

**BEFORE THE  
NEW YORK PUBLIC SERVICE COMMISSION**

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In the Matter of	)	
	)	
Frontier Communications Corporation and subsidiaries	)	
Frontier Telephone of Rochester, Inc.,	)	
Frontier Communications of Seneca-Gorham, Inc.,	)	
Ogden Telephone Company,	)	Case No. 20-00866
Frontier Communications of Sylvan Lake, Inc.,	)	
Frontier Communications of New York, Inc.	)	
Citizens Telecommunications Company of New York, Inc.,	)	
Frontier Communications of Ausable Valley, Inc.,	)	
Frontier Communications of Rochester, Inc., and	)	
Frontier Communications of America, Inc.	)	
	)	
Notice of Filing of Chapter 11 for Financial Restructuring.	)	

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**VERIFIED PETITION**

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Notice of Filing of Chapter 11 for Financial Restructuring.	)	

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**VERIFIED PETITION**

Frontier Communications Corporation (“Frontier Parent,” and together with its subsidiaries and affiliates “Frontier” or the “Company”) and its subsidiary New York operating companies Frontier Telephone of Rochester, Inc. (“Frontier Telephone of Rochester”), Frontier Communications of Seneca-Gorham, Inc. (“Frontier Seneca-Gorham”), Ogden Telephone Company (“Ogden Telephone”), Frontier Communications of Sylvan Lake, Inc. (“Frontier Sylvan Lake”), Frontier Communications of New York, Inc. (“Frontier New York”), Citizens Telecommunications Company of New York, Inc. (“Citizens New York”), Frontier Communications of Ausable Valley, Inc. (“Frontier Ausable”), Frontier Communications of Rochester, Inc. (“Frontier Rochester”), and Frontier Communications of America, Inc. (“Frontier America,” and collectively, without Frontier Parent, the “New York Operating Companies,” and together with Frontier Parent, the “Petitioners”) hereby submit this petition (the “Petition”) to the New York Public Service Commission (the “Commission”) to respectfully request approval of the

proposed restructuring of Frontier to effectuate the Petitioners' pre-arranged plan of reorganization (the "Plan," and the transactions contemplated thereunder, the "Restructuring") under chapter 11 ("Chapter 11") of title 11 of the United States Code (the "Bankruptcy Code"), to the extent such approval is required under N.Y. Public Service Law.<sup>1</sup>

## **I. INTRODUCTION**

The Restructuring of Frontier through the court-supervised Chapter 11 process is expected to improve the Company's operational as well as financial capacity. This will better position Frontier, including the New York Operating Companies, to compete as more efficient and effective providers in the dynamic telecommunications marketplace. As explained in more detail herein, the Restructuring clearly serves the public interest.

As described in this Petition, on April 14, 2020, Frontier and all of its direct and indirect subsidiaries, including the New York Operating Companies, filed voluntary petitions (the "Bankruptcy Petitions") with the Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") to comprehensively restructure the Company under Chapter 11 of the Bankruptcy Code.<sup>2</sup> The Bankruptcy Petitions were filed after entering into a Restructuring Support Agreement (the "RSA")<sup>3</sup> with its senior unsecured noteholders holding more than seventy-

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<sup>1</sup> While Petitioners do not believe Sections 99, 100, 101 or 222 of the Public Service Law are implicated by the proposed Restructuring or Plan of Reorganization to be approved by the Bankruptcy Court given that no certificate or franchise is being transferred, and no one entity will own more than ten percent of the stock of Frontier post-Restructuring, Petitioners would respectfully request approval under any of these sections to the extent lawfully deemed applicable.

<sup>2</sup> The Petitioners previously notified the Commission on April 15, 2020 that the Bankruptcy Petitions were filed on April 14, 2020 (the "Petition Date"), although Frontier Rochester was inadvertently omitted in that notice letter. The Chapter 11 cases are being jointly administered under the caption *In re Frontier Communications Corporation, et al.*, Case No. 20-22476 (RDD) (the "Chapter 11 Cases").

<sup>3</sup> A detailed overview of the proposed financial restructuring may also be found in the Declaration of Carlin Adrianopoli, Executive Vice President of Strategic Planning, In Support of

five percent of its unsecured bonds (such noteholders, the “Consenting Noteholders,” and all holders of Frontier’s unsecured senior notes, the “Senior Noteholders”).<sup>4</sup>

Since the Petition Date,<sup>5</sup> Frontier has worked with the Consenting Noteholders to memorialize the terms set forth in the RSA into the Plan, attached hereto as **Exhibit A**. The Plan, which was filed with the Bankruptcy Court on May 15, 2020, implements the terms of the RSA and provides for a comprehensive restructuring of Frontier’s obligations, preserves the going-concern value of Frontier’s businesses, maximizes recoveries available to all constituents, and preserves thousands of jobs.

The Restructuring contemplated by the Plan has the support of the Consenting Noteholders and establishes the framework and terms for certain organizational restructuring transactions that will enable the Company to emerge from the bankruptcy process as a stronger, financially-sound

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Chapter 11 Petitions and First Day Motions, filed with the Bankruptcy Court on April 14, 2020 and available at <https://docs.frontierpucapproval.com/frontier-first-day-declaration.pdf>, to assist the Court and parties-in-interest in understanding the circumstances that led to the Chapter 11 filing and in support of the Debtors’ Bankruptcy Petitions and the first day motions, noted below. The RSA is available at <https://docs.frontierpucapproval.com/frontier-rsa.pdf> and was also attached as an exhibit to the Adrianopoli Declaration.

<sup>4</sup> “Senior Noteholders” is defined in the Plan and is comprised of the holders of approximately \$10.95 billion in aggregate principal amount of unsecured senior notes issued by Frontier with maturities between September 2020 and October 2046 (the “Senior Notes”) that are publicly traded. “Consenting Noteholders” is defined in the Plan and is comprised of approximately 200 Senior Noteholders who have executed the RSA and have agreed to support the Plan and that hold over 75% of the Senior Notes through more than 40 different investment funds. The Consenting Noteholders are primarily comprised of large, U.S.-based financial investment funds with experience in investing in U.S. telecommunications and technology companies.

<sup>5</sup> The Debtors also filed several motions upon commencing their Chapter 11 Cases (the “First Day Motions”) designed to facilitate the administration of the restructuring, minimize disruption to the Debtors’ operations, and effectuate the terms of the Plan, thereby easing the strain on the Debtors’ relationships with employees, vendors, and customers following the commencement of these Chapter 11 Cases. At a hearing on April 16, 2020, the Bankruptcy Court approved each of the First Day Motions.

enterprise better positioned to provide high-quality service in the highly competitive telecommunications marketplace. The Plan provides for a substantial deleveraging of Frontier's balance sheet by eliminating *over \$10 billion* in unsecured funded debt while paying in full all non-funded debt claims against the Company. Pursuant to the Plan, Frontier Parent will be dissolved and replaced by a new parent company ("Reorganized Frontier"). Immediately upon emergence from Chapter 11, the Senior Noteholders will collectively hold the new common stock of Reorganized Frontier, though no single Senior Noteholder is anticipated to hold a 10% or greater direct or indirect interest in Reorganized Frontier. It is intended that the new common stock of Reorganized Frontier will be publicly traded and listed on a recognized U.S. stock exchange as promptly as reasonably practicable after the Company's emergence from Chapter 11. Accordingly, as is the case today, the ownership of the Reorganized Frontier will be widely dispersed. In summary, the Plan will substantially deleverage Frontier's balance sheet, secure the going-concern value of Frontier's businesses, preserve thousands of jobs, and position Frontier to emerge from the bankruptcy reorganization process as a stronger, financially-sound enterprise.

Notably, the New York Operating Companies will continue to provide regulated voice and other services at all times before and after the Plan takes effect. Service will be provided in accordance with tariffs on file with the Commission and commercial contractual arrangements with customers. Service will not be interrupted, eliminated or impaired as a result of the Restructuring, nor will implementation of the Plan adversely affect operations, rates, or services in New York. Employee wage, compensation, and benefit programs, and collective bargaining agreements, including, without limitation, any expired collective bargaining agreements in place as of the effective date the Company emerges from Chapter 11, will be assumed by the Company and remain in place as of the effective date of the Plan.

Petitioners anticipate the Plan will be confirmed and approved by the Bankruptcy Court in August 2020, after which Reorganized Frontier will be prepared to exit from bankruptcy following receipt of the requisite regulatory approvals, including the approval of this Commission, if required. Any delay or impediment to implementation of the Plan would be detrimental to the financial position of Frontier and would undermine the ability of the New York Operating Companies to provide telecommunications services to customers in New York. An extended approval process would cause Frontier to incur significant administrative, legal, and bankruptcy-related expenses and would deplete resources that could otherwise be invested in and used to operate the Company's businesses. Accordingly, Petitioners respectfully request the Commission's expedited approval of this Petition (to the extent such approval is duly required) by September 30, 2020, in order to permit the timely and efficient completion of the Restructuring and realization of the benefits of the Restructuring to the communications marketplace.

## **II. DESCRIPTION OF THE PETITIONERS**

### **A. Frontier Communications Corporation.**

Frontier is the fourth largest local telecommunications company in the United States, with approximately 18,300 employees serving approximately 4.2 million customers in 29 states as of December 31, 2019.<sup>6</sup> Frontier generated full-year 2019 revenue of approximately \$8.1 billion

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<sup>6</sup> In December 2019, Frontier had not yet consummated the sale of its local operating companies in Idaho, Montana, Oregon, and Washington to Northwest Fiber, LLC, such that, as of December 31, 2019, the Company was operating in 29 states, as compared to the Company's current operations in 25 states.

and a net income loss attributable to common shareholders of approximately \$5.967 billion.<sup>7</sup>

Frontier has a significant amount of outstanding debt, \$17.5 billion at December 31, 2019.

Prior to its bankruptcy filing, Frontier Parent was a publicly traded Delaware corporation, with headquarters located at 401 Merritt 7, Norwalk, Connecticut, 06851. Notwithstanding the financial challenges, Frontier remains a leading provider of communications services to urban, suburban, and rural communities. Frontier currently owns and operates more than 50 incumbent local exchange carriers (“ILECs”) across 25 states.<sup>8</sup> Frontier also owns and operates interexchange carriers that provide interstate and intrastate long distance service on a resale basis in each of the states where Frontier operates as an ILEC.

Frontier Parent has a total of 99 subsidiaries (57 direct and 42 indirect), all of which are wholly owned. A full list of all Frontier entities, including the New York Operating Companies and all other affiliates, is attached as **Exhibit B**. As it relates to New York, the current corporate structure of Frontier is shown in **Exhibit C**.

Frontier offers residential consumers, businesses, and wholesale customers a broad range of communications services—distinct products or bundles—including local and long-distance service, data and Internet services, video services, access products, advanced hardware/network

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<sup>7</sup> In 2018 and 2017, respectively, Frontier generated full-year revenue of \$8.611 billion and \$9.128 billion and had a net income loss attributable to common shareholders of \$750 million and \$2.018 billion. For 2019, the increase in net loss was driven primarily by a decrease in revenue to \$8.112 billion, loss on disposal of \$450 million, and a \$5.725 billion goodwill impairment charge, partially offset by decreased network-related, sales, general, administrative, and other operating expenses.

<sup>8</sup> Frontier’s current service territories are located in Alabama, Arizona, California, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, Utah, West Virginia, and Wisconsin. On May 1, 2020, Frontier completed the sale of its local operating companies in Idaho, Montana, Oregon and Washington to Northwest Fiber, LLC.



solutions, and Voice-over-Internet-Protocol (“VoIP”). Some of the services and operations of Frontier subsidiaries are subject to regulation by the Commission, as well as the Federal Communications Commission (“FCC”) and various other regulatory agencies. The Company competes with wireless telecommunications providers, cable television companies, and competitive local exchange carriers (“CLECs”) that offer voice, data, and/or video products. In stark contrast to the monopolistic past of incumbent telephone companies, in the dynamic communications market of today these non-traditional competitors have captured the majority of the market share in numerous Frontier service regions.

**B. New York ILECs.**

**1. Frontier Telephone of Rochester, Inc.**

Frontier Telephone of Rochester is a New York corporation with its address at 180 South Clinton Ave., Rochester, New York 14646 and principal offices located at 401 Merritt 7, Norwalk, Connecticut, 06851. Frontier Telephone of Rochester, a wholly owned subsidiary of Frontier Parent, is an ILEC that furnishes voice and internet services in 35 exchanges that include urban, suburban, and rural areas. As of December 31, 2019, Frontier Telephone of Rochester served 106,042 total access lines in New York.<sup>9</sup>

**2. Frontier Communications of Seneca-Gorham, Inc.**

Frontier Seneca-Gorham is a New York corporation with its address at 71 Main St., Bloomfield, New York 14469 and principal offices located at 401 Merritt 7, Norwalk, Connecticut, 06851. Frontier Seneca-Gorham, a wholly owned subsidiary of Frontier Parent, is an ILEC that furnishes voice and internet services in 4 exchanges that include rural and suburban areas. As of December 31, 2019, Frontier Seneca-Gorham served 2,893 total access lines in New York.

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<sup>9</sup> Frontier counts ISDN lines with a multiplier of 23.

### **3. Ogden Telephone Company**

Ogden Telephone is a New York corporation with its address at 21 West Ave., Spencerport, New York 14559 and principal offices located at 401 Merritt 7, Norwalk, Connecticut, 06851. Ogden Telephone, a wholly owned subsidiary of Frontier Parent, is an ILEC that furnishes voice and internet services in 3 exchanges that include rural and suburban areas. As of December 31, 2019, Ogden Telephone served 4,531 total access lines in New York.

### **4. Frontier Communications of Sylvan Lake, Inc.**

Frontier Sylvan Lake is a New York corporation with its address at Route 82, P.O. Box 338, Hopewell Junction, New York 12533 and principal offices located at 401 Merritt 7, Norwalk, Connecticut, 06851. Frontier Sylvan Lake, a wholly owned subsidiary of Frontier Parent, is an ILEC that furnishes voice and internet services in one exchange that includes rural and suburban areas. As of December 31, 2019, Frontier Sylvan Lake served 3,123 total access lines in New York.

### **5. Frontier Communications of New York, Inc.**

Frontier New York is a New York corporation with its address at 145 North Main St., Monroe, New York 10950 and principal offices located at 401 Merritt 7, Norwalk, Connecticut, 06851. Frontier New York, a wholly owned subsidiary of Frontier Parent, is an ILEC that furnishes voice, internet and video services in 8 exchanges that include urban, suburban, and rural areas. As of December 31, 2019, Frontier New York served 24,738 total access lines in New York.

### **6. Citizens Telecommunications Company of New York, Inc.**

Citizens New York is a New York corporation with its address at 137 Harrison St., Johnstown, New York 12095 and principal offices located at 401 Merritt 7, Norwalk, Connecticut, 06851. Citizens New York, a wholly owned subsidiary of Frontier Parent, is an ILEC that

furnishes voice, internet and video services in 128 exchanges that include urban, suburban and rural areas. As of December 31, 2019, Citizens New York served 105,318 total access lines in New York.

**7. Frontier Communications of Ausable Valley, Inc.**

Frontier Ausable Valley is a New York corporation with its address at 310 Front St., Keeseville, New York 12944 and principal offices located at 401 Merritt 7, Norwalk, Connecticut, 06851. Frontier Ausable Valley, a wholly owned subsidiary of Frontier Parent, is an ILEC that furnishes voice and internet services in 4 exchanges located in rural areas. As of December 31, 2019, Frontier Ausable Valley served 2,420 total access lines in New York.

**C. Competitive and Long Distance Providers.**

**1. Frontier Communications of Rochester Inc.**

Frontier Rochester is a Delaware corporation with its address at 137 Harrison St., Gloversville, New York 12078 and principal offices located at 401 Merritt 7, Norwalk, Connecticut, 06851. Frontier Rochester, a wholly owned subsidiary of Frontier Parent, is authorized to provide intrastate service in New York pursuant to a CPCN issued in Case 94-C-0531.

**2. Frontier Communications of America, Inc.**

Frontier America is a Delaware corporation with its address at 137 Harrison St., Gloversville, New York 12078 and principal offices located at 401 Merritt 7, Norwalk, Connecticut, 06851. Frontier America, a wholly-owned subsidiary of Frontier Parent, provides service in New York pursuant to a CPCN issued in Case 92-C-0802.

