. Proceeds Available for Distribution	**$ 657**	**$ 275**	**$ 382**	
Total First Lien Claims:	**$ 3,151**	**$ 3,151**	**$ -**	16
Est. First Lien Recovery $	**$ 273**	**$ 273**	**$ -**	
Est. First Lien Recovery %	**8.7%**	**8.7%**	**n/a**	
Net Est. Proceeds Available for Distribution	**$ 384**	**$ 2**	**$ 382**	
Total Second Lien Claims:	**$ 1,235**	**$ 1,235**	**$ -**	16
Est. Second Lien Recovery $	**$ -**	**$ -**	**$ -**	
Est. Second Lien Recovery %	**0.0%**	**0.0%**	**n/a**	
Net Est. Proceeds Available for Distribution	**$ 384**	**$ 2**	**$ 382**	
Total Midwest Notes Claims:	**$ 100**	**$ 100**	**$ -**	16
Est. Midwest Notes Recovery $	**$ 2**	**$ 2**	**$ -**	
Est. Midwest Notes Recovery %	**2.0%**	**2.0%**	**n/a**	
Net Est. Proceeds Available for Distribution	**$ 382**	**$ -**	**$ 382**	
Total Administrative Claims:	**$ 647**	**$ 132**	**$ 515**	17
Est. Administrative Recovery $	**$ 180**	**$ -**	**$ 180**	
Est. Administrative Recovery %	**27.8%**	**0.0%**	**34.9%**	
Net Est. Proceeds Available for Distribution	**$ 203**	**$ -**	**$ 203**	
Total Priority Claims:	**$ 110**	**$ 68**	**$ 42**	17
Est. Priority Recovery $	**$ 23**	**$ -**	**$ 23**	
Est. Priority Recovery %	**20.7%**	**0.0%**	**53.9%**	
Net Est. Proceeds Available for Distribution	**$ 180**	**$ -**	**$ 180**	
Total Unsecured Claims:	**$ 233,220**	**$ 116,351**	**$ 117,295**	18
Est. Unsecured Recovery $	**$ 180**	**$ -**	**$ 180**	
Est. Unsecured Recovery %	**0.1%**	**0.0%**	**0.2%**	

Notes to the Consolidated Debtor Waterfall

- The Liquidation Analysis is based on the liquidation of individual legal entities. The consolidated waterfall shown in this analysis is based on an aggregation of the individual Debtor liquidation claims and recoveries.

Notes to the Liquidation Analysis

- The Liquidation Analysis considers the Debtors entering chapter 7 on August 31, 2020, assumed to be a reasonable proxy for the projected Effective Date.

- The Liquidation Analysis is based on the liquidation of individual legal entities. The consolidated waterfall shown in this analysis is based on an aggregation of the individual Debtor liquidation claims and recoveries.

- The Liquidation Analysis assumes that the Uniti Arrangement is rejected on the Liquidation Date and that the Debtor no longer has access to the network provided by Uniti.

Gross Liquidation Proceeds

Summary of Gross Distributable Value				
($ in millions)	Low	Mid	High	Note
Non-Uniti ILEC	$ 944	$ 996	$ 1,049	1
Enterprise	484	587	689	2
Wholesale	165	178	190	2
Other[(1)]	122	264	434	3,4
Cash	77	77	77	5
Operating Cash Flow During Wind-Down	17	17	18	6
Total	**$ 1,808**	**$ 2,119**	**$ 2,457**	

(1) includes Communication Assets, Working Capital, and other montetizable assets.

Note 1 – Sale of Non-Uniti ILEC Operations

- Non-Uniti ILEC valuation is based on a multiple approach. Assumes a sale would be documented and executed by December 31, 2020.

- Key assumptions to the valuation include:

  – Ability to maintain consumer, small business, wholesale, and regulatory revenue within non-Uniti ILEC states post-conversion.

  – Assumes customer churn is elevated by 30 basis points versus the pre-conversion period in 2020.

  – Direct expenses include: Field Technicians, Broadband & OSP teams and associated benefits and taxes.

  – Assumes capital spend can remain at maintenance levels while operating the platform during the sale period.

  – Allocated expenses include full operational costs as if the business were run on a standalone basis.

Note 2 – Sale of Certain Enterprise and Wholesale Operations

- The Enterprise and Wholesale portions of the business for sale have been valued utilizing a discounted cash flow ("DCF") methodology.

- Key assumptions to the valuation include:

- All customers operating exclusively within non-Uniti states can be monetized (19 states).
- A state with < 1% Uniti network route miles subject to the Uniti Arrangement is deemed non-Uniti.
- Assumes all "over the top" product revenue can be monetized with the connectivity replaced, if necessary, as well as all customers with ethernet-only connectivity.
- Does not assume any value for customers (or customer lists) within Uniti states nor multi-state customers with locations in Uniti states.

Note 3 – Communication Assets

- Represents liquidated discontinued fixed assets (primarily ILEC), net of recovery costs, in Uniti states (includes buildings, vehicles, circuits, switches, etc.).
- Assumes certain communication assets are sold within the secondary market at prevailing rates.

Note 4 – Other Assets

- Represents the collection of working capital (i.e., accounts receivable) and liquidation of other monetizable assets.

Note 5 – Cash Balance at Rejection

- Represents the total projected cash on the balance sheet as of the Liquidation Date.

Note 6 – Operating Cash Flow During Wind-Down Period

- Represents free cash flow generated by the Debtors throughout the Asset Sale Period. Assumes that all interconnect/access-related contracts are rejected as of the Liquidation Date, resulting in an increase to access expense (approximated using month-to-month/tariff pricing).

Note 7 – Intercompany Receivables

- Represents intercompany receivables from one Debtor legal entity to another Debtor legal entity in order to settle an intercompany claim in accordance with the absolute priority rule of the Bankruptcy Code.

Net Distributable Value

Gross to Net Distributable Value				
($ in millions)	Low	Mid	High	Note
Gross Distributable Value	$ 1,808	$ 2,119	$ 2,457	
(-) Wind-Down Costs	(219)	(219)	(219)	8
(-) Retention Costs	(137)	(137)	(137)	9
(-) Severance Costs (incl. WARN)	(32)	(32)	(32)	10
(-) Professional Fees	(43)	(51)	(59)	11
(-) Trustee Fees	(18)	(21)	(25)	12
(-) Contract Cures	(65)	(72)	(79)	13
Net Distributable Value	**$ 1,295**	**$ 1,587**	**$ 1,907**	14

Note 8 – Wind-Down Costs

- Represents corporate support functions that would be required to wind-down the estate during the 12-month asset sale period and costs associated with maintaining a reduced workforce thereafter to wind-down the remaining operations and satisfy final liabilities of the Company. Additionally, wind-down costs incorporate an estimate of ~$30 million for the cash collateralization of letters of credit that are assumed to be required upon conversion.

Note 9 – Retention Costs

- To maximize recoveries on remaining assets, minimize number of claims and generally oversee an orderly liquidation, the Trustee will need to continue to employ a substantial number of the Debtors' employees for the liquidation period.

- The assumptions contemplate a retention bonus of 75% and 25% of base salary for certain corporate employees and field employees, respectively.

Note 10 – Severance Costs

- The Liquidation Analysis assumes that the Trustee would reduce employee headcount to a minimum staff from current levels over the 24-month liquidation timeframe. This includes all collectively bargained severance amounts to be paid in addition to all applicable obligations triggered by the Worker Adjustment and Retraining and Notification Act of 1988 ("WARN"). Further, all non-CBA severance programs are assumed to be terminated by the Board.

Note 11 – Professional Fees

- Represents fees to professionals necessary to effectuate an orderly sale and liquidation of the Debtors.

- Assumes professional fees of 2.5% of Gross Distributable Value for the 12-month monetization period; fees could be significantly more or less depending on the complexity and length of the restructuring process.

Note 12 – Chapter 7 Trustee Fees

- Trustee fees necessary to facilitate the sale of the Debtors' businesses are assumed to represent 1% of available liquidation proceeds. These fees would be used for developing marketing materials and facilitating the solicitation process for the parties, in addition to general administrative expenses, such as the Trustee's compensation.

Note 13 – Contract Cures

- Represents amounts to cure contracts required to maintain the continuing operations of the go-forward business segments in order to maximize asset value in a hypothetical sale.

Note 14 – Net Distributable Value Before Intercompany

- Represents the full external liquidation value of the Debtors' assets before liquidation adjustments.

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Claims and Claim Recoveries

Note 15 – Chapter 11 Super Priority Postpetition Claims

Summary of Superpriority Claims		
($ in millions)		Note
Superpriority DIP		
DIP	$ 930	15
Superpriority Other		
Postpetition Intercompany	$ 17,497	15

- Includes any outstanding amounts on the Debtor in Possession financing in the amount of $1 billion made by Citibank as Agent to the Company, consisting of a $500 million revolving credit facility and a $500 million term loan. Additionally assumes $30 million of estimated accrued and unpaid estate professional fees at the time of conversion pursuant to the Carve Out.[2]

- Represents claims related to outstanding balances as a result of postpetition intercompany transactions between Debtor entities.

Note 16 – Secured Claims

Summary of First Lien Claims		
($ in millions)		Note
First Lien Claims		
Revolver	$ 802	16
Tranche B6	1,181	16
Tranche B7	568	16
8.625% 2025 Notes	600	16
Subtotal	$ 3,151	

Summary of Second Lien Claims		
($ in millions)		Note
Second Lien Claims		
10.500% 2024 Notes	$ 422	16
9.000% 2025 Notes	813	16
Subtotal	$ 1,235	

Summary of Midwest Note Claims		
($ in millions)		Note
Other Secured Claims		
6.75% Subsidiary Notes (Midwest)	$ 100	16

[2]As defined in the *Final Order (A) Authorizing The Debtors To Obtain Postpetition Financing, (B) Authorizing The Debtors To Use Cash Collateral, (C) Granting Liens And Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection To The Prepetition Secured Parties, (E) Modifying The Automatic Stay, And (F) Granting Related Relief* [Docket No. 376].

- Total Secured Claims include:
  - First Lien Secured Debt
  - Second Lien Secured Debt (inclusive of prepetition accrued interest given no adequate protection payments to this class)
  - Midwest Notes

Note 17 – Chapter 11 Administrative & Priority Claims

Summary of Administrative & Priority Claims			
($ in millions)			Note
Administrative & Priority Claims			
Administrative Claims	$	647	17
Priority Claims		110	17
Subtotal	$	756	

- Administrative & Priority Claims include:
  - **Postpetition Accounts Payable & Customer Prepayment**: Postpetition accounts payable related to vendors and certain customer disputes, as well as amounts collected from customers where services have not yet been performed, are assumed to be outstanding on day one of the wind-down. Trade accounts payable obligations incurred during the wind-down period are not included in this balance, as they are assumed to be paid in the ordinary course. Liabilities related to the hypothetically sold business segments assumed to transfer to buyer.
  - **Assumed Real Estate/Contract Claims:** Represents remaining obligations related to leases assumed on a postpetition basis, as well as unpaid cure amounts relating to contracts assumed prior to the Liquidation Date. These leases/contracts would be terminated in the event of a hypothetical liquidation.
  - **Claims arising under section 503(b)(9) of the Bankruptcy Code:** Represents claims related to goods delivered within 20 days of the petition date and not paid by the Debtors through vendor settlements prior to the wind-down.
  - **Postpetition Taxes:** Certain postpetition taxes related to income tax, transaction tax, property tax and payroll tax are assumed to be outstanding on day one of the wind-down. Tax obligations incurred during the wind-down period are not included in this balance, as they are assumed to be paid in the ordinary course. Liabilities related to the continuing operations assumed to transfer to buyer.
  - **Prepetition Income, Sales, and Use Tax**: The Debtors do not have the authority to pay prepetition income taxes and, as such, these amounts will remain unpaid as of day one of the wind-down. Furthermore, the Debtors have various outstanding disputes related to sales & use taxes arising from prepetition activity that will remain unpaid.