**III. DESCRIPTION OF THE CHAPTER 11 PROCEEDING**

**A. Events Leading to the Chapter 11 Filing.**

The telecommunications industry in general, and Frontier's markets specifically, have been

undergoing dramatic changes since enactment of the federal Telecommunications Act of 1996. Incumbent local exchange carriers such as Frontier have experienced rapid ongoing loss of voice, data, and video customers. In response to the turbulent industrywide changes, the Company completed a series of acquisitions over the last decade to diversify its geographic market reach, gain scope and scale, and realize incremental operating efficiencies. The strategic objective of Frontier has been to overcome the secular challenges confronting the industry, including the exponential and ongoing loss of voice service customers, and return the Company to stability and growth, primarily through a focus on broadband and data services.

However, Frontier has not been able to realize the economies of scale expected from its prior transactions, as evidenced by a loss of approximately 1.3 million customers, from a high of 5.4 million in April 2016 after its acquisition of operations and assets of Verizon Communications, Inc. (“Verizon”) in California, Texas, and Florida (“CTF Transaction”) to approximately 4.1 million as of January 2020. Frontier’s share price has dropped from \$125.70<sup>10</sup> per share in 2015 to \$0.37 per share prior to the date of this Petition, reflecting an \$8.4 billion decrease in market capitalization.

At least three factors have contributed to Frontier’s financial difficulty. The primary issue is intense competition, resulting in negative pressure on Frontier’s revenues and profitability margins. Technological advances as well as regulatory and legislative changes have enabled a wide range of historically non-traditional communications service providers to compete with traditional providers, including Frontier. More market participants are now competing to meet the telecommunications needs of the same customer base, thus increasing competitive pressures.

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<sup>10</sup> Actual stock price at the peak market capitalization on February 25, 2015 was \$8.38 per share. This price has been retroactively adjusted to reflect the Company’s 1-for-15 stock split in June 2017, so it is shown here as \$8.38 times 15, or \$125.70.

Many of these service providers are not subject to the same regulations as traditional communications providers and have lower cost structures than Frontier.

Factoring into the intense competition is the substantial consolidation the industry has experienced in recent years. Many competitors are larger and have stronger brand recognition, more service offerings, and greater financial resources than Frontier. All of these factors create downward pressure on the demand for, and pricing of, Frontier's services. In addition to traditional wireline communication providers, Frontier faces competition from:

- *Wireless carriers:* Wireless operators offer Internet, video, and voice services and compete with Frontier for consumer and business customers by offering packages with mobility and increasingly larger data packages that utilize or will utilize the latest 5G technology to mobile customers.
- *Cable operators:* In a majority of Frontier's markets, cable operators offer similar high-speed Internet, video, and voice services, and compete aggressively for consumer and business customers on speed and price.
- *Online video providers:* Some consumers are opting for Internet-delivered video services through online service providers rather than traditional, multi-channel video distributors. This practice is commonly called "cord cutting." In response, Frontier has taken steps to deliver such content to customers.

Today, Frontier provides voice services to approximately 7.9% of the total access lines in New York. Only approximately one-half of the Company's total revenue is derived from services to residential consumers. Within the residential segment, only approximately 25% the revenue is derived from traditional time division multiplexed voice service; substantially more revenue is generated from Internet/data services, VoIP, video, and other services. As such, the current telecommunications marketplace bears no resemblance to the conditions that existed when the last-century's regulatory framework was created for monopoly providers—under which rates of return, investment, customer rates, and other terms were set and monitored by federal and state regulatory commissions.

A second major factor is the payment of high debt-service costs associated with the Company's recent acquisitions, most notably in the wake of the 2016 CTF Transaction.<sup>11</sup> In both 2018 and 2019, Frontier paid interest expense of approximately \$1.5 billion.<sup>12</sup> Frontier has not been able to fully realize the economies of scale expected from its prior transactions, as evidenced by a loss of approximately 1.3 million customers, from a high of 5.4 million after the CTF Transaction closed in April 2016 to approximately 4.1 million as of January 2020.

The third factor relates to the outdated regulatory framework under which the Company operates, as ILEC regulatory costs and obligations are significant, while formidable competitors who control a greater share of the telecommunications market have few or none of the same costs or obligations. Frequently, the competitors have focused on the most densely populated, and lowest cost to serve, portions of Frontier's service territory, leaving Frontier, under the existing regulatory framework, to serve the highest-cost areas without the historical cost averaging across its entire base due to competitive customer loss. And while Frontier has received certain regulatory support funding over the years for providing service in high-cost regions, that support has been sharply reduced and its purpose redirected from supporting high-cost voice service to supporting broadband deployment. Frontier's regulatory support funding will fall to very low levels (or zero) over the next year.

In particular, federal support to Frontier under the FCC's Connect America Fund ("CAF") Phase II program—the successor to long-term support provided to federal price-cap carriers under the federal USF—will end in 2021. The elimination of this regulatory support funding, including

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<sup>11</sup> On April 1, 2016, Frontier closed the CTF Transaction at a purchase price of approximately \$10.5 billion. The CTF Transaction was financed with approximately \$8.2 billion in new debt and the issuance of approximately \$2.75 billion in common and preferred stock.

<sup>12</sup> In 2019 and 2018, the Company's interest expense was \$1.535 billion and \$1.536 billion, respectively.

the prior federal funding Frontier received to provide voice service in high cost areas, is occurring despite the fact that many of the Company's service areas—where Frontier is required by regulation to provide voice service—remain extraordinarily costly to serve.

As a result of these challenges, Frontier engaged in a deliberate process to evaluate operating and restructuring alternatives.<sup>13</sup> In short, the board of directors of Frontier Parent (the "Board") determined that given Frontier's overall business performance, operating improvements alone would be insufficient to right the Company and a comprehensive restructuring of the Company's capital structure was necessary. The Board concluded that without the financial flexibility gained through a restructuring, Frontier will not be able to dedicate sufficient capital to its operations, including investments in network infrastructure, to maintain and grow the Company in a changing telecommunications environment where competition remains fierce. Accordingly, in September 2019, the Board authorized the Company and its advisors to initiate restructuring negotiations with the Senior Noteholders, with the goal of delivering a comprehensive restructuring plan.

#### **B. The Debtors and the Chapter 11 Filing.**

On April 14, 2020, Frontier commenced the Chapter 11 Cases after entering into the RSA with the Consenting Noteholders. The RSA contemplates a reduction of Frontier's funded debt obligations by over \$10 billion (and thereby reducing its annual interest expense by approximately \$1 billion) by converting its Senior Noteholders into shareholders of Reorganized Frontier. Under the terms of the Plan, the Senior Noteholders will receive and collectively hold

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<sup>13</sup> In Frontier's filings with the Bankruptcy Court on April 14, 2020 in support of the Chapter 11 filings, Frontier provided a detailed background for the Restructuring and the steps that the Board took to evaluate restructuring alternatives. See Declaration of Carlin Adrianopolis, available at <https://docs.frontierpucapproval.com/frontier-first-day-declaration.pdf>.

the new common stock of Reorganized Frontier.

#### **IV. DESCRIPTION OF THE RESTRUCTURING PLAN**

Since the Petition Date, Frontier has worked with the Consenting Noteholders<sup>14</sup> to memorialize the terms set forth in the RSA into the Plan, which was filed with the Bankruptcy Court on May 15, 2020. See **Exhibit A**. Importantly, the Plan proposes to pay in full all non-funded debt owed to its employees, contractors, vendors, suppliers, carriers, and other third parties. In so doing, the Plan is intended to minimize any potential adverse effects to Frontier's businesses and thus position Frontier to be successful upon its emergence from the bankruptcy proceeding.

The Plan also effectuates a substantial deleveraging of Frontier's balance sheet, which will reduce its debt by over \$10 billion. As of the Petition Date, Frontier had outstanding funded debt of approximately \$17.513 billion on which it was paying approximately \$1.5 billion in annual interest expense. The Plan provides for the conversion of more than \$10 billion of Frontier's unsecured notes into common equity (stock) in Reorganized Frontier. In addition, at emergence, Frontier's funded debt obligations are expected to be reduced to approximately \$6.565 billion, exclusive of any additional debtor-in-possession or revolving credit facility financing the Company subsequently obtains.<sup>15</sup> This total expected debt level is comprised of approximately

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<sup>14</sup> The Company has also received input on the Plan from the official committee of unsecured creditors appointed in the Chapter 11 Cases (the "Committee") and other key stakeholders in its Chapter 11 Cases.

<sup>15</sup> Frontier has secured fully-committed additional financing of up to \$460 million in debtor-in-possession ("DIP") financing, in the form of a revolving credit facility, that would convert to an exit revolving credit facility at emergence. Frontier is still considering this financing option and the pro forma capital structure graphic below assumes no outstanding principal amount under that facility. Entrance into the DIP or exit financing arrangement may potentially increase the debt levels described above to \$7.025 billion, assuming the facility is fully drawn (although no borrowings are currently anticipated), which still represents a more than \$10 billion reduction in



\$3.359 billion in first lien debt, approximately \$1.6 billion in second lien debt, approximately \$856 million in subsidiary debt (on both a secured and unsecured basis), and up to \$750 million in takeback debt (on a third-lien or unsecured basis) to be issued to the Senior Noteholders. Frontier anticipates that its annual interest obligations will decrease from approximately \$1.5 billion to approximately \$500 million, thereby freeing up substantial capital for operating the business post emergence.

The following graphic compares Frontier’s current capital structure with the proposed post-emergence capital structure contemplated by the Plan:

### Debtors’ Pro Forma Capital Structure

(\$ in millions)

Creditor Class			New Debt Received <sup>1</sup>				Pro Forma Equity
	Claim <sup>1</sup>	Cash Distributed	1L Debt	2L Debt	Subsidiary Debt	Senior Notes	Ownership <sup>4</sup>
Revolver	\$749	\$749	\$ -	\$ -	\$ -	\$ -	0%
Term Loan B	1,695	-	1,695	-	-	-	0%
1L Notes and Other <sup>2</sup>	1,664	-	1,664	-	-	-	0%
2L Debt	1,600	-	-	1,600	-	-	0%
Subsidiary Debt <sup>3</sup>	856	-	-	-	856	-	0%
Senior Notes	10,949	TBD <sup>5</sup>	-	-	-	750 <sup>6</sup>	100%
Equity	NA	-	-	-	-	-	0%
<b>Total</b>	<b>\$17,513</b>	<b>\$749</b>	<b>\$3,359</b>	<b>\$1,600</b>	<b>\$856</b>	<b>\$750</b>	<b>100%</b>

1. For illustrative purposes, reflects principal balance excluding accrued interest and amortization during the bankruptcy
2. Includes \$1.65 billion of First Lien Notes and \$14 million of Industrial Development Revenue Bonds
3. Includes \$750 million of subsidiary Unsecured Notes, \$100mm of subsidiary Secured Notes and \$8 million of RUS Loan Contracts (secured)
4. Subject to dilution from MIP provided for in term sheet.
5. Senior Notes receive excess cash above \$150mm at Effective Date; refer to term sheet for detail attached as Exhibit B to Exhibit B (the Restructuring Support Agreement).
6. Refer to term sheet for detail on terms attached as Exhibit B to Exhibit B for terms of Take-Back debt.

As part of the substantial deleveraging of more than \$10 billion in debt, this table shows that Frontier Parent’s unsecured debt will be converted to equity (*i.e.*, common stock), under the terms of the RSA and the Plan. Under the Plan, each Senior Noteholder will receive its pro rata

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the outstanding funded debt as of the Petition date.

share of the new common stock of the Reorganized Frontier.<sup>16</sup> None of the Senior Noteholders currently holds a 10% or greater direct or indirect equity interest in the Company. Upon emergence, the Senior Noteholders will initially own, in the aggregate, 100% of the new common stock of Reorganized Frontier, though none of the Senior Noteholders is anticipated to individually hold, directly or indirectly, more than 10% of the new common stock of Reorganized Frontier. It is intended that the new common stock of Reorganized Frontier will be publicly traded and listed on a recognized U.S. stock exchange as promptly as reasonably practicable after the Company's emergence from Chapter 11. This transition will not create any new majority shareholders of Frontier Parent, the New York Operating Companies, or any other Frontier subsidiaries, nor will it provide operational control of Frontier Parent, the New York Operating Companies, or any other Frontier subsidiaries to any new persons or entities.

The Frontier subsidiaries will be held through a new corporate structure consisting of three newly-formed holding companies: Reorganized Frontier (which is presently named Frontier Communications Parent), Frontier Communications Intermediate, and Frontier Communications Holdings (each as defined below).<sup>17</sup> These three companies will replace Frontier Parent (the current publicly-traded parent holding company) in the ownership structure of Frontier.

As part of the Chapter 11 emergence process, Frontier Parent will transfer all of the stock of its 57 direct, first-tier subsidiaries (which includes each of the New York Operating Companies) and any other assets directly held by Frontier Parent to the newly-formed Frontier Communications

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<sup>16</sup> Under the terms of the Plan, a small percentage of the Reorganized Frontier stock is reserved for a management incentive plan.

<sup>17</sup> The stockholders of Reorganized Frontier will be the Senior Noteholders; however, the specific holding company structure and names of the holding company entities may be modified during the course of the bankruptcy proceeding. In the event of a material modification of the Plan during the course of the bankruptcy proceeding, the Petitioners will advise the Commission.

Holdings. All outstanding and issued stock of Frontier Parent will be cancelled and the legal entity will dissolve. In other words, upon emergence, all existing direct, first-tier subsidiaries will be directly owned by Frontier Communications Holdings, and Frontier's 42 indirect subsidiaries will continue to be held by the existing intermediate holding company entities. As it relates to New York, the post-emergence overall corporate structure is depicted by the organizational chart shown in **Exhibit D**.

Notably, under the Plan the regulatory authorizations currently held by the New York Operating Companies will continue to be held by those same entities. The fundamental organizational structure, featuring a parent holding company and its many subsidiaries, as depicted in the organizational charts attached hereto as **Exhibit C** and **Exhibit D**, will not materially change as a result of the Restructuring. Through this new holding company corporate structure at the parent company level, Reorganized Frontier will continue to own the stock of Frontier's existing operating subsidiaries.

In conjunction with the Plan, Frontier has also filed with the Bankruptcy Court its Disclosure Statement Relating to the Joint Plan of Reorganization of Frontier Communications Corporation and Its Affiliates Pursuant to Chapter 11 of the Bankruptcy Code (the "Disclosure Statement").<sup>18</sup> The only creditor group entitled to vote on the Plan is the Senior Noteholders. Section 1126(c) of the Bankruptcy Code requires acceptance of the Plan by at least two-thirds in dollar amount and more than one-half in number of Senior Noteholders. As noted above, 75% of the Senior Noteholders have executed the RSA agreeing to support the Plan and have worked with Frontier in preparation of that Plan. As a result, Frontier expects the Plan to be approved by the

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<sup>18</sup> A copy of the Disclosure Statement is available at: <https://docs.frontierpucapproval.com/frontier-disclosure-statement.pdf>.

Court without material modification in August 2020, after which Frontier would be prepared to emerge from Chapter 11 once it has secured the necessary regulatory approvals, including the approval of this Commission, if required. At that time, Frontier will have far more financial flexibility—with reduced interest payments and more manageable debt maturities—to invest in its network, become a more effective competitor, and provide higher-quality products and superior customer service.

V. **THE PROPOSED RESTRUCTURING DOES NOT TRIGGER APPROVAL REQUIREMENTS UNDER THE PUBLIC SERVICE LAW**

The Petitioners respectfully request a Commission determination that review and approval of the proposed Restructuring under Sections 99, 100, 101 and 222 of the N.Y. Public Service Law (“PSL”) is unnecessary given that the Restructuring does not trigger any specific approval requirement in those statutory provisions. The Restructuring does not involve any selling, assigning, or disposing of properties, franchises, facilities, certificates, or operations of any New York telephone corporation. The Senior Noteholders previously holding Frontier Parent’s publicly traded senior unsecured debt will simply replace the prior public shareholders as owners of the stock of the overall enterprise.

Accordingly, the Restructuring does not constitute a transfer of control of certificated telephone corporations subject to Commission approval under Section 99(2) of the PSL. Section 99(2) requires Commission consent only for a “telephone corporation [to] transfer or lease its works or system or any part of such works or system to any other person or corporation or contract for the operation of its works or system.” As the Commission previously found, this statutory provision is inapplicable where “the proposed transaction does not involve the transfer or lease of [the New York Operating Companies’] works or system[s] to any other person or

corporation.”<sup>19</sup> The Commission also did not require Section 99(2) approval with respect to a similar petition involving the Chapter 11 reorganization of a similarly-situated communications entity, FairPoint Communications.<sup>20</sup>

As noted, the Restructuring proposed here does not involve any transfer of the works or systems of any New York telephone corporation, since the New York Operating Companies will continue to be wholly owned subsidiaries of the Reorganized Frontier and will remain the entities providing regulated voice and other services at all times before and after the Plan takes effect. The Commission should therefore determine that approval under PSL § 99(2) is not required.