Note 18 – General Unsecured Claims

Summary of General Unsecured Claims			
($ in millions)			Note
General Unsecured Claims			
First Lien Deficiency Claims	$	2,878	18
Second Lien Deficiency Claims		1,235	18
Other Secured Deficiency Claims		98	18
Unsecured Notes		1,143	18
Prepetition Intercompany Claims		225,328	18
Other General Unsecured Claims		2,539	18
Total General Unsecured Claims	**$**	**233,220**	

- **Deficiency Claims:** Represents any portion of unpaid secured prepetition debt irrespective of partial recoveries at other legal entities, unless the secured prepetition debt is cumulatively paid in full across all guarantors.

- **Unsecured Notes:** Represents various unsecured notes and based on outstanding principle balance and accrued interest of notes maturing 2020 – 2024.

- **Prepetition Intercompany Payables:** Represents all prepetition intercompany payables per the Debtor's books and records**.**

- **Other General Unsecured Claims** include**:**

  - **Prepetition Accounts Payable Claims:** Represents estimated unpaid prepetition vendor claims as of the Liquidation Date.

  - **Contract Rejection Claims:** Represents costs associated with rejecting operating contracts, and purchase agreements for any business not sold as a going concern.

  - **Pension Termination:** In a rejection of the Uniti Arrangement, the Windstream pension plan would go through a distressed termination process, thereby ceding control/management to the Pension Benefit Guaranty Corporation ("PBGC"). This represents the claim asserted by the PBGC in a chapter 7 liquidation.

  - **Uniti Arrangement Rejection:** Represents the estimated rejection damages claim associated with rejecting the Uniti Arrangement.

  - **Legal Claims:** Represents estimates for ongoing litigation and legal-related liabilities.

Note 19 – Equity Claims

- Residual equity value in a legal entity, if any, rolls up to its direct parent within the corporate organizational structure until it reaches a guarantor legal entity, where it is assumed to be prepetition secured debt collateral and therefore available to satisfy secured debt claims.

Exhibit C

Financial Projections

Exhibit C

Financial Projections[1]

As a condition to Confirmation, the Bankruptcy Code requires, among other things, the Bankruptcy Court to find that Confirmation is not likely to be followed by either a liquidation or the need to further reorganize the Debtors (and together with their non-Debtor affiliates, the "Company"). In accordance with this condition and in order to assist each holder of a Claim in determining whether to vote to accept or reject the Plan, the Company's management team ("Management"), with the assistance of their advisors, developed financial projections (the "Financial Projections") to support the feasibility of the Plan.

The Financial Projections were prepared by Management and are based on a number of assumptions made by Management, within the bounds of their knowledge of their business and operations, with respect to the future performance of the Company's operations. Although management has prepared the Financial Projections in good faith and believes the assumptions to be reasonable, there can be no assurance that such assumptions will be realized.

The Financial Projections were not prepared with a view toward compliance with published guidelines of the United States Securities and Exchange Commission or guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information. An independent auditor has not examined, compiled, or performed any procedures with respect to the prospective financial information contained in this Exhibit and, accordingly, it does not express an opinion or any other form of assurance on such information or its achievability. The Debtors' independent auditor assumes no responsibility for, and denies any association with, the prospective financial information.

Safe Harbor Under the Private Securities Litigation Reform Act of 1995

The Financial Projections contain certain statements that are "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in the Financial Projections include the intent, belief, or current expectations of the Debtors and management with respect to the timing of, completion of, and scope of the current restructuring, Plan, Debtors' business plan, and market conditions, and the Debtors' future liquidity, as well as the assumptions upon which such statements are based. While the Debtors believe that the expectations are based upon reasonable assumptions within the bounds of their knowledge of their business and operations, parties-in-interest are cautioned that any such forward-looking statements are not guarantees of future performance, involve risks and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements.

[1] Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Disclosure Statement.

Accounting Policies

The Financial Projections have been prepared using accounting policies that are consistent with those applied in the Debtors' historical financial statements.

Upon emergence from chapter 11, the Reorganized Debtors will implement "fresh start" reporting pursuant to Accounting Standards Codification ("ASC") Topic 852, "Reorganization." The main principles of fresh start reporting require that the reorganization value of the emerging entity be allocated to all of the entity's assets and liabilities in accordance with the guidance in ASC Topic 805, "Business Combinations." Any portion of the reorganization value not attributable to specific tangible or identifiable intangible assets or liabilities of the emerging entity is required to be reported as goodwill. The Projections may not reflect all the adjustments necessary to implement fresh start reporting.

Summary of Significant Assumptions

The Debtors, with the assistance of various professionals, including their financial advisors, prepared the Financial Projections for 2020 to 2026. The Financial Projections are based on a number of assumptions with respect to the future performance of the Reorganized Debtors' operations. Although these Financial Projections have been prepared in good faith and are believed to be reasonable, it is important to note that the Debtors can provide no assurance that such assumptions will be realized. As described in detail in Article VIII of the Disclosure Statement, a variety of risk factors could affect the Reorganized Debtors' financial results and should be considered. The Financial Projections should be reviewed in conjunction with a review of these assumptions, including the qualifications and footnotes set forth herein.

General Assumptions

The Company operates on a calendar year and the Financial Projections assume that the Effective Date will be August 31, 2020 and that the Reorganized Debtors will continue to conduct operations substantially similar to their current businesses. In addition, the Financial Projections take into account the current market environment in which the Debtors compete, including many economic and financial forces that are beyond the control of the Debtors and management. The Debtors operate in the telecommunications industry, providing communications and technology solutions to customers. Products and services offered to small, mid-market and enterprise businesses and wholesale customers include integrated voice and data services, data transport services, multi-site networking services, cloud computing, colocation, security, and managed services. The Debtors also provide voice, high-speed Internet, video and security services to retail consumers in 18 states. Economic growth or slowdowns on a global, national or regional basis may impact the Reorganized Debtors' revenues and expenses. In addition, general trends or changing legislation within the telecommunication industry may impact performance.

The budget process is led by business unit financial planning leaders with input from the corporate Financial Planning & Analysis team. These financial planning leaders collaborate with relevant business owners to develop the operational and financial projections for each of the key drivers of the business. Key drivers include customer add/disconnect assumptions, pricing strategies, possible capital investments, known initiatives, and historical trends. These inputs are projected

by segment and summarized into a consolidated financial view that is reviewed by the senior leadership team and, ultimately, the Board of Directors.