Similarly, the proposed Restructuring does not fall within the scope of PSL § 100, which requires Commission approval only where a corporation acquires more than 10% of the voting capital stock issued by any telephone corporation.<sup>21</sup> The Commission previously held this provision to be inapplicable to a transaction involving Frontier and Verizon, in which “no...corporation or individual is acquiring more than 10% of Frontier’s stock, including the Verizon shareholders who will own Frontier’s stock upon closing of the transaction.”<sup>22</sup> The

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<sup>19</sup> Case 09-C-0563, *Petition of Communications Workers of America for a Declaratory Ruling Concerning Applicability of PSL Sec. 99(2) and/or 100 to the Proposed Transfer of a Majority Ownership Interest in the Parent Company of Frontier Communications of America, Inc., Frontier Communications of Ausable Valley, Inc., Frontier Communications of New York, Inc., Frontier Communications of Rochester, Inc, Frontier Communications of Seneca Gorham, Inc., Frontier Communications of Sylvan Lake, Inc., and Frontier Telephone of Rochester, Inc.*, Order Denying Request for Declaratory Ruling, at 6 (issued Oct. 15, 2009) (“Frontier-Verizon 2009 Order”).

<sup>20</sup> Case 10-C-0095, *Joint Petition of Berkshire Telephone Corporation, Chatauqua and Erie Telephone Corporation, Taconic Telephone Corporation, and FairPoint Communications, Inc. for Approval to Reorganize under Chapter 11 of the United States Bankruptcy Code*, So Ordered Staff Recommendation, at 5-6 (issued Apr. 16, 2010) (“FairPoint 2010 Order”).

<sup>21</sup> Frontier-Verizon 2009 Order, at 8 (“The standard established in PSL § 100 requires Commission approval for a corporation’s acquisition of more than 10% of the voting capital stock issued by any telephone corporation.”).

<sup>22</sup> *Id.* at 6.

Commission further found that while “the shareholders of Verizon will, taken together, own the majority of Frontier stock, Verizon is a publicly held company with myriad shareholders; and none of them will hold more than 10% of Frontier stock.”<sup>23</sup>

Here, no single Senior Noteholder is anticipated to hold a 10% or greater direct or indirect interest in Reorganized Frontier. Thus, as was the case in the Frontier-Verizon transaction noted above, the 10% ownership threshold is not triggered and Reorganized Frontier’s ownership will remain widely dispersed, such that Commission approval under PSL § 100 is likewise not required here.<sup>24</sup>

Further, as the Plan does not provide for any issuance of indebtedness by the New York Operating Companies, no approval requirement under PSL § 101 is triggered.<sup>25</sup> All of the New York Operating Companies are 100% equity today and will continue to be so after the Plan’s implementation. Notably, as PSL § 101 was not required in the similar Chapter 11 reorganization considered as part of the 2010 FairPoint proceeding,<sup>26</sup> the Commission should likewise find that no such approval is required here.

Lastly, the Commission previously confirmed that approval under PSL §222 is not required as part of a Chapter 11 reorganization that does not involve a transfer of cable franchises. In the 2010 FairPoint proceeding, the Commission held that, since subsidiary entity Berkshire Telephone

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<sup>23</sup> *Id.* at 7.

<sup>24</sup> Notably, while the FairPoint 2010 Petition was submitted, considered and approved under N.Y. Pub. Serv. L. § 100 (*see generally* FairPoint 2010 Order), in that case FairPoint’s Petition indicated that the reorganization there—unlike here—involved a “contemplated possible acquisition of a greater than 10% minority share of the stock of FairPoint[.]” FairPoint 2010 Order, at 2.

<sup>25</sup> Petitioners nonetheless request Commission approval to the extent any terms triggering an approval requirement under PSL § 101 are imposed during the course of the Chapter 11 Cases.

<sup>26</sup> *See generally* FairPoint 2010 Order.

Corporation “will continue as the holder of those franchise agreements, no approval pursuant to PSL §222 is required.”<sup>27</sup> Thus, PSL §222 approval is likewise not required here given that all cable franchises currently held by the New York Operating Companies will continue to be held by the same entities post-Restructuring.<sup>28</sup>

## **VI. PUBLIC INTEREST STATEMENT**

### **A. Approval of the Restructuring Plan is in the Public Interest.**

To the extent the Commission determines that its approval of the Restructuring is required, Petitioners respectfully submit that the Plan serves the public interest, such that the Commission should expeditiously approve the Petition. The Restructuring meets and exceeds the public interest standard applied by the Commission in analogous circumstances.

In Case 10-C-0095, for example, the Commission adopted the Staff Recommendation for approval of a similar petition involving the Chapter 11 reorganization of FairPoint Communications.<sup>29</sup> As here, the FairPoint reorganization was expected to reduce the parent company’s debt and provide for post-emergence financing arrangements that the Commission found would ultimately “strengthen FairPoint’s financial condition by providing debt relief and improving liquidity, enabling FairPoint and its subsidiaries to make investments in networks, products, and services for New York customers.”<sup>30</sup> Such restructuring, the Commission found,

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<sup>27</sup> FairPoint 2010 Order, at 2 fn. 1.

<sup>28</sup> Certain of the New York Operating Companies have video franchise agreements with the following municipalities in New York: Town of Goshen, Town of Deerpark, City of Port Jervis, Village of Montgomery, Village of Chester, City of Middletown, Town of New Windsor, Town of Blooming Grove, Village of Wurtsboro, Village of Harriman, Town of Crawford, Village of Washingtonville, Town of Wallkill, Town of Highland (Sullivan County), Village of Monroe, and Town of Chester. As noted, the same entity that currently holds the respective franchise in each of these municipalities will continue to hold the franchise post-Restructuring.

<sup>29</sup> FairPoint 2010 Order, at 5-6.

<sup>30</sup> *Id.*

would “allow FairPoint and its New York subsidiaries to compete more effectively in today’s dynamic telecommunications market.”<sup>31</sup>

Frontier’s Restructuring involved here will serve the public interest for the same reasons. In particular, the Restructuring will yield substantial public interest benefits and will not result in any material adverse impacts to retail or wholesale customers of Frontier. The Plan is designed to ensure that Frontier will emerge from Chapter 11 as a financially stronger service provider and competitor. As explained above, Frontier expects the Restructuring to reduce its debt by over \$10 billion, with a correspondingly significant decrease in Frontier’s annual interest expense of approximately \$1 billion.

Post-Restructuring, Reorganized Frontier will have greater financial capacity to operate its businesses. The significant reduction of debt and interest obligations, and improved capital structure, resulting from the Plan will significantly improve Frontier’s financial condition, which in turn will better position the Petitioners to focus on improvements to the services they offer and provide. In August 2019, the Commission issued a release as part of its annual service-quality report on New York telecommunications noting service-quality concerns related to repair and out-of-service intervals of certain of the New York Operating Companies. Frontier took this report seriously and has taken steps to improve operational performance around both of these metrics. The process changes and improvements to service quality already implemented will of course continue, reinforced by the improved capital structure and financial flexibility of the Company post-Restructuring.<sup>32</sup>

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<sup>31</sup> *Id.*

<sup>32</sup> On May 14, 2020, the Department of Public Service (“DPS”) staff issued a Report On The Service Quality Of Local Telephone Companies During 2019. In this, DPS staff raises some concerns over discrepancies in historical data provided by the New York Operating Companies as



The Plan is not expected to result in material changes to the manner in which the New York Operating Companies retain or access working capital. Generally, Frontier establishes its capital budget at the corporate level and allocates capital resources across its 25-state footprint based on a multitude of factors. As Frontier Parent's capital structure and financial flexibility significantly improve after the Plan goes into effect, the New York Operating Companies will have sufficient access to capital for maintenance and improvement of existing services to ensure that the New York Operating Companies can meet their service-quality obligations for services under the Commission's jurisdiction.

The legacy service territories of the New York Operating Companies are notably varied and diverse—spanning urban, suburban, and very rural areas of the State. Consumers and businesses in these regions will benefit from the continued, strengthened presence of the Petitioners in the marketplace, and the ongoing availability of local exchange and other services, particularly in areas with limited or no competitive alternatives.

To the extent Frontier is able to offer higher-quality and more robust products, customers will benefit from enhanced competition that will force all service providers to improve their services and prices. With a financially stronger Frontier, the marketplace will be more competitive and vigorous than the one that exists today. Through the Plan, the Petitioners will have improved access to capital, enhancing their ability to more effectively compete in a dynamic telecommunications marketplace and better serve the needs of existing and new customers throughout their service territories.

Competitive forces will continue to require Frontier to meet consumer demands and

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part of their work with the Company to address the items listed in the August 2019 report. The New York Operating Companies are committed to continue to work cooperatively with the DPS staff to address their questions.

expectations with respect to rates, service offerings, and service quality post-Restructuring. Frontier understands the importance of providing innovative services and improved customer service in a fiercely competitive telecommunications market, where customers may choose the convenience of wireless devices or the performance of high-speed broadband products from other providers. With competition—rather than regulation—as the driving force, competitive market forces will ensure Reorganized Frontier’s rates and service offerings continue to serve the public interest.

**B. The Restructuring Will Not Eliminate or Reduce Frontier’s Ongoing Regulatory Commitments or Obligations.**

The New York Operating Companies will continue to comply with existing regulatory requirements under New York statutes and the Commission’s regulations and orders. Frontier will likewise continue to fulfill the terms of agreements with governmental entities such as the Office of the New York Attorney General and the New York Broadband Program Office. Further, where the New York Operating Companies are party to agreements and other arrangements with other regulated service providers in New York, including other ILECs, CLECs, and interexchange carriers, the proposed Restructuring will not change the terms and conditions of, nor alter the rights and obligations of, the New York Operating Companies under those agreements and arrangements. Additionally, the Plan will not alter Frontier’s commitment to broadband deployment obligations through its participation in the federal CAF Phase II program. In short, Frontier is committed to fulfilling its obligations under all applicable rules, regulations and agreements.

**C. The Restructuring Will Have No Adverse Impact on Wholesale or Retail Customers or on Competition.**

**1. The Restructuring Process Will Be Seamless to Customers.**

The Restructuring will be seamless to customers and will not adversely affect operations, management, or employees in New York. Indeed, the Chapter 11 restructuring process is

specifically designed to enable companies to continue to operate as usual while they develop and implement a financial restructuring plan. The New York Operating Companies will continue to operate as normal before and after the Plan takes effect, with managers and employees of the New York Operating Companies continuing to be located in New York and no anticipated changes in local management.<sup>33</sup>

**2. The Restructuring Will Cause No Changes to Prices, Terms, or Conditions of Contracts or Tariffs for Retail and Wholesale Customers.**

After the Restructuring, customers will continue to receive services for the same prices, and under the same terms and conditions, as they did prior to the Restructuring.<sup>34</sup> Petitioners will remain bound by their existing tariffs and contracts with customers, and existing facilities and arrangements will remain undisturbed. No interruptions in services provided by Petitioners will result from the Restructuring.

**3. The Restructuring Will Enhance Rather Than Harm Competition.**

The Restructuring will enhance competition in New York. As described above, the Restructuring effectuates a significant financial restructuring of the Company, which will provide Petitioners with greater financial stability and flexibility, and the ability to support continuing operations, meet financial obligations, and focus on enhancing service offerings and improving service to customers. As Frontier is able to offer higher-quality and more robust products, competition will be enhanced, and competitors will be forced to improve their services and prices.

The Restructuring will also not impede competition or eliminate Frontier as a competitor

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<sup>33</sup> While some management personnel may change in the ordinary course during and following the bankruptcy proceeding, any such changes are not expected to impact day-to-day operations in New York.

<sup>34</sup> Any future changes in the rates, terms, or conditions of service will be effectuated consistent with any applicable federal and state requirements.

in any region or eliminate the possibility of a future new competitor in these areas. In addition, Frontier does not seek to reject any of its existing interconnection agreements with CLECs or other service obligations to competitors or other carriers in the Chapter 11 proceeding. Rather, Frontier will continue to honor the terms of its agreements with CLECs, other carriers, and wholesale customers.

**D. The Restructuring Will Benefit And Have No Adverse Impact On The New York Operating Companies.**

The Reorganized Frontier that will emerge from the Restructuring will result in strengthened New York Operating Companies, enhancing their long-term ability to provide superior products and services to New York businesses and consumers. The New York Operating Companies will continue to operate with New York-based local managers and employees, with no anticipated changes in local management.<sup>35</sup> Collective bargaining agreements in place as of the effective date the Company emerges from bankruptcy will be assumed by the Company and remain in place as of the effective date of the Plan.

Frontier will have greater financial capacity to operate its business, with significant reduction of debt and interest obligations and a greatly improved capital structure. This will better position Frontier to focus on continuing the ongoing improvements to their services and continue the service-quality measures already implemented. The New York Operating Companies' existing capital structure is 100% equity and will remain so. The Restructuring is not expected to result in material changes to the manner in which the New York Operating Companies retain or access working capital for ongoing operations.

No assignment of licenses, assets, or customers in New York will occur. The New York

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<sup>35</sup> See *supra* note 33.

Operating Companies will continue to provide regulated services to their customers as normal both before and after the Restructuring, such that the strengthened position of Frontier will serve to benefit—and will certainly not adversely impact—the Company’s customers in New York.

**VII. DESIGNATED CONTACTS**

All correspondence and communications with respect to this Petition should be addressed or directed to the following:

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## VIII. CONCLUSION

For the reasons set forth above, the Petitioners respectfully request (a) a prompt determination that Commission approval of the Restructuring is not required, or (b) to the extent such approval is duly deemed required, expeditious approval of the Restructuring as serving the public interest, convenience, and necessity, by September 30, 2020, so that the Chapter 11 proceeding is concluded and the comprehensive benefits of the Restructuring are realized as quickly as possible.

Dated: May 22, 2020

Respectfully submitted,

*/s/ Andrew M. Klein*

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Frontier Communications of Ausable Valley, Inc., Frontier Communications of Rochester, Inc.,  
and Frontier Communications of America, Inc.*

**BEFORE THE  
NEW YORK PUBLIC SERVICE COMMISSION**

\_\_\_\_\_ )  
In the Matter of )  
 )  
Frontier Communications Corporation and subsidiaries )  
Frontier Telephone of Rochester, Inc., )  
Frontier Communications of Seneca-Gorham, Inc., ) Case No. 20-00866  
Ogden Telephone Company, )  
Frontier Communications of Sylvan Lake, Inc., )  
Frontier Communications of New York, Inc. )  
Citizens Telecommunications Company of New York, Inc., )  
Frontier Communications of Ausable Valley, Inc., )  
Frontier Communications of Rochester Inc., and )  
Frontier Communications of America Inc. )  
 )  
Notice of Filing of Chapter 11 for Financial Restructuring. )  
\_\_\_\_\_ )  
 )  
 )

**VERIFICATION**

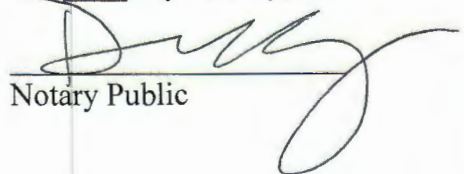
**STATE OF NEW YORK** )  
 ) ss:  
**COUNTY OF MONROE** )

Kenneth Mason, being duly sworn, deposes and states as follows:

1. I am Senior Vice President, Federal Regulatory, for Frontier Communications Corporation, and I am authorized to sign this verification on behalf of all Petitioners in this matter.
2. I have reviewed the foregoing Verified Petition and the statements of fact contained therein are true and correct to the best of my knowledge, information and belief.

  
\_\_\_\_\_

Sworn to and subscribed before me  
this 21 day of May, 2020

  
\_\_\_\_\_  
Notary Public

Danielle H. Evirgen  
NOTARY PUBLIC, STATE OF NEW YORK  
Registration No. 02EV6361163  
Monroe  
Commission Expires July 3, 2021

**EXHIBIT A**

**Plan of Restructuring**



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

In re:	)	Chapter 11
	)	
FRONTIER COMMUNICATIONS CORPORATION, <i>et al.</i> , <sup>1</sup>	)	Case No. 20-22476 (RDD)
	)	
Debtors.	)	(Jointly Administered)
	)	

**JOINT PLAN OF REORGANIZATION  
OF FRONTIER COMMUNICATIONS CORPORATION AND ITS  
DEBTOR AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

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*Proposed Counsel to the Debtors and Debtors in Possession*

**THIS IS A DRAFT BEING CIRCULATED FOR DISCUSSION PURPOSES ONLY.**  
**NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN OFFER, ACCEPTANCE, COMMITMENT, OR LEGALLY BINDING OBLIGATION OF THE DEBTORS OR ANY OTHER PARTY IN INTEREST, AND THIS PLAN IS SUBJECT TO APPROVAL BY THE BANKRUPTCY COURT AND OTHER CUSTOMARY CONDITIONS. THIS PLAN IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES.**

**YOU SHOULD NOT RELY ON THE INFORMATION CONTAINED IN, OR THE TERMS OF, THIS PLAN FOR ANY PURPOSE PRIOR TO THE CONFIRMATION OF THIS PLAN BY THE BANKRUPTCY COURT.**

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<sup>1</sup> The last four digits of Debtor Frontier Communications Corporation’s tax identification number are 9596. Due to the large number of debtor entities in these chapter 11 cases, for which the Court has ordered joint administration, a complete list of the debtor entities and the last four digits of their federal tax identification numbers are not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.primeclerk.com/ftc>. The location of the Debtors’ service address for purposes of these chapter 11 cases is: 50 Main Street, Suite 1000, White Plains, New York 10606.

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## INTRODUCTION

Frontier Communications Corporation and the above-captioned debtors and debtors in possession propose this joint chapter 11 plan of reorganization. Although proposed jointly for administrative purposes, the Plan constitutes a separate chapter 11 plan for each Debtor for the resolution of outstanding Claims against and Interests in each Debtor pursuant to the Bankruptcy Code. Each Debtor is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. The classifications and treatment of Claims and Interests set forth in Article III of this Plan apply separately with respect to each Plan proposed by each Debtor, as applicable. The Plan does not contemplate substantive consolidation of any of the Debtors.

Pursuant to section 1125(b) of the Bankruptcy Code, votes to accept or reject a chapter 11 plan cannot be solicited from holders of claims or interests entitled to vote on a chapter 11 plan until a disclosure statement has been approved by a bankruptcy court and distributed to such holders. On [\_\_\_\_], 2020, the Bankruptcy Court entered the Disclosure Statement Order, which, among other things, approved the Disclosure Statement, established procedures for voting on the Plan, and scheduled the Confirmation Hearing for [\_\_\_\_], 2020. Holders of Claims against and Interests in the Debtors should refer to the Disclosure Statement for a discussion of the Debtors' history, business, properties, operations, historical financial information, projections of future operations, and risk factors, as well as a summary and description of the Plan, the Restructuring Transactions that the Debtors seek to consummate on the Effective Date of the Plan, and certain related matters.

## ARTICLE I.

### DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW, AND OTHER REFERENCES

#### A. Defined Terms

Capitalized terms used in this Plan have the meanings ascribed to them below.

1. “*1991 Notes Indenture*” means that certain Base Indenture, dated as of August 15, 1991, by and among Frontier, as issuer, and JPMorgan Chase Bank, N.A., as successor trustee, as amended, supplemented, or modified from time to time.

2. “*2001 Notes Indenture*” means that certain Indenture, dated as of August 16, 2001, by and among Frontier, as issuer, and JPMorgan Chase Bank, N.A., as successor trustee, as amended, supplemented, or modified from time to time.

3. “*2006 Notes Indenture*” means that certain Indenture, dated as of December 22, 2006, by and among Frontier, as issuer, and The Bank of New York, as trustee, as amended, supplemented, or modified from time to time.

4. “*2009 Notes Indenture*” means that certain Base Indenture, dated as of April 9, 2009, by and among Frontier, as issuer, and The Bank of New York Mellon, as trustee, as amended, supplemented, or modified from time to time.

5. “*2010 Notes Indenture*” means that certain Indenture, dated as of April 12, 2010, by and among New Communications Holdings Inc., as issuer, and the Bank of New York Mellon, as trustee, as amended, supplemented, or modified from time to time.

6. “2015 Notes Indenture” means that certain Base Indenture, dated as of September 25, 2015, by and among Frontier, as issuer, and The Bank of New York Mellon, as trustee, as amended, supplemented, or modified from time to time.

7. “2020 April Notes” means the 8.500% unsecured notes due April 15, 2020, issued pursuant to the 2010 Notes Indenture.

8. “2020 September Notes” means the 8.875% unsecured notes due September 15, 2020, issued pursuant to the 2015 Notes Indenture.

9. “2021 July Notes” means the 9.250% unsecured notes due July 1, 2021, issued pursuant to the 2009 Notes Indenture.

10. “2021 September Notes” means the 6.250% unsecured notes due September 15, 2021, issued pursuant to the 2009 Notes Indenture.

11. “2022 April Notes” means the 8.750% unsecured notes due April 15, 2022, issued pursuant to the 2010 Notes Indenture.

12. “2022 September Notes” means the 10.500% unsecured notes due September 15, 2022, issued pursuant to the 2015 Notes Indenture.

13. “2023 Notes” means the 7.125% unsecured notes due January 15, 2023, issued pursuant to the 2009 Notes Indenture.

14. “2024 Notes” means the 7.625% unsecured notes due April 15, 2024, issued pursuant to the 2009 Notes Indenture.

15. “2025 January Notes” means the 6.875% unsecured notes due January 15, 2025, issued pursuant to the 2009 Notes Indenture.

16. “2025 November Notes” means the 7.000% unsecured debentures due November 1, 2025, issued pursuant to the 1991 Notes Indenture.

17. “2025 September Notes” means the 11.000% unsecured notes due September 15, 2025, issued pursuant to the 2015 Notes Indenture.

18. “2026 Notes” means the 6.800% unsecured debentures due August 15, 2026, issued pursuant to the 1991 Notes Indenture.

19. “2027 Notes” means the 7.875% unsecured notes due January 15, 2027, issued pursuant to the 2006 Notes Indenture.

20. “2031 Notes” means the 9.000% unsecured notes due August 15, 2031, issued pursuant to the 2001 Notes Indenture.

21. “2034 Notes” means the 7.680% unsecured debentures due October 1, 2034, issued pursuant to the 1991 Notes Indenture.

22. “2035 Notes” means the 7.450% unsecured debentures due July 1, 2035, issued pursuant to the 1991 Notes Indenture.

23. “2046 Notes” means the 7.050% unsecured debentures due October 1, 2046, issued pursuant to the 1991 Notes Indenture.

24. “Administrative Claim” means a Claim against a Debtor for the costs and expenses of administration of the Chapter 11 Cases arising on or prior to the Effective Date pursuant to section 503(b) of the Bankruptcy Code and entitled to priority pursuant to sections 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred on or after the Petition Date until and including the Effective Date of preserving the Estates and operating the Debtors’ business and (b) Allowed Professional Fee Claims.

25. “Administrative Claims Bar Date” means the deadline for Filing requests for payment of Administrative Claims (other than requests for payment of Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code), which: (a) with respect to Administrative Claims other than Professional Fee Claims, shall be thirty days after the Effective Date; and (b) with respect to Professional Fee Claims, shall be forty-five days after the Effective Date.

26. “Affiliate” has the meaning set forth in section 101(2) of the Bankruptcy Code.

27. “AG Group Representatives” means Akin and Ducera.

28. “AG Notes Group” means the ad hoc group or committee of Consenting Noteholders represented by the AG Group Representatives.

29. “Agents” means, collectively, the Credit Agreement Agent, [the DIP Agent,] and any other agent or similar entity under the Credit Agreement [or the DIP Credit Agreement].

30. “Akin” means Akin Gump Strauss Hauer & Feld LLP, as counsel to the AG Notes Group.

31. “Allowed” means, with respect to any Claim against or Interest in a Debtor, except as otherwise provided in the Plan: (a) a Claim that is evidenced by a Proof of Claim or a request for payment of an Administrative Claim, as applicable, that is Filed on or before the Claims Bar Date or Administrative Claims Bar Date, as applicable (or for which Claim under the Plan, the Bankruptcy Code, or pursuant to a Final Order, a Proof of Claim or request for payment of an Administrative Claim is not required to be Filed); (b) a Claim that is listed in the Debtors’ Schedules as not contingent, not unliquidated, and not disputed, and for which no contrary or superseding Proof of Claim, as applicable, has been timely Filed; or (c) a Claim or Interest allowed pursuant to the Plan or a Final Order of the Bankruptcy Court; *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 is Filed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or such an objection is so Filed and the Claim has been allowed by a Final Order. Except as otherwise specified in the Plan, any Final Order, or as otherwise agreed by the Debtors, and except for any Claim that is Secured by property of a value in excess of the principal amount of such Claim (as determined by Final Order of the Bankruptcy Court), the amount of an Allowed Claim shall not include interest or fees on such Claim accruing from and after the Petition Date. For purposes of determining the amount of an Allowed Claim, there shall be deducted therefrom an amount equal to the amount of any Claim that the Debtors may hold against the Holder thereof, to the extent such Claim may be offset, recouped, or otherwise reduced under applicable law. Any Claim that has been or is hereafter listed in the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim is or has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors and without further notice to any party or action, approval, or order of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed

unless and until such Entity pays in full the amount that it owes the applicable Debtor or Reorganized Debtor, as applicable. For the avoidance of doubt: (x) any Proof of Claim or any request for payment of an Administrative Claim, that is Filed after the Claims Bar Date or Administrative Claims Bar Date, as applicable, shall not be Allowed for any purposes whatsoever absent entry of a Final Order allowing such late-filed Claim and (y) the Debtors may affirmatively determine to deem Unimpaired Claims Allowed to the same extent such Claims would be allowed under applicable non-bankruptcy law. “Allow” and “Allowing” shall have correlative meanings.

32. “Altman” means Altman Vilandrie & Company, as advisor to the Noteholder Groups.

33. “Avoidance Actions” means any and all actual or potential avoidance, recovery, subordination, or other Causes of Action or remedies that may be brought by or on behalf of the Debtors or their Estates or other parties-in-interest under the Bankruptcy Code or applicable non-bankruptcy law, including Causes of Action or remedies under sections 502, 510, 542, 544, 545, 547–553, and 724(a) of the Bankruptcy Code or under other similar or related local, state, federal, or foreign statutes and common law, including fraudulent transfer laws.

34. “Bankruptcy Code” means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as now in effect or hereafter amended.

35. “Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York, or any other court having jurisdiction over the Chapter 11 Cases, including to the extent of the withdrawal of reference under section 157 of the Judicial Code, the United States District Court for the Southern District of New York.

36. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated by the United States Supreme Court under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

37. “Bar Date Order” means the [\_\_\_\_\_] [Docket No. [●]].

38. “Board Observer Fees” means, collectively, to the extent not previously paid, all outstanding fees and expenses payable to the Board Observers under the *Final Order Authorizing the Debtors to (I) Pay Prepetition Employee Wages, Salaries, Other Compensation, and Reimbursable Employee Expenses and (II) Continue Employee Benefits Programs* [Docket No. [●]].

39. “Board Observers” means, together, the observers to the Board of Directors of Frontier designated by the Consenting Noteholders pursuant to the terms of the Restructuring Support Agreement.

40. “Business Day” means any day, other than a Saturday, Sunday, or a “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

41. “CARES Act” means the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136 (Mar. 27, 2020).

42. “Cash” means the legal tender of the United States of America or the equivalent thereof, including bank deposits and checks.

43. “Causes of Action” any action, Claim, cross-claim, third-party claim, damage, judgment, cause of action, controversy, demand, right, action, suit, obligation, liability, debt, account, defense, offset, power, privilege, license, Lien, indemnity, interest, guaranty, or franchise of any kind or character



whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, matured or unmatured, suspected or unsuspected, in contract or in tort, at law or in equity, or pursuant to any other theory of law or otherwise. For the avoidance of doubt, “Causes of Action” include: (a) any right of setoff, counterclaim, or recoupment and any claim arising from any contract or for breach of duties imposed by law or in equity; (b) any claim based on or relating to, or in any manner arising from, in whole or in part, tort, breach of contract, breach of fiduciary duty, violation of local, state, federal, or foreign law, or breach of any duty imposed by law or in equity, including securities laws, negligence, and gross negligence; (c) any right to object to or otherwise contest Claims or Interests; (d) any claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (e) any claim or defense, including fraud, mistake, duress, usury, and any other defenses set forth in section 558 of the Bankruptcy Code; and (f) any Avoidance Action.

44. “*Certificate*” means any instrument evidencing a Claim or an Interest.

45. “*Chapter 11 Cases*” means (a) when used with reference to a particular Debtor, the case pending for that Debtor in the Bankruptcy Court under chapter 11 of the Bankruptcy Code and (b) when used with reference to all Debtors, the procedurally consolidated cases filed for the Debtors in the Bankruptcy Court under chapter 11 of the Bankruptcy Code.

46. “*Claim*” has the meaning set forth in section 101(5) of the Bankruptcy Code.

47. “*Claims Bar Date*” means, collectively, the applicable dates by which Proofs of Claim must be Filed, as established by: (a) the Bar Date Order; (b) a Final Order of the Bankruptcy Court; or (c) the Plan.

48. “*Claims, Noticing, and Solicitation Agent*” means Prime Clerk LLC, in its capacity as the claims, noticing, and solicitation agent in the Chapter 11 Cases for the Debtors and any successors appointed by an order of the Bankruptcy Court.

49. “*Claims Objection Deadline*” means the deadline for objecting to a Claim asserted against a Debtor, which shall be on the date that is the later of: (a) (i) with respect to Administrative Claims (other than Professional Fee Claims and Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code), sixty days after the Administrative Claims Bar Date or (ii) with respect to all other Claims (other than Professional Fee Claims), 180 days after the Effective Date and (b) such other period of limitation as may be specifically fixed by the Debtors or the Reorganized Debtors, as applicable, or by an order of the Bankruptcy Court for objecting to such Claims.

50. “*Claims Register*” means the official register of Claims against and Interests in the Debtors maintained by the Clerk of the Bankruptcy Court or the Claims, Noticing, and Solicitation Agent.

51. “*Class*” means a class of Claims against or Interests in the Debtors as set forth in Article III of the Plan in accordance with section 1122(a) of the Bankruptcy Code.

52. “*Communications Act*” means chapter 5 of title 47 of the United States Code, 47 U.S.C. §§ 151–622, as now in effect or hereafter amended, or any other successor federal statute, and the rules and regulations promulgated thereunder.

53. “*Compensation Consultant*” means that certain compensation consultant retained jointly by the Noteholder Groups in accordance with the terms of the Restructuring Support Agreement.

54. “*Confirmation*” means the Bankruptcy Court’s entry of the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

55. “*Confirmation Date*” means the date on which Confirmation occurs.

56. “*Confirmation Hearing*” means the hearing before the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code at which the Debtors will seek Confirmation of the Plan.

57. “*Confirmation Order*” means the Bankruptcy Court’s order confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

58. “*Consenting Noteholder Fees*” means, collectively, to the extent not previously paid, all outstanding, reasonable, and documented fees and expenses of any professional retained on behalf of the Noteholder Groups (whether incurred directly or on their behalf and regardless of whether such fees and expenses are incurred before or after the Petition Date), including (i) Akin, (ii) Milbank, (iii) Ducera, (iv) Houlihan, (v) Altman, (vi) October Three, and (vii) the Compensation Consultant; *provided* that payment of such fees and expenses for any additional professionals besides those listed in (i) through (vii) of this paragraph shall be subject to the reasonable consent of the Debtors.

59. “*Consenting Noteholders*” means, collectively, the holders of, or investment advisors, sub-advisors, or managers of discretionary accounts that hold, Senior Notes Claims that executed and delivered counterpart signature pages to the Restructuring Support Agreement on April 14, 2020 or subsequently delivered a joinder or a transfer agreement to counsel to the Debtors in accordance with the Restructuring Support Agreement.

60. “*Consummation*” means the occurrence of the Effective Date.

61. “*Credit Agreement*” means that certain credit agreement, dated as of February 27, 2017, as amended, restated, amended and restated, modified, or supplemented from time to time, by and among Frontier, as the borrower, the Credit Agreement Agent, and the lenders party thereto.

62. “*Credit Agreement Agent*” means JPMorgan Chase Bank, N.A., in its capacity as administrative agent under the Credit Agreement, and any successors and permitted assigns, in such capacity.

63. “*Credit Facilities*” means, collectively, the Revolving Credit Facility and the Term Loan Facility.

64. “*Creditors’ Committee*” means the Official Committee of Unsecured Creditors appointed by the U.S. Trustee in the Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code, as it may be reconstituted from time to time.