Risk Factors

The Financial Projections are subject to inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond the Debtors' management team's control. Many factors could cause actual results, performance, or achievements to differ materially from any future results, performance, or achievements expressed or implied by these forward-looking statements. Accordingly, the Financial Projections should be reviewed in conjunction with a review of the risk factors set forth in Article VIII of the Disclosure Statement and the assumptions described herein.

Projected Statements of Operations

"Adjusted OIBDAR" is defined as operating income before depreciation and amortization and goodwill impairment, adjusted to exclude straight-line expense under the contractual arrangement with Uniti, merger, integration and other costs, restructuring charges, share-based compensation and certain other costs. Adjusted OIBDAR is a key measure of the Company's operational performance, and management, including the chief operating decision-maker, uses Adjusted OIBDAR consistently for all purposes, including internal reporting, the evaluation of business objectives, opportunities and performance, and the determination of management compensation. Adjusted OIBDAR is not a measure of financial performance under Generally Accepted Accounting Principles ("GAAP") and should not be considered as a substitute for measures of financial performance prepared in accordance with GAAP.

"Segments" The Company's business operations primarily consist of three segments: (i) Kinetic, (ii) Enterprise and (iii) Wholesale.

Windstream
Projected Statement of Operations (Unaudited)

	Fiscal Year Ending 12/31,							
($s in Millions)	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Revenue								
Enterprise	$ 2,679	$ 2,304	$ 2,053	$ 1,915	$ 1,849	$ 1,804	$ 1,784	$ 1,779
Kinetic	2,075	2,047	2,039	2,062	2,115	2,161	2,204	2,252
Wholesale	362	333	308	286	272	262	256	250
Total Revenue	**$ 5,115**	**$ 4,684**	**$ 4,401**	**$ 4,262**	**$ 4,237**	**$ 4,227**	**$ 4,244**	**$ 4,281**
YoY Growth	*(7.7)%*	*(8.4)%*	*(6.1)%*	*(3.1)%*	*(0.6)%*	*(0.2)%*	*0.4%*	*0.9%*
Cash Expenses								
Interconnect	1,213	1,026	881	801	753	716	694	678
Other Cash Expenses	2,160	2,026	1,888	1,861	1,832	1,808	1,794	1,794
Total Cash Expenses	**$ 3,372**	**$ 3,052**	**$ 2,769**	**$ 2,662**	**$ 2,585**	**$ 2,524**	**$ 2,488**	**$ 2,472**
Adj. OIBDAR	**$ 1,743**	**$ 1,632**	**$ 1,631**	**$ 1,600**	**$ 1,652**	**$ 1,703**	**$ 1,757**	**$ 1,809**
YoY Growth	*(5.6)%*	*(6.4)%*	*(0.0)%*	*(1.9)%*	*3.3%*	*3.1%*	*3.2%*	*3.0%*
Margin %	*34.1%*	*34.8%*	*37.1%*	*37.5%*	*39.0%*	*40.3%*	*41.4%*	*42.3%*
Pro Forma Adjustments	(41)	(34)	(32)	(31)	(32)	(32)	(33)	(33)
Pro Forma Adj. OIBDAR	**$ 1,702**	**$ 1,598**	**$ 1,599**	**$ 1,569**	**$ 1,620**	**$ 1,671**	**$ 1,724**	**$ 1,776**
YoY Growth	*(6.4)%*	*(6.1)%*	*0.1%*	*(1.9)%*	*3.3%*	*3.1%*	*3.2%*	*3.0%*
Margin %	*33.3%*	*34.1%*	*36.3%*	*36.8%*	*38.2%*	*39.5%*	*40.6%*	*41.5%*
Memo - Pro Forma Revenue:								
Enterprise	*$ 2,679*	*$ 2,304*	*$ 2,053*	*$ 1,915*	*$ 1,849*	*$ 1,804*	*$ 1,784*	*$ 1,779*
Kinetic	*2,075*	*2,047*	*2,039*	*2,062*	*2,115*	*2,161*	*2,204*	*2,252*
Wholesale	*321*	*299*	*276*	*254*	*241*	*230*	*223*	*217*
Total	***$ 5,074***	***$ 4,650***	***$ 4,368***	***$ 4,231***	***$ 4,205***	***$ 4,195***	***$ 4,212***	***$ 4,248***

Notes to Projected Statement of Operations

Revenue

Enterprise

Enterprise recurring revenue remains challenged in the near-term, although the rate of decline improves in 2022 due to increased sales enabled by the Company's strategic product set featuring SD-WAN and Unified Communications as a Service ("UCaaS"), in addition to lower churn as a result of strategic customer conversions and renewal activity.

Kinetic

Kinetic revenue is classified into the following five categories: (i) Consumer, (ii) Small Business, (iii) Wholesale (in-territory), (iv) Regulatory & Other, and (v) Product Sales. In terms of revenue contribution, the Consumer, Small Business, Wholesale, and Regulatory & Other revenues in 2019 consisted of $1,155 million (56%), $311 million (15%), $211 million (10%), $354 million (17%), and $43 million (2%), respectively. Consumer revenue transitions to growth driven by accelerated high-speed internet growth behind investments in network upgrades (*e.g.*, 1GB expansion). Small Business revenue improves to growth driven by incremental network investments, as well as improved productivity within the sales and marketing organization.

Wholesale

CLEC revenue continues to decline in the long term, as customers accelerate their transition away from legacy TDM products. This decline in legacy revenues is partially offset by continued positive activity within strategic fiber solutions (*e.g.*, Wavelength services, Fiber to the Tower).

Operating Expenses

Enterprise

In order to mitigate top-line deterioration in the Enterprise business, the Company has initiated cost take-out efforts, primarily focused on reducing legacy TDM network costs (*i.e.*, interconnect expense).

Kinetic

The Financial Projections assume overall Kinetic expenses decline by 0.2% in 2020, and remain relatively flat thereafter. Kinetic expense as a percent of revenue is forecast to decrease slightly from 42.7% in 2019 to 40.0% in 2026.

To support increased 1GB sales efforts in the Consumer and Small Business areas of Kinetic, staff group expenses are forecast to increase due to investments in Sales & Marketing and Field Ops.