65. “*Cure*” or “*Cure Claim*” means a Claim (unless waived or modified by the applicable counterparty) based upon a Debtor’s default under an Executory Contract or an Unexpired Lease assumed by such Debtor under section 365 of the Bankruptcy Code, other than a default that is not required to be cured pursuant to section 365(b)(2) of the Bankruptcy Code.

66. “*D&O Liability Insurance Policies*” means all unexpired insurance policies maintained by the Debtors, the Reorganized Debtors, or the Estates as of the Effective Date that have been issued (or provide coverage) regarding directors’, managers’, officers’, members’, and trustees’ liability (including any “tail policy”) and all agreements, documents, or instruments relating thereto.

67. “*Debtor Release*” means the releases set forth in Article VIII.B of the Plan.
68. “*Debtors*” means, collectively, Frontier and each of its direct and indirect subsidiaries listed on **Exhibit A**, attached hereto.
69. “*Definitive Documents*” means (a) the Plan (and any and all exhibits, annexes, and schedules thereto); (b) the Confirmation Order; (c) the Disclosure Statement and the other Solicitation Materials; (d) the Disclosure Statement Order; (e) all pleadings filed by the Debtors in connection with the Chapter 11 Cases (or related orders), including the First Day Filings and all orders sought pursuant thereto; (f) the Plan Supplement; (g) the DIP Facility Documents; (h) the DIP Orders; (i) the Exit Facility Documents; (j) the Takeback Debt Documents; (k) the New Organizational Documents; (l) any key employee incentive plan or key employee retention plan; (m) all documentation with respect to any post-emergence management incentive plan, including the Management Incentive Plan; (n) any other disclosure documents related to the issuance of the New Common Stock; (o) any new material employment, consulting, or similar agreements; (p) any and all filings as may be required under the rules of the FCC and/or any PUC in connection with the Chapter 11 Cases (including any FCC Applications and any PUC Applications); and (q) any and all other deeds, agreements, filings, notifications, pleadings, orders, certificates, letters, instruments or other documents reasonably desired or necessary to consummate and document the transactions contemplated by the Restructuring Support Agreement or the Restructuring Transactions (including any exhibits, amendments, modifications, or supplements made from time to time thereto). Notwithstanding anything herein to the contrary, the Definitive Documents not executed or in a form attached to the Restructuring Support Agreement shall otherwise be in form and substance reasonably acceptable to the Debtors and the Required Consenting Noteholders; *provided*, that the New Organizational Documents shall be determined by and acceptable to the Required Consenting Noteholders in their sole discretion.
70. “*Determining Noteholders*” has the meaning set forth in Article [IV.D.]
71. [“*DIP Agent*” means Goldman Sachs Bank USA, in its capacity as administrative agent and collateral agent under the DIP Credit Agreement, and any successors and permitted assigns, in such capacity.
72. “*DIP Claim*” means any Claim against a Debtor arising under, derived from, based on, or related to the DIP Facility Documents.
73. “*DIP Credit Agreement*” means that certain senior secured superpriority debtor-in-possession credit agreement (as amended, restated, amended and restated, modified, supplemented, or replaced from time to time in accordance with its terms) entered into by Frontier, as a debtor and debtor-in-possession, the DIP Lenders, and the DIP Agent.
74. “*DIP Facility*” means that certain \$460 million debtor-in-possession credit facility provided by the DIP Lenders on the terms of, and subject to the conditions set forth in, the DIP Facility Documents.
75. “*DIP Facility Documents*” means, collectively, the DIP Credit Agreement, and all other agreements, documents, and instruments delivered or entered into in connection therewith, including the DIP Order and any guarantee agreements, pledge agreements, security agreements, UCC Financing statements or other perfection documents, intercreditor agreements, subordination agreements, fee letters, engagement letters, and other security documents.

76. “*DIP Lenders*” means the lenders providing the DIP Facility under the DIP Facility Documents.

77. “*DIP Order*” means the [\_\_\_\_\_] [Docket No. [●]].]

78. “*Disclosure Statement*” means the *Disclosure Statement Relating to the Joint Chapter 11 Plan of Reorganization of Frontier Communications Corporation and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. [●]], as may be amended, supplemented, or otherwise modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan.

79. “*Disclosure Statement Order*” means the [\_\_\_\_\_] [Docket No. [●]], entered by the Bankruptcy Court approving the Disclosure Statement and the solicitations procedures with respect to the Plan.

80. “*Disputed*” means a Claim or an Interest or any portion thereof: (a) that is not Allowed; (b) that is not disallowed under the Plan, the Bankruptcy Code, or a Final Order; and (c) with respect to which a party in interest has Filed a Proof of Claim, a Proof of Interest, or otherwise made a written request to a Debtor for payment.

81. “*Distribution Agent*” means, as applicable, the Reorganized Debtors or any Entity or Entities designated by the Reorganized Debtors to make or to facilitate distributions that are to be made pursuant to the Plan.

82. “*Distribution Date*” means, except as otherwise set forth herein, the date or dates determined by the Reorganized Debtors, on or after the Effective Date, upon which the Distribution Agent shall make distributions to Holders of Allowed Claims entitled to receive distributions under the Plan.

83. “*Distribution Record Date*” means, other than with respect to Securities of the Debtors deposited with DTC, the record date for purposes of determining which Holders of Allowed Claims against or Allowed Interests in the Debtors are eligible to receive distributions under the Plan, which date shall be the Confirmation Date, or such other date as is agreed to by the Debtors and the Required Consenting Noteholders or designated by an order of the Bankruptcy Court. The Distribution Record Date shall not apply to Securities of the Debtors deposited with DTC, the holders of which shall receive a distribution in accordance with Article VI of the Plan and, as applicable, the customary procedures of DTC.

84. “*DTC*” means The Depository Trust Company.

85. “*Ducera*” means Ducera Partners LLC, as financial advisor to the AG Notes Group.

86. “*Effective Date*” means the date that is the first Business Day after the Confirmation Date on which (a) all conditions precedent to the occurrence of the Effective Date set forth in Article IX.A of the Plan have been satisfied or waived in accordance with Article IX.B of the Plan, (b) no stay of the Confirmation Order is in effect, and (c) the Debtors declare the Plan effective.

87. “*Emergence Award*” has the meaning set forth in [Article IV.Q].

88. “*Entity*” has the meaning set forth in section 101(15) of the Bankruptcy Code.

89. “*Estate*” means, as to each Debtor, the estate created on the Petition Date for the Debtor in its Chapter 11 Case pursuant to sections 301 and 541 of the Bankruptcy Code and all property (as defined

in section 541 of the Bankruptcy Code) acquired by the Debtor after the Petition Date through and including the Effective Date.

90. “*Excess Cash*” means the amount of unrestricted balance sheet cash in excess of \$150 million on the Effective Date as projected thirty days prior to the anticipated Effective Date (in each case, estimated and calculated in a manner reasonably acceptable to the Debtors and the Required Consenting Noteholders, including in respect of available net after-tax cash proceeds from the PNW Sale and less any deferred pension contribution payments, and any interest associated therewith, of the Debtors under the CARES Act or applicable IRS/PBGC waiver, potential costs related to regulatory settlements, and other restructuring related payments due on the Effective Date, including any required repayments of debt but excluding the Incremental Payments). For the avoidance of doubt, any Incremental Payments will be made from Excess Cash first prior to the determination of, and distribution of, any Surplus Cash. Further, for the avoidance of doubt, the Exit Facility shall remain undrawn as of the Effective Date (excluding any required letters of credit).

91. “*Exculpated Parties*” means, collectively, and in each case in its capacity as such: (a) each of the Debtors; (b) each of the Reorganized Debtors; (c) the Consenting Noteholders; (d) the members of the Creditors’ Committee in their capacities as such; (e) each current and former Affiliate of each Entity in clause (a) through the following clause (f); and (f) each Related Party of each Entity in clause (a) through this clause (f).

92. “*Executory Contract*” means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 or 1123 of the Bankruptcy Code.

93. “*Exit Credit Agreement*” means either (i) the Exit Facility Agreement, as defined in the DIP Credit Agreement, which shall be in form and substance consistent with the requirements set forth in the Exit Facility Term Sheet, or (ii) a new credit agreement of one or more of the Reorganized Debtors providing for the Exit Facility to be effective on the Effective Date.

94. “*Exit Facility*” means that certain revolving credit facility to be provided for under the Exit Credit Agreement, in an aggregate principal amount of no more than \$600 million.

95. “*Exit Facility Documents*” means, collectively, the Exit Credit Agreement, and all other agreements, documents, and instruments delivered or entered into in connection with the Exit Facility, including any guarantee agreements, pledge and collateral agreements, UCC financing statements or other perfection documents, intercreditor agreements, subordination agreements, fee letters, and other security documents.

96. “*Exit Facility Term Sheet*” means, the Exit Facility Term Sheet attached as Exhibit B to the DIP Credit Agreement.

97. “*FCC*” means the Federal Communications Commission, including any official bureau or division thereof acting on delegated authority, and any successor Governmental Unit performing functions similar to those performed by the Federal Communications Commission on the Effective Date.

98. “*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 or this Plan, including the applications filed with the FCC seeking consent to the Transfer of Control.

99. “*FCC Approval*” means the FCC’s grant of the FCC Applications; *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.

100. “*FCC Licenses*” means any licenses, authorizations, waivers, and permits that are issued from time to time by the FCC.

101. [“*FCC Ownership Procedures Order*” means an order entered by the Bankruptcy Court establishing procedures for, among other things, completion and submission of the Ownership Certifications, which order shall be in form and substance reasonably acceptable to the Required Consenting Noteholders.]<sup>1</sup>

102. “*Federal Judgment Rate*” means the federal judgment interest rate in effect as of the Petition Date calculated as set forth in section 1961 of the Judicial Code.

103. “*File*,” “*Filed*,” or “*Filing*” means file, filed, or filing, respectively, in the Chapter 11 Cases with the Bankruptcy Court or its authorized designee, or, with respect to the filing of a Proof of Claim or Proof of Interest, file, filed, or filing, respectively, with the Claims, Noticing, and Solicitation Agent.

104. “*Final Decree*” means the decree contemplated under Bankruptcy Rule 3022.

105. “*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 that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, petition for certiorari, or move for a new trial, reargument, reconsideration, or rehearing has expired and no appeal, petition for certiorari, or motion for a new trial, reargument, reconsideration, or rehearing has been timely taken or filed, or as to which any appeal that has been or may be taken or any petition for certiorari or any motion for a new trial, reargument, reconsideration, or rehearing that has been or may be made or filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the motion for a new trial, reargument, reconsideration, or rehearing shall have been denied, resulted in no modification of such order (if any such motion has been or may be granted), or have otherwise been dismissed with prejudice; *provided* that the possibility that a motion under rule 60 of the Federal Rules of Civil Procedure or any comparable Bankruptcy Rule may be filed relating to such order or judgment shall not cause such order or judgment to not be a Final Order.

106. “*First Day Filings*” means the “first-day” filings that the Debtors made upon or shortly following the commencement of the Chapter 11 Cases.

107. “*First Lien Noteholders*” means, collectively, the Holders of First Lien Notes Claims.

108. “*First Lien Notes*” means the 8.000% first lien secured notes due April 1, 2027, issued by Frontier pursuant to the First Lien Notes Indenture.

109. “*First Lien Notes Claim*” means any Claim against a Debtor arising under, derived from, based on, or related to the First Lien Notes or the First Lien Notes Indenture.

110. “*First Lien Notes Indenture*” means that certain Indenture, dated as of March 15, 2019, by and among Frontier, as issuer, the subsidiary guarantors party thereto, JPMorgan Chase Bank, N.A., as

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<sup>1</sup> **NTD:** To be discussed.

collateral agent, and Wilmington Trust, National Association, as successor trustee to the Bank of New York Mellon, as amended, supplemented, or modified from time to time.

111. “*Frontier*” means Frontier Communications Corporation, a company incorporated under the laws of Delaware.

112. “*General Unsecured Claim*” means any Claim against a Debtor that is not Secured and is not: (a) paid in full prior to the Effective Date pursuant to an order of the Bankruptcy Court; (b) an Administrative Claim; (c) a Secured Tax Claim; (d) an Other Secured Claim; (e) a Priority Tax Claim; (f) an Other Priority Claim; [(g) a DIP Claim;] (h) a Professional Fee Claim; (i) a Revolving Credit Claim; (j) a Term Loan Claim; (k) a First Lien Notes Claim; (l) a Second Lien Notes Claim; (m) a Subsidiary Unsecured Notes Claim; (n) a Subsidiary Secured Notes Claim; (o) a Senior Notes Claim; (p) a Section 510(b) Claim; or (q) an Intercompany Claim.

113. “*Governmental Unit*” has the meaning set forth in section 101(27) of the Bankruptcy Code.

114. “*Holder*” means an Entity holding a Claim against or an Interest in any Debtor.

115. “*Houlihan*” means Houlihan Lokey Capital, Inc., as financial advisor to the MB Notes Group.

116. “*IDRB*” means the 6.200% industrial development revenue bonds due May 1, 2030, issued pursuant to the Indenture and in connection with the IDR Loan Agreement.

117. “*IDRB Claim*” means any Claim against a Debtor arising under, derived from, based on, or related to the IDR or IDR Loan Agreement.<sup>2</sup>

118. “*IDRB Holders*” means, collectively, the Holders of IDR Claims.

119. “*IDRB Indenture*” means that certain Indenture of Trust, dated as of May 1, 1995, between The Industrial Development Authority of the County of Maricopa, as issuer, and Shawmut Bank Connecticut, National Association, as trustee.

120. “*IDRB Loan Agreement*” means that certain Loan Agreement, dated as of May 1, 1995, by and among Citizens Utilities Company and The Industrial Development Authority of the County of Maricopa, as issuer, as amended, modified, or supplemented from time to time, entered into in connection with the issuance of the IDR.

121. “*Impaired*” means, with respect 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.

122. “*Incremental Payments*” means, collectively, the Cash payments, on the Effective Date (to the extent of available Excess Cash), to each Holder of Senior Notes, which shall be allocated to the Holders of Senior Notes of each series of Senior Notes based on such series’ Series Ratable Share of the Incremental Payment Amount. Payment of the Incremental Payments shall be made to every Holder of each series of Senior Notes in respect of the portion of the Series Accrued Amounts related to such Holder’s holdings in such series of Senior Notes. Distribution of Incremental Payments shall be subject to the conditions set forth in the Restructuring Support Agreement.

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<sup>2</sup> **NTD:** To confirm security of the IDR.

123. “*Incremental Payment Amount*” means, with respect to each series of Senior Notes, (a) if the amount of Excess Cash is equal to or greater than the sum of all Series Accrued Amounts, the Series Accrued Amount for such series, (b) if the amount of Excess Cash is less than the sum of all Series Accrued Amounts but greater than zero, an amount equal to Excess Cash multiplied by the Series Ratable Share for such series, or (c) if Excess Cash is zero, zero.

124. “*Indemnification Provisions*” means the provisions in place before or as of the Effective Date, whether in a Debtor’s bylaws, certificates of incorporation, limited liability company agreement, partnership agreement, management agreement, other formation or organizational document, board resolution, indemnification agreement, contract, or otherwise providing the basis for any obligation of a Debtor as of the Effective Date to indemnify, defend, reimburse, or limit the liability of, or to advance fees and expenses to, any of the Debtors’ current and former directors, equity holders, managers, officers, members, employees, attorneys, accountants, investment bankers, and other professionals, and each such Entity’s respective affiliates, as applicable.

125. “*Interim Compensation Order*” means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals* [Docket No. 88].

126. “*Intercompany Claim*” means any Claim against a Debtor that is held by another Debtor or a direct or indirect subsidiary of a Debtor.

127. “*Intercompany Interest*” means any Interest in one Debtor held by another Debtor, other than an Interest in Frontier.

128. “*Interest*” means any equity security as such term is defined in section 101(16) of the Bankruptcy Code, including all issued, unissued, authorized, or outstanding shares of capital stock and any other common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profit interests of an Entity, including all options, warrants, rights, 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 an Entity whether or not arising under or in connection with any employment agreement and whether or not certificated, transferable, preferred, common, voting, or denominated “stock” or a similar security, and including any Claim against the Debtors subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to the foregoing.

129. “*Judicial Code*” means title 28 of the United States Code, 28 U.S.C. §§ 1–4001 and the rules and regulations promulgated thereunder, as applicable to the Chapter 11 Cases.

130. “*Lien*” has the meaning set forth in section 101(37) of the Bankruptcy Code.

131. [“*Make-Whole Claim*” means any Claim, whether secured or unsecured, derived from or based upon any make-whole, applicable premium, redemption premium, or other similar payment provisions provided for by the applicable indenture, credit agreement, or other agreement, or any other alleged premiums, fees, or Claims relating to the repayment of the principal balance of any notes, credit facilities, or other debts, including any Claims for damages or other relief arising from the repayment, prior to the respective stated maturity or call date, of the principal balance of any credit facilities, notes, or other debts, or any denial of any right to rescind any acceleration of such credit facilities, notes, or other debts,



including, without limitation, those Claims arising under Section 4.09 of the First Lien Notes Indenture, and Section 4.07 of the Second Lien Notes Indenture.]<sup>3</sup>

132. “*Management Incentive Plan*” shall have the meaning set forth in the Restructuring Support Agreement.

133. “*Management Incentive Plan Pool*” means the pool of up to six percent of the fully diluted New Common Stock, which is reserved for distribution to participants in the Management Incentive Plan, including Emergence Awards, if any.

134. “*Management Selection Designees*” means one designee to be appointed by the AG Notes Group and one designee to be appointed by the MB Notes Group to participate in the management selection process.

135. “*MB Notes Group*” means the ad hoc group or committee of Consenting Noteholders represented by the MB Notes Group Representatives.

136. “*MB Notes Group Representatives*” means Houlihan and Milbank.

137. “*Milbank*” means Milbank LLP, as counsel to the MB Notes Group.

138. “*New Board*” means the initial board of directors of Reorganized Frontier immediately following the occurrence of the Effective Date, to be appointed in accordance with the Plan and the New Organizational Documents.

139. “*New Common Stock*” means the common stock of Reorganized Frontier to be issued on the Effective Date.

140. “*New Organizational Documents*” means the organizational and governance documents for the Reorganized Debtors and any subsidiaries thereof, including, as applicable, the certificates or articles of incorporation, certificates of formation, certificates of organization, certificates of limited partnership, or certificates of conversion, limited liability company agreements, operating agreements, or limited partnership agreements, stockholder or shareholder agreements, bylaws, the identity of proposed members of the Reorganized Frontier Board, indemnification agreements, and Registration Rights Agreements (or equivalent governing documents of any of the foregoing). The New Organizational Documents shall be determined by and acceptable to the Required Consenting Noteholders in their sole discretion.

141. “*Noteholder Groups*” means, collectively, the MB Notes Group and the AG Notes Group.

142. “*Noteholder Representatives*” means, Akin, Altman, Ducera, Houlihan, and Milbank.

143. “*Other Priority Claim*” means any Claim against a Debtor, other than an Administrative Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

144. “*Other Secured Claim*” means a Secured Claim against a Debtor that is not: [(a) a DIP Claim;] (b) a Revolving Credit Claim; (c) a Term Loan Claim; (d) a First Lien Notes Claim; (e) a Second Lien Notes Claim; (f) a Subsidiary Secured Notes Claim; or (g) a Secured Tax Claim.

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<sup>3</sup> NTD: Definition under review.

145. [*“Ownership Certification”* means a written certification, in the form attached to the FCC Ownership Procedures Order, 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 section 310(b) of the Communications Act, as interpreted and applied by the FCC.]<sup>4</sup>

146. [*“Ownership Certification Deadline”* means the deadline set forth in the FCC Ownership Procedures Order for returning the Ownership Certifications.]

147. *“Parent Litigation Claims”* means litigation-related Claims against Frontier that would be subject to the section 362 of the Bankruptcy Code (except for such Claims subject to the exception contained in section 362(b)(4) of the Bankruptcy Code). For the avoidance of doubt, the Parent Litigation Claims shall not include any litigation-related Claims against any of Frontier’s direct or indirect subsidiaries.

148. *“Person”* has the meaning set forth in section 101(41) of the Bankruptcy Code.

149. *“Petition Date”* means April 14, 2020.

150. *“Plan”* means this joint chapter 11 plan and all exhibits, supplements, appendices, and schedules hereto, as may be altered, amended, supplemented, or otherwise modified from time to time in accordance with Article X.A hereof, including the Plan Supplement (as altered, amended, supplemented, or otherwise modified from time to time), which is incorporated herein by reference and made part of the Plan as if set forth herein.

151. *“Plan Supplement”* means the compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan (in each case, as may thereafter be amended, supplemented, or otherwise modified from time to time in accordance with the terms of the Plan, the Bankruptcy Code, the Bankruptcy Rules, and applicable law), each of which shall be in form and substance reasonably acceptable to the Required Consenting Noteholders and the Debtors (*provided* that the New Organizational Documents shall be determined by and acceptable to the Required Consenting Noteholders in their sole discretion), to be Filed by the Debtors no later than seven days before the Confirmation Hearing or such later date as may be approved by the Bankruptcy Court, and additional documents Filed with the Bankruptcy Court prior to the Effective Date as amendments to the Plan Supplement. The Plan Supplement may include the following, as applicable: (a) the New Organizational Documents; (b) to the extent known, the identity and members of the New Board; (c) the Schedule of Rejected Executory Contracts and Unexpired Leases; (d) the Schedule of Retained Causes of Action; (e) the Exit Facility Documents, (f) the Takeback Debt Documents, as applicable; (g) the Restructuring Transactions Memorandum; (h) documentation relating to Emergence Awards, as applicable; and (i) any additional documents necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan.

152. *“PNW Sale”* means the sale of all of the issued and outstanding equity interests of the subsidiaries of Frontier and Frontier Communications ILEC Holdings LLC that operate Frontier’s business in Washington, Oregon, Idaho, and Montana to Northwest Fiber, LLC as reflected in a purchase agreement entered into on May 28, 2019.

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<sup>4</sup> **NTD:** Process for determining foreign ownership to be discussed.

153. “*Priority Tax Claim*” means any Claim of a Governmental Unit against a Debtor of the kind specified in section 507(a)(8) of the Bankruptcy Code.

154. “*Pro Rata*” means the proportion that an Allowed Claim or an Allowed Interest in a particular Class bears to the aggregate amount of Allowed Claims or Allowed Interests in that Class.

155. “*Professional*” means an Entity: (a) employed in the Chapter 11 Cases pursuant to an order of the Bankruptcy Court in accordance with sections 327, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered and expenses incurred pursuant to sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code or (b) for which compensation and reimbursement has been Allowed by Final Order of the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code.

156. “*Professional Fee Claim*” means any Administrative Claim by a Professional for compensation for services rendered or reimbursement of expenses incurred by such Professional through and including the Effective Date to the extent such fees and expenses have not been paid pursuant to an order of the Bankruptcy Court. To the extent the Bankruptcy Court denies or reduces by a Final Order any amount of a Professional’s requested fees and expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Professional Fee Claim.

157. “*Professional Fee Escrow Account*” means an escrow account funded by the Debtors with Cash no later than the Effective Date in an amount equal to the Professional Fee Escrow Amount.

158. “*Professional Fee Escrow Amount*” means the aggregate amount of Professional Fee Claims and other unpaid fees and expenses the Professionals have incurred or will incur in rendering services in connection with the Chapter 11 Cases prior to and as of the Confirmation Date projected to be outstanding as of the anticipated Effective Date, which shall be estimated pursuant to the method set forth in Article II.B of the Plan.

159. “*Proof of Claim*” means a written proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

160. “*Proof of Interest*” means a written proof of Interest Filed against any of the Debtors in the Chapter 11 Cases.

161. “*PUC*” means any state-level public utility commission or similar agency with regulatory authority over any of the Debtors or their affiliates.

162. “*PUC Application*” means any requisite application, petition, notice, or other request filed or to be filed with a PUC seeking PUC approval to effectuate any Restructuring Transactions contemplated in the Plan.

163. “*PUC Approval*” means any applicable PUC’s grant of a PUC Application; *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 PUC may reconsider or review such grant on its own authority, shall not prevent such grant from constituting a PUC Approval for purposes of the Plan.

164. “*Registration Rights Agreement*” means any agreement providing registration rights to the Consenting Noteholders, their affiliates, or any other parties, in each case, with respect to the New Common Stock.

165. “*Reinstate*,” “*Reinstated*,” or “*Reinstatement*” means, with respect to Claims and Interests, that the Claim or Interest shall be rendered Unimpaired in accordance with section 1124 of the Bankruptcy Code.

166. “*Related Party*” means, with respect to any Entity, in each case in its capacity as such with respect to such Entity, such Entity’s current and former directors, managers, officers, investment committee members, special committee members, equity holders (regardless of whether such interests are held directly or indirectly), affiliated investment funds or investment vehicles, managed accounts or funds, predecessors, participants, successors, assigns, subsidiaries, affiliates, partners, limited partners, general partners, principals, members, management companies, fund advisors or managers, employees, agents, trustees, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals and advisors.

167. “*Released Parties*” means, collectively, in each case in its capacity as such: (a) each Debtor; (b) each Reorganized Debtor; [(c) the DIP Agent; (d) each DIP Lender;] (e) each Consenting Noteholder; (f) each Trustee; (g) the members of the Creditors’ Committee in their capacities as such, (h) each current and former Affiliate of each Entity in clause (a) through (g); and (i) each Related Party of each Entity in clauses (a) through (h); *provided* that any Holder of a Claim against or Interest in the Debtors that is not a Releasing Party shall not be a “Released Party.”

168. “*Releasing Parties*” means, collectively, in each case in its capacity as such: (a) each Debtor; (b) each Reorganized Debtor; [(c) the DIP Agent; (d) each DIP Lender;] (e) each Consenting Noteholder; (f) each Trustee; (g) the members of the Creditors’ Committee in their capacities as such; (h) all Holders of Claims against the Debtors; (i) all Holders of Interests in the Debtors; (j) each current and former Affiliate of each Entity in clauses (a) through (i), and (k) each Related Party of each Entity in clauses (a) through (j); *provided* that any Entity that opts out of or otherwise objects to the releases in the Plan (including the Debtor Release and Third-Party Release) shall not be a “Releasing Party.”

169. “*Reorganized Debtor*” means a Debtor, or any successor or assign thereto, by merger, consolidation, reorganization, or otherwise, in the form of a corporation, limited liability company, partnership, or other form, as the case may be, on and after the Effective Date, including Reorganized Frontier and any intermediary holding company formed in the Restructuring Transactions through which Reorganized Frontier holds any other Reorganized Debtor.

170. “*Reorganized Frontier*” means either (a) Frontier, or any successor or assign thereto, by merger, consolidation, reorganization, or otherwise, in the form of a corporation, limited liability company, partnership, or other form, as the case may be, on and after the Effective Date, or (b) a new corporation, limited liability company, or partnership that may be formed to, among other things, directly or indirectly acquire substantially all of the assets and/or stock of the Debtors and issue the New Common Stock to be distributed pursuant to the Plan.

171. “*Required Consenting Noteholders*” means, as of the relevant date, the Consenting Noteholders then holding greater than fifty and one-tenth percent (50.1%) of the aggregate outstanding principal amount of Senior Notes Claims that are held by all Consenting Noteholders subject to the Restructuring Supporting Agreement as of such date.

172. “*Restructuring Support Agreement*” means that certain Restructuring Support Agreement, made and entered into as of April 14, 2020, including all exhibits thereto, by and among the Debtors and the Consenting Noteholders party thereto from time to time, as such may be amended from time to time in accordance with its terms.

173. “*Restructuring Term Sheet*” means that certain term sheet attached as Exhibit B to the Restructuring Support Agreement.

174. “*Restructuring Transactions*” means those mergers, amalgamations, consolidations, arrangements, continuances, restructurings, transfers, conversions, dispositions, liquidations, dissolutions, or other corporate transactions that the Debtors, with the consent of the Required Consenting Noteholders (not to be unreasonably withheld), reasonably determine to be necessary to implement the transactions described in this Plan, as described in more detail in Article IV.B herein and the Restructuring Transactions Memorandum and consistent with the Restructuring Support Agreement.

175. “*Restructuring Transactions Memorandum*” means that certain memorandum describing the steps to be carried out to effectuate the Restructuring Transactions, the form of which shall be included in the Plan Supplement and, for the avoidance of doubt, be reasonably acceptable to the Required Consenting Noteholders.

176. “*Revolving Credit Claim*” means any Claim against a Debtor arising under, derived from, based on, or related to the Revolving Credit Facility provided for in the Credit Agreement.

177. “*Revolving Credit Facility*” means that certain prepetition senior secured revolving credit facility provided for under the Credit Agreement.

178. “*Revolving Credit Lenders*” means, collectively, Holders of Revolving Credit Claims.

179. “*Rural Utilities Service Lenders*” means, collectively, the Holders of Rural Utilities Service Loan Claims.

180. “*Rural Utilities Service Loan Claim*” means a Claim arising under a Rural Utilities Service Loan Contract.

181. “*Rural Utilities Service Loan Contracts*” means those Rural Utilities Service loan contracts due January 3, 2028 to which certain Debtors are counterparties.

182. “*Schedule of Rejected Executory Contracts and Unexpired Leases*” means a schedule that may be Filed as part of the Plan Supplement at the Debtors’ option of certain Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, as the same may be amended, modified, or supplemented from time to time by the Debtors or Reorganized Debtors, as applicable, in accordance with the Plan.

183. “*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 by the Debtors, which shall be included in the Plan Supplement.

184. “*Schedules*” means, collectively, the schedules of assets and liabilities, Schedule of Rejected Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by each of the Debtors pursuant to section 521 of the Bankruptcy Code, as such schedules and statements may have been or may be amended, modified, or supplemented from time to time.

185. “*SEC*” means the United States Securities and Exchange Commission.

186. “*Second Lien Noteholders*” means, collectively, Holders of Second Lien Notes Claims.

187. “*Second Lien Notes*” means the 8.500% second lien secured notes due April 1, 2026, issued by Frontier pursuant to the Second Lien Notes Indenture.

188. “*Second Lien Notes Claim*” means any Claim against a Debtor arising under, derived from, based on, or related to the Second Lien Notes or the Second Lien Notes Indenture.

189. “*Second Lien Notes Indenture*” means that certain Indenture, dated as of March 19, 2018, by and among Frontier, as issuer, the subsidiary guarantors party thereto, and Wilmington Savings Fund Society FSB, as successor trustee and successor collateral agent, as amended, supplemented, or modified from time to time.

190. “*Section 510(b) Claim*” means any Claim against a Debtor subject to subordination under section 510(b) of the Bankruptcy Code; *provided* that a Section 510(b) Claim shall not include any Claims subject to subordination under section 510(b) of the Bankruptcy Code arising from or related to an Interest.

191. “*Secured*” means, when referring to a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor’s interest in such Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined in accordance with section 506(a) of the Bankruptcy Code or (b) Allowed pursuant to the Plan as a secured Claim.

192. “*Secured Tax Claim*” means any Secured Claim against a 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.

193. “*Securities Act*” means the U.S. Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder.

194. “*Security*” has the meaning set forth in section 2(a)(1) of the Securities Act.

195. “*Senior Noteholders*” means, collectively, the Holders of Senior Notes Claims.

196. “*Senior Notes*” means, collectively, the 2020 April Notes, the 2020 September Notes, the 2021 July Notes, the 2021 September Notes, the 2022 April Notes, the 2022 September Notes, the 2023 Notes, the 2024 Notes, the 2025 January Notes, the 2025 September Notes, the 2025 November Notes, the 2026 Notes, the 2027 Notes, the 2031 Notes, the 2034 Notes, the 2035 Notes, and the 2046 Notes.

197. “*Senior Notes Claim*” means any Claim against a Debtor arising under, derived from, based on, or related to the Senior Notes or the Senior Notes Indentures.

198. “*Senior Notes Indentures*” means, collectively, the 1991 Notes Indenture, the 2001 Notes Indenture, 2006 Notes Indenture, the 2009 Notes Indenture, the 2010 Notes Indenture, and the 2015 Notes Indenture.

199. “*Series Accrued Amount*” means, with respect to any series of Senior Notes, the “Series Accrued Amount,” subject to an aggregate cap of \$375 million, and otherwise on terms as specified on Annex 2 of the Restructuring Term Sheet with respect to such series of Senior Notes.

200. “*Series Ratable Share*” means, with respect to any series of Senior Notes, the “Series Ratable Share” specified on Annex 2 of the Restructuring Term Sheet with respect to such series of Senior Notes.

201. “*Solicitation Materials*” means all solicitation materials with respect to the Plan.

202. “*Subsidiary Debt*” means, collectively, the Subsidiary Unsecured Notes, Rural Utilities Service Loan Contracts, and Verizon Secured Notes.

203. “*Subsidiary Secured Notes Claims*” means, collectively, the Verizon Secured Claims and the Rural Utilities Service Loan Claims.

204. “*Subsidiary Unsecured Noteholders*” means, collectively, the Holders of Subsidiary Unsecured Notes Claims.