Wholesale

Similar to the Enterprise segment, interconnect expense is forecast to decline due to cost reduction efforts, while most managed expenses within the Wholesale segment are forecast to remain flat.

Pro Forma Adjustments and Other Notes

Pro Forma adjustments reflect the removal of revenue associated with the Windstream dark fiber IRU contracts and the Acquired Assets (as defined in Exhibit D of the Plan Support Agreement), which will be sold to Uniti.

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Windstream
Projected Pro Forma Consolidated Balance Sheet at Emergence (Unaudited)

	Pro Forma Balance Sheet at Emergence				
	Pre-Effective	Adjustments		Emergence	
($s in Millions)	Estimated	Restructuring	Fresh Start	Pro Forma	***Notes***
Assets					
Current Assets:					
Cash and Cash Equivalents	$ 77	$ 63	$ -	$ 141	(a)
Restricted Cash	8	50	-	58	(b)
Accounts Receivable	558	-	-	558	
Inventories	35	-	-	35	
Other Current Assets	221	-	-	221	
Total Current Assets	$ 899	$ 113	$ -	$ 1,012	
Long Term Assets:					
Goodwill	$ 61	$ -	$ -	$ 61	
Other Intangibles, net	992	-	-	992	
Net Property, Plant, and Equipment	3,746	-	-	3,746	
Operating Lease Right-of-Use Assets	3,857	-	-	3,857	
Other Assets	82	-	-	82	
Fresh Start Adjustment	-	-	(1,201)	(1,201)	(c)
Total Assets	**$ 9,637**	**$ 113**	**$ (1,201)**	**$ 8,550**	
Liabilities & Shareholders' Equity					
Current Liabilities:					
DIP	$ 900	$ (900)	$ -	$ -	(d)
Current Maturities of LT Debt	-	21	-	21	(e)
Accounts Payable	282	(27)	-	255	(f)
Advance Payments and Customer Deposits	141	-	-	141	
Accrued Taxes	61	-	-	61	
Accrued Interest	-	-	-	-	
Other Current Liabilities	223	310	-	534	(b), (g)
Total Current Liabilities	$ 1,607	$ (596)	$ -	$ 1,011	
Long Term Liabilities:					
LSTC	$ 10,353	$ (10,353)	$ -	$ -	(h)
Long Term Debt	-	2,074	-	2,074	(e)
Other Liabilities	21	4,194	-	4,216	(g)
Total Liabilities	**$ 11,981**	**$ (4,682)**	**$ -**	**$ 7,300**	
Total Shareholders' Equity	**$ (2,344)**	**$ 4,795**	**$ (1,201)**	**$ 1,250**	(i)
Total Liabilities and Shareholders' Equity	**$ 9,637**	**$ 113**	**$ (1,201)**	**$ 8,550**	

Notes to Projected Pro Forma Consolidated Balance Sheet

The pro forma balance sheet adjustments contained herein account for (i) the reorganization and related adjustments pursuant to the Plan and (ii) the estimated impact from the implementation of fresh start accounting pursuant to ASC Topic 852, "Reorganization."

The Debtors have not yet completed their fresh start reporting analysis. However, for purposes of preliminary fresh start reporting, the Financial Projections incorporate estimates of the effect of fresh start reporting which are based upon a stipulated Equity Value of $1.25 billion (assuming no Flex Adjustment). The reorganized value ultimately used by the Debtors in implementing fresh start reporting may differ from this estimate. Likewise, the Debtors' allocation of the reorganized value to individual assets and liabilities is based upon preliminary estimates that are subject to change upon the formal implementation of fresh start reporting and could result in material differences to the allocated values included in these Financial Projections. For purposes of

estimating the impact of fresh start accounting, the Debtors' have assumed that the book value of all of their assets approximates fair market value. Reorganization value that differs from liabilities and tangible assets is shown as a change in the "Fresh Start Adjustment." The Debtors have not estimated the change in deferred tax assets or liabilities that may result from the reorganization.

(a) Reflects the funding of the Reorganized Debtors' Minimum Cash Balance and payments pursuant to the Plan.

(b) Reflects the funding of the Non-Obligor General Unsecured Claims Reserve and Obligor Claims Reserve.

(c) The projected change in the book value of the Reorganized Debtors' assets, to be allocated via fresh start accounting.

(d) Reflects the paydown of any amounts outstanding under the DIP Facilities.

(e) Assumed indebtedness outstanding on the exit term loan (assumes no Flex Adjustment), net of debt issuance costs.

(f) Reflects payment of accrued professional fees associated with the reorganization.

(g) Represents the reinstatement of certain accounting liabilities from LSTC.

(h) All prepetition debt and liabilities subject to compromise will be settled in accordance with the terms of the Plan.

(i) Represents the net gain from completion of the reorganization, as well as adjustments to the equity value of the Reorganized Debtors.

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Windstream
Projected Consolidated Balance Sheet (Unaudited)