205. “*Subsidiary Unsecured Notes*” means, collectively, the Unsecured Frontier California Notes, the Unsecured Frontier Florida Notes, the Unsecured Frontier North Notes, and the Unsecured Frontier West Virginia Notes.

206. “*Subsidiary Unsecured Notes Claim*” means any Claim against a Debtor arising under, derived from, based on, or related to the Subsidiary Unsecured Notes, Subsidiary Unsecured Notes Indentures, or Unsecured Frontier West Virginia Notes Documents.

207. “*Subsidiary Unsecured Notes Indentures*” means, collectively, the Unsecured Frontier California Notes Indenture, the Unsecured Frontier Florida Notes Indenture, and the Unsecured Frontier North Notes Indenture.

208. “*Surplus Cash*” means the amount of unrestricted balance sheet cash in excess of \$150 million on the Effective Date as projected thirty days prior to the anticipated Effective Date (in each case, estimated and calculated in a manner reasonably acceptable to the Debtors and the Required Consenting Noteholders, including in respect of available net after-tax cash proceeds from the PNW Sale and less any deferred pension contribution payments, and any interest associated therewith, of the Debtors under the CARES Act or applicable IRS/PBGC waiver, potential costs related to regulatory settlements, and other restructuring related payments due on the Effective Date, including any required repayments of debt and the Incremental Payments); *provided*, the Debtors shall use commercially reasonable best efforts to raise an \$850 million exit facility (including seeking proposals from Consenting Noteholders), to be comprised of a revolving credit facility and/or other funded instrument, with any such proceeds expressly excluded from Surplus Cash; *provided, further*, that to the extent the exit facility commitments, including those with respect to the Exit Facility, are below \$850 million, the amount of Surplus Cash shall be reduced in an amount equal to the difference between \$850 million and the actual exit facility commitments. Further, for the avoidance of doubt, the Exit Facility shall remain undrawn as of the Plan Effective Date (excluding any required LCs).

209. “*Takeback Debt*” means the new debt to be issued by one or more of the Reorganized Debtors pursuant to the Plan and the Takeback Debt Documents.

210. “*Takeback Debt Principal Amount*” means, subject to Article [IV.D.], \$750 million in aggregate principal amount of Takeback Debt.

211. “*Takeback Debt Documents*” means, collectively, the indenture or loan agreement by and among one or more of the Reorganized Debtors and the lender parties thereto, and all other agreements,

documents, and instruments delivered or entered into in connection therewith, including any guarantee statements, pledge and collateral agreements, UCC financing statements or other perfection documents, intercreditor agreements, subordination agreements, fee letters, and other security documents, which will set forth the terms of the Takeback Debt, if any.

212. “*Term Loan Claim*” means any Claim against a Debtor arising under, derived from, based on, or related to the Term Loan Facility provided for in the Credit Agreement.

213. “*Term Loan Facility*” means that certain prepetition senior secured term loan facility provided for under the Credit Agreement.

214. “*Term Loan Lenders*” means, collectively, the Holders of Term Loan Claims.

215. “*Third-Party Release*” means the releases set forth in Article VIII.C of the Plan.

216. “*Transfer of Control*” means the transfer of control of the FCC Licenses held by Frontier or any of its subsidiaries as a result of the transfer of the New Common Stock to Holders of Allowed Senior Notes Claims.

217. “*Trustee*” means, collectively, any indenture trustee, collateral trustee, or other trustee or similar entity under the Senior Notes Indentures.

218. “*Trustee Fees*” means, collectively, to the extent not previously paid in connection with the Chapter 11 Cases, all outstanding, reasonable, and documented compensation, fees, and expenses, whether incurred prior to or after the Effective Date, of (a) the Trustees, (b) counsel to the Trustees, and (c) any other advisors to the Trustees to the extent provided under the Senior Notes Indentures.

219. “*Unclaimed Distribution*” means any distribution under the Plan on account of an Allowed Claim or Allowed Interest to a Holder that 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.

220. “*Unexpired Lease*” means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 or section 1123 of the Bankruptcy Code.

221. “*Unimpaired*” means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

222. “*Unsecured Frontier California Notes*” means the 6.750% unsecured notes due May 15, 2027, issued by Frontier California Inc. (formerly known as GTE California Inc.) pursuant to the Unsecured Frontier California Notes Indenture.

223. “*Unsecured Frontier California Notes Indenture*” means that certain Indenture, dated December 1, 1993, by and among Frontier California Inc. (formerly known as GTE California Inc.), as issuer, and U.S. Bank, National Association, as successor trustee, as amended, supplemented, or otherwise modified from time to time.



224. “*Unsecured Frontier Florida Notes*” means the 6.860% unsecured notes due February 1, 2028, issued by Frontier Florida LLC (formerly known as GTE Florida Inc.) pursuant to the Unsecured Frontier Florida Notes Indenture.

225. “*Unsecured Frontier Florida Notes Indenture*” means that certain Indenture, dated November 1, 1993, by and among Frontier Florida LLC (formerly known as GTE Florida Inc.), as issuer, and U.S. Bank National Association, as successor trustee, as amended, supplemented, or otherwise modified from time to time.

226. “*Unsecured Frontier North Notes*” means the 6.730% unsecured notes due February 15, 2028, issued by Frontier North Inc. (formerly known as GTE North Inc.) pursuant to the Unsecured Frontier North Notes Indenture.

227. “*Unsecured Frontier North Notes Indenture*” means that certain Indenture, dated January 1, 1994, by and among Frontier North Inc. (formerly known as GTE North Inc.), as issuer, and U.S. Bank National Association, as successor trustee, as amended, supplemented, or otherwise modified from time to time.

228. “*Unsecured Frontier West Virginia Notes*” means the 8.400% unsecured notes due October 15, 2029, issued by Frontier West Virginia Inc. (formerly known as Verizon West Virginia Inc., and prior thereto, The Chesapeake and Potomac Telephone Company of West Virginia) pursuant to the Unsecured Frontier West Virginia Notes Documents.

229. “*Unsecured Frontier West Virginia Notes Documents*” means, collectively, those certain debentures and purchase agreements, executed pursuant to the private placement funded on October 25, 1989, with Merrill Lynch Capital Markets as exclusive placement agent, by and among Frontier West Virginia Inc. (formerly known as Verizon West Virginia Inc., and prior thereto, The Chesapeake and Potomac Telephone Company of West Virginia), and Holders of the Unsecured Frontier West Virginia Notes, as amended, supplemented, or otherwise modified from time to time.

230. “*U.S. Trustee*” means the United States Trustee for the Southern District of New York.

231. “*Verizon Noteholders*” means, collectively, the Holders of Verizon Secured Claims.

232. “*Verizon Secured Claim*” means any Claim against a Debtor arising under, derived from, based on, or related to the Verizon Secured Notes or the Verizon Secured Notes Indenture.

233. “*Verizon Secured Notes*” means the 8.500% secured subsidiary notes due November 15, 2031, issued by Frontier Southwest Incorporated (formerly known as GTE Southwest Incorporated, and prior thereto, Southwestern Associated Telephone Company) pursuant to the Verizon Secured Notes Indenture.

234. “*Verizon Secured Notes Indenture*” means that certain Restated Indenture, dated June 1, 1940, by and among Frontier Southwest Incorporated (formerly known as GTE Southwest Incorporated, and prior thereto, Southwestern Associated Telephone Company), as issuer, and BOKF, NA, as successor trustee, as amended, supplemented, or otherwise modified from time to time.

235. “*Voting Deadline*” means [\_\_\_\_], 2020, at [\_\_\_\_] p.m. prevailing Eastern Time.

## **B. Rules of Interpretation**

For purposes of this Plan: (1) 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; (2) capitalized terms defined only in the plural or singular form shall nonetheless have their defined meanings when used in the opposite form; (3) unless otherwise specified, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (4) unless otherwise specified, any reference herein to an existing document, schedule, or exhibit, whether or not Filed, having been Filed, or to be Filed, shall mean that document, schedule, or exhibit, as it may thereafter have been or may thereafter be validly amended, amended and restated, supplemented, or otherwise modified; (5) unless otherwise specified, any reference to an Entity as a Holder of a Claim (including a Consenting Noteholder) or Interest, includes that Entity's successors and assigns; (6) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (7) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement; (8) unless otherwise specified, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to any particular portion of the Plan; (9) 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 of the Plan; (10) unless otherwise specified, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (11) any term used in capitalized form 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 applicable; (12) references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (13) unless otherwise specified, all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases; (14) any effectuating provisions may be interpreted by the Debtors or the Reorganized Debtors in such a manner that is 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; (15) any references herein to the Effective Date shall mean the Effective Date or as soon as reasonably practicable thereafter; (16) all references herein to consent, acceptance, or approval shall be deemed to include the requirement that such consent, acceptance, or approval be evidenced by a writing, which may be conveyed by counsel for the respective parties that have such consent, acceptance, or approval rights, including by electronic mail; (17) 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; and (18) the use of "include" or "including" is without limitation unless otherwise stated.

## **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, 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 and any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, documents, instruments,

or contracts, in which case the governing law of such agreement shall control); *provided* that corporate, limited liability company, or partnership governance matters relating to the Debtors or the Reorganized Debtors, as applicable, shall be governed by the laws of the jurisdiction of incorporation or formation of the relevant Debtor or Reorganized Debtor, as applicable.

**E. Reference to Monetary Figures**

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

**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 to the Reorganized Debtors mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

**G. Nonconsolidated Plan**

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint plan for each of the Debtors and presents together Classes of Claims against and Interests in the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors.

**H. [Certain Consent Rights]**

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

**ARTICLE II.**

**ADMINISTRATIVE AND PRIORITY CLAIMS**

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

**A. Administrative Claims**

Except as otherwise specifically provided in the Plan, and except to the extent that a Holder of an Allowed Administrative Claim agrees to a less favorable treatment with respect to such Holder, to the extent an Allowed Administrative Claim has not already been paid in full or otherwise satisfied during the Chapter 11 Cases, each Holder of an Allowed Administrative Claim (other than Holders of Professional Fee Claims [and Holders of DIP Claims]) will receive in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, such Administrative Claim, an amount of Cash equal to the amount of the unpaid or unsatisfied portion of such Allowed Administrative Claim in accordance with the following: (1) if such Administrative Claim is Allowed on or prior to the Effective Date, no later than thirty days after the Effective Date or as soon as reasonably practicable thereafter (or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter); (2) if such

Administrative Claim is not Allowed as of the Effective Date, no later than thirty days after the date on which an order Allowing such Administrative Claim becomes a Final Order, or as soon as reasonably practicable thereafter; (3) if such Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business after the Petition Date, in accordance with the terms and conditions of the particular transaction or course of business giving rise to such Allowed Administrative Claim, without any further action by the Holder of such Allowed Administrative Claim; (4) at such time and upon such terms as may be agreed upon by the Holder of such Allowed Administrative Claim and the Debtors or the Reorganized Debtors, as applicable; or (5) at such time and upon such terms as set forth in a Final Order of the Bankruptcy Court.

Except as otherwise provided in this Article II.A, and except with respect to [Administrative Claims that are DIP Claims or] Professional Fee Claims unless previously Filed, requests for payment of Administrative Claims (other than Administrative Claims arising under section 503(b)(9) of the Bankruptcy Code) must be Filed and served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date. 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 property, and such Administrative Claims shall be deemed discharged as of the Effective Date without the need for any objection from the Reorganized Debtors or any notice to or action, order, or approval of the Bankruptcy Court or any other Entity. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order of the Bankruptcy Court.

Objections to requests for payment of such Administrative Claims, if any, must be Filed with the Bankruptcy Court and served on the Reorganized Debtors and the requesting Holder no later than the Claims Objection Deadline for Administrative Claims. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Bankruptcy Rules, and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with, an order that becomes a Final Order of the Bankruptcy Court.

**B. Professional Fee Claims**

[Reserved]

**C. [DIP Claims]**

Except to the extent that a Holder of an Allowed DIP Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of, and in exchange for, each Allowed DIP Claim, on the Effective Date, each such Holder of an Allowed DIP Claim shall receive (a) payment in full in Cash of such Holder's Allowed DIP Claim or (b) at the Debtors' election, and solely to the extent permitted under the DIP Facility Documents or otherwise agreed to by such Holder of an Allowed DIP Claim, such Holder's Pro Rata share of the Exit Facility by way of having their commitments under the DIP Credit Agreement be converted into commitments under the Exit Credit Agreement in accordance with Section 2.19 of the DIP Credit Agreement. Upon the satisfaction of the Allowed DIP Claims in accordance with the terms of this Plan, or other such treatment as contemplated by this Article II.C of the Plan, all guarantees provided and all Liens and security interests granted, in each case, to secure such obligations shall be automatically released, terminated, and of no further force and effect without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.]

**D. Priority Tax Claims**

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, 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.

**ARTICLE III.**

**CLASSIFICATION, TREATMENT,  
AND VOTING OF CLAIMS AND INTERESTS**

**A. Classification of Claims and Interests**

Except for the Claims addressed in Article II of the Plan, all Claims against and Interests in the Debtors are classified in the Classes set forth in this Article III for all purposes, including voting, Confirmation, and distributions pursuant to the Plan and in accordance with section 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or an 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 an Interest also is classified in a particular Class for the purpose of receiving distributions under the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

**B. Summary of Classification**

A summary of the classification of Claims against and Interests in each Debtor pursuant to the Plan is summarized in the following chart. The Plan constitutes a separate chapter 11 plan for each of the Debtors, and accordingly, the classification of Claims and Interests set forth below applies 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 or Interests shall be treated as set forth in Article III.E hereof. Voting tabulations for recording acceptances or rejections of the Plan will be conducted on a Debtor-by-Debtor basis as set forth above.<sup>5</sup>

<b>Class</b>	<b>Claim or Interest</b>	<b>Status</b>	<b>Voting Rights</b>
1	Secured Tax Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	Other Secured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
3	Other Priority Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)

<sup>5</sup> The Debtors reserve the right to separately classify Claims or Interests to the extent necessary to comply with any requirements under the Bankruptcy Code or applicable law.

Class	Claim or Interest	Status	Voting Rights
4	Revolving Credit Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
5	Term Loan Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
6	First Lien Notes Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
7	Second Lien Notes Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
8	Subsidiary Secured Notes Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
9	Subsidiary Unsecured Notes Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
10	Senior Notes Claims	Impaired	Entitled to Vote
11	General Unsecured Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
12	Section 510(b) Claims	Impaired	Not Entitled to Vote (Deemed to Reject)
13	Intercompany Claims	Unimpaired/Impaired	Not Entitled to Vote (Presumed to Accept/Deemed to Reject)
14	Intercompany Interests	Unimpaired/Impaired	Not Entitled to Vote (Presumed to Accept/Deemed to Reject)
15	Interests in Frontier	Impaired	Not Entitled to Vote (Deemed to Reject)

**C. Treatment of Classes of Claims and Interests**

Subject to Article VI hereof, 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, compromise, 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 the Debtors or Reorganized Debtors, as applicable, and the Holder of such Allowed Claim or Allowed Interest, as applicable.

1. Class 1 — Secured Tax Claims

(a) *Classification:* Class 1 consists of all Secured Tax Claims.