	Fiscal Year Ending 12/31,						
($s in Millions)	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Assets							
Current Assets:							
Cash and Cash Equivalents	$ 174	$ 203	$ 249	$ 287	$ 371	$ 399	$ 566
Restricted Cash	58	8	8	8	8	8	8
Accounts Receivable	544	517	506	503	502	504	508
Inventories	30	23	22	22	22	22	22
Other Current Assets	188	179	175	174	174	174	176
Total Current Assets	$ 993	$ 930	$ 959	$ 993	$ 1,077	$ 1,107	$ 1,280
Long Term Assets:							
Goodwill	$ 61	$ 61	$ 61	$ 61	$ 61	$ 61	$ 61
Other Intangibles, net	948	847	776	718	664	617	573
Net Property, Plant, and Equipment	3,765	4,007	4,281	4,555	4,770	4,937	4,947
Operating Lease Right-of-Use Assets	3,785	3,522	3,243	2,944	2,618	2,253	1,840
Other Assets	82	82	82	82	82	82	82
Fresh Start Adjustment	(1,201)	(1,201)	(1,201)	(1,201)	(1,201)	(1,201)	(1,201)
Total Assets	**$ 8,434**	**$ 8,249**	**$ 8,203**	**$ 8,153**	**$ 8,072**	**$ 7,856**	**$ 7,583**
Liabilities & Shareholders' Equity							
Current Liabilities:							
Accounts Payable	$ 242	$ 219	$ 210	$ 214	$ 212	$ 211	$ 212
Current Maturities of LT Debt	21	21	21	21	21	21	21
Advance Payments and Customer Deposits	132	126	123	122	122	122	123
Accrued Taxes	60	60	60	60	60	60	60
Accrued Interest	13	13	13	13	13	13	12
Other Current Liabilities	520	478	497	526	568	620	681
Total Current Liabilities	$ 987	$ 916	$ 924	$ 955	$ 995	$ 1,046	$ 1,109
Long Term Liabilities:							
Long Term Debt	$ 2,070	$ 2,055	$ 2,040	$ 2,026	$ 2,011	$ 1,996	$ 1,981
Other Liabilities	4,118	3,816	3,491	3,137	2,747	2,307	1,807
Total Liabilities	**$ 7,176**	**$ 6,786**	**$ 6,455**	**$ 6,117**	**$ 5,752**	**$ 5,349**	**$ 4,897**
Total Shareholders' Equity	**$ 1,258**	**$ 1,463**	**$ 1,748**	**$ 2,036**	**$ 2,319**	**$ 2,507**	**$ 2,686**
Total Liabilities and Shareholders' Equity	**$ 8,434**	**$ 8,249**	**$ 8,203**	**$ 8,153**	**$ 8,072**	**$ 7,856**	**$ 7,583**

Windstream
Projected Consolidated Free Cash Flow (Unaudited)

		For the FYE 12/31,					
($s in Millions)	**Sep-Dec 2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
PF Adj. OIBDAR	**$ 522**	**$ 1,599**	**$ 1,569**	**$ 1,620**	**$ 1,671**	**$ 1,724**	**$ 1,776**
YoY Growth	*n./a.*	*0.1%*	*(1.9)%*	*3.3%*	*3.1%*	*3.2%*	*3.0%*
Capex	(284)	(947)	(894)	(949)	(935)	(930)	(780)
Simple Free Cash Flow	**$ 238**	**$ 652**	**$ 675**	**$ 671**	**$ 735**	**$ 794**	**$ 996**
Working Capital	23	2	1	6	(1)	(2)	(3)
Pension Cash Contributions	(36)	(33)	(30)	(27)	(21)	(20)	(20)
Capital Leases	(8)	(28)	(28)	(31)	(30)	(30)	(30)
Restructuring & Other	(8)	(20)	(20)	(10)	(10)	(10)	(10)
Unlevered Free Cash Flow	**$ 210**	**$ 573**	**$ 597**	**$ 609**	**$ 673**	**$ 731**	**$ 934**
Uniti Payments (net of GCI reimb.)	(179)	(460)	(467)	(485)	(502)	(574)	(588)
Uniti Cash Transfer	49	98	98	98	98	49	-
Unlevered FCF After Uniti	**$ 80**	**$ 211**	**$ 229**	**$ 222**	**$ 269**	**$ 207**	**$ 345**
Debt Amortization	(5)	(21)	(21)	(21)	(21)	(21)	(21)
Cash Interest	(39)	(156)	(158)	(158)	(158)	(154)	(152)
Taxes	(2)	(5)	(5)	(5)	(5)	(5)	(5)
Levered Free Cash Flow	**$ 33**	**$ 30**	**$ 46**	**$ 38**	**$ 85**	**$ 27**	**$ 167**

Notes to Consolidated Free Cash Flow

Capital Expenditures

Total capital expenditures are forecast to increase from ~$879 million in 2019 to ~$947 million in 2021, though declines to ~$780 million by the end of the projection period. The primary reason for the increase in capital expenditures during the projection period is to significantly expand network speed (*e.g.*, 1GB expansion program) through increased investments in fiber to the premises ("FTTP") and fixed wireless infrastructure.

Kinetic

The Financial Projections assume that Kinetic capital expenditures increase by 12.2% in 2020, and remain elevated through 2025 until declining by 27.1% in 2026.

Kinetic capital expenditures are forecast to increase significantly due to FTTP and Fixed Wireless expansion to provide 1GB services across more of the Company's footprint, as well as to meet RDOF speed requirements.

Enterprise

The Financial Projections assume that Enterprise capital expenditures increase by 11.4% in 2021, and 10.3% in 2022; however, capital spend is forecast to decline in the out years of the forecast through 2026.

The projected increase in capital expenditures is primarily due to "success-based" programs vis-à-vis incremental sales and legacy-to-strategic product conversion activity.

Wholesale

The Financial Projections assume that Wholesale capital expenditures decrease by 7.5% in 2020, and remain flat thereafter. Total Wholesale capital expenditures are forecast to decrease modestly from $27 million in 2019 to $25 million in 2021, with the majority of capital spend relating to "success-based" opportunities.

Working Capital

The Financial Projections assume the Reorganized Debtors' working capital accounts, including accounts receivable, inventory, accounts payable and others, continue to perform according to the historical relationships with respect to revenue and expense activity. Additionally, incorporates the funding of the Non-Obligor General Unsecured Claims Reserve and Obligor Claims Reserve as of the Effective Date, which is assumed to be paid out in 2021.

Pension Contributions

The Financial Projections assume that the prepetition pension plan is reinstated as of the Effective Date, and the Reorganized Debtors continue to make cash contributions to the plan to comply with funding requirements.

Uniti Disbursements/Receipts

The Financial Projections include the disbursements (rent under the ILEC and CLEC leases, GCI Rent, interest under the Equipment Loan Program) and receipts (GCI reimbursement, funding under the Equipment Loan Program, the Purchase Amount, and the Cash Payments) detailed in the Uniti Term Sheet (Exhibit D of the Plan Support Agreement). The Company is currently determining how they will record the various transactions contemplated by the Uniti Term Sheet pursuant to GAAP. The accounting used herein is preliminary; the actual accounting for these transactions could vary materially from what is presented.

Debt Amortization and Cash Interest

The Financial Projections assume 1% annual amortization and 7% all-in cash interest expense on the New Exit Facility Term Loan (paid quarterly). Additionally, the projections include commitment and LC fees payable under the exit revolving credit facility (including the letter of credit sub-facility).

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Exhibit D

Valuation Analysis

Exhibit D

Valuation Analysis

THE INFORMATION CONTAINED HEREIN IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN. THE INFORMATION IS PRESENTED SOLELY FOR THE PURPOSE OF PROVIDING ADEQUATE INFORMATION UNDER SECTION 1125 OF THE BANKRUPTCY CODE TO ENABLE THE HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN TO MAKE AN INFORMED JUDGMENT ABOUT THE PLAN AND SHOULD NOT BE USED OR RELIED UPON FOR ANY OTHER PURPOSE, INCLUDING THE PURCHASE OR SALE OF CLAIMS AGAINST THE DEBTORS OR ANY OF THEIR AFFILIATES.

Solely for the purposes of the Plan and the Disclosure Statement, PJT Partners LP ("PJT"), as restructuring advisors to the Debtors, has estimated a range of total enterprise value ("Enterprise Value") and implied equity value ("Equity Value") for the Reorganized Debtors pro forma for the transactions contemplated by the Plan (the "Valuation Analysis"). The Valuation Analysis is based on financial and other information provided by the Debtors' management, as well as the Financial Projections attached to the Disclosure Statement as Exhibit [E], and information provided by other sources. The Valuation Analysis is as of April [20], 2020, with an assumed Effective Date in [August 2020]. The Valuation Analysis utilizes market data as of April [17], 2020. On March 6, 2020 the Debtors filed the Uniti 9019 Motion seeking approval to enter into the Uniti Settlement. The Valuation Analysis assumes that the Uniti Settlement is approved by the Bankruptcy Court and the Enterprise Value presented herein is inclusive of the value associated with the Uniti Settlement. The valuation estimates set forth herein represent valuation analyses of the Reorganized Debtors generally based on the application of customary valuation techniques to the extent deemed appropriate by PJT.

In preparing its valuation, PJT performed a variety of financial analyses and considered a variety of factors, including a (a) discounted cash flow analysis; (b) comparable companies analysis; (c) precedent transactions analysis; and (d) the Plan Equity Value, including the 37.5% discount upon which the Backstop Parties have committed to backstop the Rights Offering. The preparation of a valuation analysis is a complex analytical process involving subjective determinations about which methodologies of financial analysis are most appropriate and relevant and the application of those methodologies to particular facts and circumstances in a manner that is not readily susceptible to summary description.

Based on the aforementioned analyses, and other information described herein and solely for purposes of the Plan, the estimated range of Enterprise Value of the Reorganized Debtors, collectively, as of April 20, 2020, is approximately $[●] million to approximately $[●] million (with the mid-point of such range being $[●] million).

In addition, based on the estimated range of Enterprise Value of the Reorganized Debtors and other information described herein and solely for purposes of the Plan, PJT estimated a potential range of total Equity Value of the Reorganized Debtors, which consists of the Enterprise Value, less funded indebtedness, less other long-term liabilities, plus balance sheet cash on the

Capitalized terms not defined herein have the meaning ascribed in the Plan or the Disclosure Statement.

assumed Effective Date. PJT has assumed that the Reorganized Debtors will have a pro forma cash balance of approximately $[75.0] million as of the Effective Date and funded indebtedness of $2,150 million, $29 million of capital leases, and $244 million of pension obligations on a tax affected basis. As discussed further in the Plan, the Requisite Backstop Parties, in consultation with the Debtors, may exercise the Flex Adjustment, which would result in an incremental $350 million of debt at emergence.

Based upon the estimated range of Enterprise Value of the Reorganized Debtors of between $[] million and $[] million described above, and assuming net debt of $2,338 million without the Flex Adjustment, PJT estimated that the potential range of Equity Value for the Reorganized Debtors, as of an assumed Effective Date in August 2020, is between approximately $[] million and approximately $[] million (with the mid-point of such range being $[] million). Assuming the Requisite Backstop Parties in consultation with the Debtors exercise the Flex Adjustment, which would result in net debt of $2,688 million, PJT estimated that the potential range of Equity Value for the Reorganized Debtors, as of an assumed Effective Date in August 2020, is between approximately $[] million and approximately $[] million (with the mid-point of such range being $[] million).

For purposes of the Valuation Analysis, PJT assumed that no material changes that would affect estimated value occur between the date of filing of the Disclosure Statement and the assumed Effective Date. PJT's Valuation Analysis does not constitute an opinion as to the fairness from a financial point of view of the consideration to be received or paid under the Plan, of the terms and provisions of the Plan, or with respect to any other matters.

THE VALUATION ANALYSIS REFLECTS WORK PERFORMED BY PJT ON THE BASIS OF INFORMATION IN RESPECT OF THE BUSINESSES AND ASSETS OF THE DEBTORS AVAILABLE TO PJT AS OF APRIL [17], 2020. IT SHOULD BE UNDERSTOOD THAT, ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY HAVE AFFECTED OR AFFECT PJT'S CONCLUSIONS, PJT DOES NOT HAVE ANY OBLIGATION TO UPDATE, REVISE, OR REAFFIRM ITS VALUATION ANALYSIS AND DOES NOT INTEND TO DO SO.

PJT DID NOT INDEPENDENTLY VERIFY THE FINANCIAL PROJECTIONS OR OTHER INFORMATION THAT PJT USED IN THE VALUATION ANALYSIS, AND NO INDEPENDENT VALUATIONS OR APPRAISALS OF THE DEBTORS OR THEIR ASSETS WERE SOUGHT OR OBTAINED IN CONNECTION THEREWITH. THE VALUATION ANALYSIS WAS DEVELOPED SOLELY FOR PURPOSES OF THE PLAN AND THE ANALYSIS OF POTENTIAL RELATIVE RECOVERIES TO CREDITORS THEREUNDER. THE VALUATION ANALYSIS REFLECTS THE APPLICATION OF VARIOUS VALUATION TECHNIQUES, DOES NOT PURPORT TO BE AN OPINION AND DOES NOT PURPORT TO REFLECT OR CONSTITUTE AN APPRAISAL, LIQUIDATION VALUE, OR ESTIMATE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED OR ASSETS TO BE SOLD PURSUANT TO THE PLAN, WHICH MAY BE SIGNIFICANTLY DIFFERENT THAN THE AMOUNTS SET FORTH IN THE VALUATION ANALYSIS.

THE VALUE OF AN OPERATING BUSINESS IS SUBJECT TO NUMEROUS UNCERTAINTIES AND CONTINGENCIES THAT ARE DIFFICULT TO PREDICT AND WILL FLUCTUATE WITH CHANGES IN FACTORS AFFECTING THE FINANCIAL CONDITION AND PROSPECTS OF SUCH A BUSINESS. AS A RESULT, THE VALUATION ANALYSIS IS NOT NECESSARILY INDICATIVE OF ACTUAL OUTCOMES, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN THOSE SET FORTH HEREIN. BECAUSE SUCH ESTIMATES ARE INHERENTLY SUBJECT TO UNCERTAINTIES, NEITHER THE DEBTORS, PJT, NOR ANY OTHER PERSON ASSUMES RESPONSIBILITY FOR THEIR ACCURACY. IN ADDITION, THE POTENTIAL VALUATION OF NEWLY ISSUED FUNDED DEBT AND SECURITIES IS SUBJECT TO ADDITIONAL UNCERTAINTIES AND CONTINGENCIES, ALL OF WHICH ARE DIFFICULT TO PREDICT. ACTUAL MARKET PRICES OF SUCH FUNDED DEBT AND SECURITIES AT ISSUANCE WILL DEPEND UPON, AMONG OTHER THINGS, PREVAILING INTEREST RATES, CONDITIONS IN THE FINANCIAL MARKETS, THE ANTICIPATED INITIAL FUNDED DEBT AND SECURITIES HOLDINGS OF PREPETITION CREDITORS, SOME OF WHICH MAY PREFER TO LIQUIDATE THEIR INVESTMENT RATHER THAN HOLD IT ON A LONG-TERM BASIS, THE POTENTIALLY DILUTIVE IMPACT OF CERTAIN EVENTS, INCLUDING THE ISSUANCE OF EQUITY SECURITIES PURSUANT TO THE MANAGEMENT INCENTIVE PLAN, AND OTHER FACTORS THAT GENERALLY INFLUENCE THE PRICES OF FUNDED DEBT.

Management of the Debtors advised PJT that the Financial Projections were reasonably prepared in good faith and on a basis reflecting the Debtors' best estimates and judgments as to the future operating and financial performance of the Reorganized Debtors. If the business performs at levels below or above those set forth in the Financial Projections such performance may have a materially negative or positive impact, respectively, on the valuation of the company and the Enterprise Value thereof.

In preparing the Valuation Analysis, PJT: (a) reviewed certain historical financial information of the Debtors for recent years and interim periods; (b) reviewed certain financial and operating data of the Debtors, including the Financial Projections; (c) discussed the Debtors' operations and future prospects with the Debtors' senior management team and third-party advisors; (d) reviewed certain publicly available financial data for, and considered the market value of, public companies that PJT deemed generally relevant in analyzing the value of the Reorganized Debtors; (e) reviewed certain publicly available data for, and considered the market values implied therefrom, recent transactions in the telecommunications industry involving companies comparable in certain respects to the Reorganized Debtors; (f) considered certain economic and industry information that PJT deemed generally relevant to the Reorganized Debtors; (g) considered market feedback received to-date; and (h) conducted such other studies, analyses, inquiries, and investigations as PJT deemed appropriate. PJT assumed and relied on the accuracy and completeness of all financial and other information furnished to it by the Debtors' management and other parties as well as publicly available information.

The Valuation Analysis does not constitute a recommendation to any holder of Allowed Claims, or any other person as to how such person should vote or otherwise act with respect to the Plan. PJT has not been requested to, and does not express any view as to, the potential trading value of the Reorganized Debtors' funded debt and securities on issuance or at any other time.

For purposes of this Valuation Analysis, because the application of certain tax rules cannot be determined until after the Effective Date (as discussed in greater detail in Article XII of the Disclosure Statement), PJT utilized certain simplifying assumptions with respect to the tax attributes of the Reorganized Debtors. In particular, PJT: (a) assumed that no net operating loss carryforwards ("NOLs") would survive the application of the cancellation of indebtedness rules; (b) utilized historic depreciation and amortization schedules without taking into account any reduction in the tax basis of the Reorganized Debtors' assets that may occur pursuant to the Restructuring Transactions; (c) assumed that the Reorganized Debtors will claim "bonus depreciation" with respect to certain capital expenditures; and (d) assumed that certain laws with respect to the deductibility of interest expense and bonus depreciation will not change. The Valuation Analysis does not otherwise evaluate the tax implications of the Plan, including either a Recapitalization Transaction or NewCo Transaction (each as defined in Article XII of the Disclosure Statement), on the Reorganized Debtors' projections. Further, PJT did not estimate the value of any potential tax attributes that may survive the Restructuring Transactions, including NOLs or carryforwards under section 163(j) of the Internal Revenue Code. Any changes to the assumptions on the availability of tax attributes, the amount of the Reorganized Debtors' tax basis, or the impact of cancellation of indebtedness income on the Reorganized Debtors' projections could materially impact the conclusions reached in the Valuation Analysis

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE VALUATION ANALYSIS PERFORMED BY PJT. THE PREPARATION OF A VALUATION ANALYSIS INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ANALYSIS IS NOT READILY SUITABLE TO SUMMARY DESCRIPTION. THE VALUATION ANALYSIS PERFORMED BY PJT IS NOT NECESSARILY INDICATIVE OF ACTUAL VALUES OR FUTURE RESULTS, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN THOSE DESCRIBED HEREIN.

PJT IS ACTING AS RESTRUCTURING ADVISORS TO THE DEBTORS, AND HAS NOT AND, WILL NOT BE RESPONSIBLE FOR, AND HAS NOT AND WILL NOT PROVIDE ANY TAX, ACCOUNTING, ACTUARIAL, LEGAL, OR OTHER SPECIALIST ADVICE TO THE DEBTORS OR ANY OTHER PARTY IN CONNECTION WITH THE DEBTORS' CHAPTER 11 CASES, THE PLAN OR OTHERWISE.