- (b) *Treatment:* Each Holder of an Allowed Secured Tax Claim shall receive, at the option of the applicable Reorganized Debtor:
  - (i) payment in full in Cash of such Holder's Allowed Secured Tax Claim; or
  - (ii) equal semi-annual Cash payments commencing as of the Effective Date or as soon as reasonably practicable thereafter and continuing for five years, in an aggregate amount equal to such Allowed Secured Tax Claim, together with interest at the applicable non-default rate under non-bankruptcy law, subject to the option of the applicable Reorganized Debtor to prepay the entire amount of such Allowed Secured Tax Claim during such time period.
- (c) *Voting:* Class 1 is Unimpaired under the Plan. Holders of Allowed Secured Tax Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

2. Class 2 — Other Secured Claims

- (a) *Classification:* Class 2 consists of all Other Secured Claims.
- (b) *Treatment:* Each Holder of an Allowed Other Secured Claim shall receive, at the option of the applicable Debtor:
  - (i) payment in full in Cash of such Holder's Allowed Other Secured Claim;
  - (ii) Reinstatement of such Holder's Allowed Other Secured Claim;
  - (iii) delivery of the collateral securing such Holder's Allowed Other Secured Claim; or
  - (iv) such other treatment rendering such Holder's Allowed Other Secured Claim Unimpaired.
- (c) *Voting:* Class 2 is Unimpaired under the Plan. Holders of Allowed Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

3. Class 3 — Other Priority Claims

- (a) *Classification:* Class 3 consists of all Other Priority Claims.
- (b) *Treatment:* Each Holder of an Allowed Other Priority Claim shall receive, at the option of the applicable Debtor, payment in full in Cash of such Holder's Other Priority Claim or such other treatment rendering such Holder's Other Priority Claim Unimpaired.
- (c) *Voting:* Class 3 is Unimpaired under the Plan. Holders of Allowed Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to

section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

4. Class 4 — Revolving Credit Claims

- (a) *Classification:* Class 4 consists of all Revolving Credit Claims.
- (b) *Allowance:* The Revolving Credit Claims are deemed Allowed in an amount equal to the sum of: (i) the principal amount outstanding under the Credit Agreement; and (ii) accrued but unpaid postpetition interest at the non-default contract rate.
- (c) *Treatment:* To the extent not already satisfied in full during the Chapter 11 Cases, each Holder of an Allowed Revolving Credit Claim shall receive payment in full in Cash on the Effective Date in an amount equal to the principal portion of its Allowed Revolving Credit Claim plus ordinary course Cash interest payments on the principal portion of its Allowed Revolving Credit Claim at the non-default contract rate through the earlier of the Effective Date or repayment of the Revolving Credit Facility (as applicable).
- (d) *Voting:* Class 4 is Unimpaired under the Plan. Holders of Revolving Credit Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

5. Class 5 — Term Loan Claims

- (a) *Classification:* Class 5 consists of all Term Loan Claims.
- (b) *Allowance:* The Term Loan Claims are deemed Allowed in an amount equal to the sum of: (i) the principal amount outstanding under the Credit Agreement; and (ii) accrued but unpaid postpetition interest at the non-default contract rate.
- (c) *Treatment:* Each Holder of an Allowed Term Loan Claim shall receive ordinary course Cash interest payments at the non-default contract rate through the earlier of the Effective Date or repayment or Reinstatement of the Term Loan Facility (as applicable). To the extent not already satisfied in full during the Chapter 11 Cases, on the Effective Date, each Holder of an Allowed Term Loan Claim shall receive either:
  - (i) payment in full in Cash; or
  - (ii) solely in the event that the Debtors cannot procure financing on terms acceptable to the Debtors and the Required Consenting Noteholders to repay the Term Loan Facility in full, Reinstatement of any such Allowed Term Loan Claim.
- (d) *Voting:* Class 5 is Unimpaired under the Plan. Holders of Term Loan Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.



6. Class 6 — First Lien Notes Claims

- (a) *Classification:* Class 6 consists of all First Lien Notes Claims.
- (b) *Allowance:* The First Lien Notes Claims are deemed Allowed in an amount equal to the sum of: (i) the principal amount outstanding, plus accrued but unpaid prepetition interest at the contract rate under the First Lien Notes Indenture; and (ii) accrued but unpaid postpetition interest at the non-default contract rate.
- (c) *Treatment:* Each Holder of an Allowed First Lien Notes Claim shall receive ordinary course Cash interest payments on its Allowed First Lien Notes Claim at the non-default contract rate through the earlier of the Effective Date or repayment or Reinstatement of the First Lien Notes (as applicable). To the extent not already satisfied in full during the Chapter 11 Cases, on the Effective Date, each Holder of an Allowed First Lien Notes Claim shall receive either:
  - (i) payment in full in Cash; or
  - (ii) solely in the event that the Debtors cannot procure financing on terms acceptable to the Debtors and the Required Consenting Noteholders to repay the First Lien Notes in full, Reinstatement of such Claim.
- (d) *Voting:* Class 6 is Unimpaired under the Plan. Holders of First Lien Notes Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

7. Class 7 — Second Lien Notes Claims

- (a) *Classification:* Class 7 consists of all Second Lien Notes Claims.
- (b) *Allowance:* The Second Lien Notes Claims are deemed Allowed in an amount equal to the sum of: (i) the principal amount outstanding, plus accrued but unpaid prepetition interest at the contract rate under the Second Lien Notes Indenture; and (ii) accrued but unpaid postpetition interest at the non-default contract rate.
- (c) *Treatment:* Each Holder of an Allowed Second Lien Notes Claim shall receive ordinary course Cash interest payments on its Allowed Second Lien Notes Claim at the non-default contract rate through the earlier of the Effective Date or repayment or Reinstatement of the Second Lien Notes (as applicable). To the extent not already satisfied in full during the Chapter 11 Cases, on the Effective Date, each Holder of an Allowed Second Lien Notes Claim shall receive either:
  - (i) payment in full in Cash; or
  - (ii) solely in the event that the Debtors cannot procure financing on terms acceptable to the Debtors and the Required Consenting Noteholders to repay the Second Lien Notes in full, Reinstatement of such Claim.
- (d) *Voting:* Class 7 is Unimpaired under the Plan. Holders of Second Lien Notes Claims are conclusively presumed to have accepted the Plan pursuant to

section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

8. Class 8 — Subsidiary Secured Notes Claims

- (a) *Classification:* Class 8 consists of all Subsidiary Secured Notes Claims.
- (b) *Allowance:* The Subsidiary Secured Notes Claims are deemed Allowed in an amount equal to the sum of: (i) the principal amount outstanding under the Verizon Secured Notes Indenture and Rural Utilities Service Loan Contracts; and (ii) accrued but unpaid postpetition interest at the non-default contract rate.
- (c) *Treatment:* On the Effective Date, each Allowed Subsidiary Secured Notes Claim shall be Reinstated. Each Holder of an Allowed Subsidiary Secured Notes Claim shall receive ordinary course Cash interest payments on its Allowed Subsidiary Secured Notes Claim at the applicable non-default contract rate through the Effective Date.
- (d) *Voting:* Class 8 is Unimpaired under the Plan. Holders of Subsidiary Secured Notes Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

9. Class 9 — Subsidiary Unsecured Notes Claims

- (a) *Classification:* Class 9 consists of all Subsidiary Unsecured Notes Claims.
- (b) *Allowance:* The Subsidiary Unsecured Notes Claims are deemed Allowed in an amount equal to the sum of the principal amount outstanding under the Subsidiary Unsecured Notes Indentures; *provided, however,* that to the extent it is determined by a Final Order that any postpetition payments made on account of the Subsidiary Unsecured Notes Claims were impermissible payments of postpetition interest under the Bankruptcy Code, then such payments shall be recharacterized and applied as a payment of principal owed under the applicable Subsidiary Unsecured Notes Indentures.
- (c) *Treatment:* On the Effective Date, each Allowed Subsidiary Unsecured Notes Claim shall be Reinstated. Each Holder of an Allowed Subsidiary Unsecured Notes Claim shall receive ordinary course Cash interest payments on its Allowed Subsidiary Unsecured Notes Claim at the applicable non-default contract rate through the Effective Date.
- (d) *Voting:* Class 9 is Unimpaired under the Plan. Holders of Subsidiary Unsecured Notes Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

10. Class 10 — Senior Notes Claims

- (a) *Classification:* Class 10 consists of all Senior Notes Claims.

- (b) *Allowance:* The Senior Notes Claims are deemed Allowed in the aggregate principal amount of \$[10.95 billion],<sup>6</sup> plus accrued and unpaid interest as of the Petition Date, consisting of:
- (i) \$[172 million] in aggregate principal amount on account of the 2020 April Notes, plus accrued and unpaid interest as of the Petition Date;
  - (ii) \$[55 million] in aggregate principal amount on account of the 2020 September Notes, plus accrued and unpaid interest as of the Petition Date;
  - (iii) \$[89 million] in aggregate principal amount on account of the 2021 July Notes, plus accrued and unpaid interest as of the Petition Date;
  - (iv) \$[220 million] in aggregate principal amount on account of the 2021 September Notes, plus accrued and unpaid interest as of the Petition Date;
  - (v) \$[500 million] in aggregate principal amount on account of the 2022 April Notes, plus accrued and unpaid interest as of the Petition Date;
  - (vi) \$[2.19 billion] in aggregate principal amount on account of the 2022 September Notes, plus accrued and unpaid interest as of the Petition Date;
  - (vii) \$[850 million] in aggregate principal amount on account of the 2023 Notes, plus accrued and unpaid interest as of the Petition Date;
  - (viii) \$[750 million] in aggregate principal amount on account of the 2024 Notes, plus accrued and unpaid interest as of the Petition Date;
  - (ix) \$[775 million] in aggregate principal amount on account of the 2025 January Notes, plus accrued and unpaid interest as of the Petition Date;
  - (x) \$[3.60 billion] in aggregate principal amount on account of the 2025 September Notes, plus accrued and unpaid interest as of the Petition Date;
  - (xi) \$[138 million] in aggregate principal amount on account of the 2025 November Notes, plus accrued and unpaid interest as of the Petition Dates;
  - (xii) \$[2 million] in aggregate principal amount on account of the 2026 Notes, plus accrued and unpaid interest as of the Petition Date;
  - (xiii) \$[346 million] in aggregate principal amount on account of the 2027 Notes, plus accrued and unpaid interest as of the Petition Date;
  - (xiv) \$[945 million] in aggregate principal amount on account of the 2031 Notes, plus accrued and unpaid interest as of the Petition Date;
  - (xv) \$[1 million] in aggregate principal amount on account of the 2034 Notes, plus accrued and unpaid interest as of the Petition Date;

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<sup>6</sup> **NTD:** Precise amounts to be computed for all tranches.

- (xvi) \$[125 million] in aggregate principal amount on account of the 2035 Notes, plus accrued and unpaid interest as of the Petition Date; and
- (xvii) \$[193 million] in aggregate principal amount on account of the 2046 Notes, plus accrued and unpaid interest as of the Petition Date.
- (c) *Treatment*: On the Effective Date, each Holder of an Allowed Senior Notes Claim shall receive
  - (i) its Pro Rata share of and interest in the Incremental Payment Amount that is to be made on account of such Holders' series of Senior Notes; and
  - (ii) its Pro Rata share of and interest in (after first reducing, for distribution purposes only, the amount of such Holder's Allowed Senior Notes Claim on a dollar-for-dollar basis by the amount of Incremental Payments, and solely to the extent actually paid):
    - A. 100% of Reorganized Frontier's New Common Stock, subject to dilution by the Management Incentive Plan;
    - B. the Takeback Debt, if any; and
    - C. the Surplus Cash, if any.
- (d) *Voting*: Class 10 is Impaired under the Plan. Therefore, such Holders are entitled to vote to accept or reject the Plan.

11. Class 11 — General Unsecured Claims

- (a) *Classification*: Class 11 consists of all General Unsecured Claims.
- (b) *Treatment*: To the extent not already satisfied during the Chapter 11 Cases, each Holder of an Allowed General Unsecured Claim shall receive, at the option of the applicable Debtor as reasonably acceptable to the Required Consenting Noteholders:
  - (i) payment in full in Cash of such Holder's Allowed General Unsecured Claim;
  - (ii) Reinstatement of such Holder's Allowed General Unsecured Claim; or
  - (iii) such other treatment rendering such Holder's Allowed General Unsecured Claim Unimpaired, in each case set forth above as reasonably acceptable to the Debtors and the Required Consenting Noteholders.
- (c) *Voting*: Class 11 is Unimpaired under the Plan. Holders of General Unsecured Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

12. Class 12 — Section 510(b) Claims

- (a) *Classification:* Class 12 consists of all Section 510(b) Claims.
- (b) *Allowance:* Notwithstanding anything to the contrary herein, a Section 510(b) Claim, if any such Section 510(b) Claim exists, may only become Allowed by Final Order of the Bankruptcy Court. [The Debtors are not aware of any valid Section 510(b) Claim and believe that no such Section 510(b) Claim exists.]
- (c) *Treatment:* Allowed Section 510(b) Claims, if any, shall be cancelled, released, discharged, and extinguished as of the Effective Date, and will be of no further force or effect, and Holders of Allowed Section 510(b) Claims will not receive any distribution on account of such Allowed Section 510(b) Claims.
- (d) *Voting:* Class 12 is Impaired under the Plan. Holders (if any) of Section 510(b) Claims are conclusively deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Therefore, Holders (if any) of 510(b) Claims are not entitled to vote to accept or reject the Plan.

13. Class 13 — Intercompany Claims<sup>7</sup>

- (a) *Classification:* Class 13 consists of all Intercompany Claims.
- (b) *Treatment:* On the Effective Date, all Intercompany Claims shall be, at the option of Reorganized Frontier, either (a) Reinstated or (b) cancelled without any distribution on account of such interests.
- (c) *Voting:* Holders of Intercompany Claims are either Unimpaired, and such Holders of Intercompany Claims are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code, or Impaired, and such Holders of Intercompany Claims are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

14. Class 14 — Intercompany Interests<sup>8</sup>

- (a) *Classification:* Class 14 consists of all Intercompany Interests.
- (b) *Treatment:* On the Effective Date, all Intercompany Interests shall be, at the option of Reorganized Frontier, either (a) Reinstated in accordance with Article III.G of the Plan or (b) cancelled without any distribution on account of such Intercompany Interests.
- (c) *Voting:* Holders of Intercompany Interests are either Unimpaired, and such Holders of Intercompany Interests are conclusively presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code, or Impaired, and such Holders of Intercompany Interests are conclusively presumed to have rejected the Plan

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<sup>7</sup> **NTD:** Subject to review.

<sup>8</sup> **NTD:** Subject to review.

pursuant to section 1126(g) of the Bankruptcy Code. Therefore, such Holders are not entitled to vote to accept or reject the Plan.

15. Class 15 — Interests in Frontier

- (a) *Classification:* Class 15 consists of all Interests in Frontier.
- (b) *Treatment:* On the Effective Date, all Interests in Frontier will be cancelled, released, and extinguished, and will be of no further force or effect.
- (c) *Voting:* Class 15 is Impaired under the Plan. Holders of Interests in Frontier are conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Interest in Frontier are not entitled to vote to accept or reject the Plan.

**D. Special Provision Governing Unimpaired Claims**

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claim, including all rights in respect of legal and equitable defenses to or setoffs or recoupments against any such Unimpaired Claim. [Unless otherwise Allowed, Claims that are Unimpaired shall remain Disputed Claims under the Plan.] No Make-Whole Claims shall be Allowed Claims under the Plan.

**E. Elimination of Vacant Classes; Presumed Acceptance by Non-Voting 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 in an amount greater than zero as of the date of the Confirmation Hearing shall be considered vacant and 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. If a Class contains 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 Holders of such Claims or Interests in such Class shall be presumed to have accepted the Plan.

**F. Subordinated Claims**

Except as expressly provided herein, the allowance, classification, and treatment of all Allowed Claims against and Allowed Interests in the Debtors and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors and the Reorganized Debtors reserve the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

**G. Intercompany Interests**

To the extent Reinstated 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 given the existing intercompany systems connecting the Debtors and their Affiliates, and in

exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the Holders of Allowed Claims.

#### **H. 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.

#### **I. Confirmation Pursuant to Sections 1129(a)(10) and 1129(b) of the Bankruptcy Code**

Section 1129(a)(10) of the Bankruptcy Code is satisfied for purposes of Confirmation by acceptance of the Plan by at least one Impaired Class of Claims or Interests. 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. The Debtors reserve the right to modify the Plan in accordance with Article X of the Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification, including by modifying the treatment applicable to a Class of Claims or Interests to render such Class of Claims or Interests Unimpaired to the extent permitted by the Bankruptcy Code and the Bankruptcy Rules.

### **ARTICLE IV.**

#### **PROVISIONS FOR IMPLEMENTATION OF THE PLAN**

##### **A. General Settlement of Claims and Interests**

As discussed in detail in the Disclosure Statement and as otherwise provided herein, pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases, and other benefits provided under the Plan, on the Effective Date, the provisions of the Plan shall constitute a good-faith compromise and settlement of all Claims, Interests, Causes of Action, and controversies released, settled, compromised, discharged, or otherwise resolved pursuant to the Plan. The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, Causes of Action, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of such compromise and settlement under section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 of all such Claims, Interests, Causes of Action, and controversies, as well as a finding by the Bankruptcy Court that such compromise and settlement is fair, equitable, reasonable, and in the best interests of the Debtors, their Estates, and Holders of Claims and Interests. Subject to Article VI of the Plan, all distributions made to Holders of Allowed Claims and Allowed Interests in any Class are intended to be and shall be final.

##### **B. Restructuring Transactions<sup>9</sup>**

On or before the Effective Date, the applicable Debtors, with the consent of the Required Consenting Noteholders (not to be unreasonably withheld), or Reorganized Debtors will take any action as may be necessary or advisable to effectuate the Restructuring Transactions described in the Plan and Restructuring Transactions Memorandum, including: (1) the execution and delivery of any New Organizational Documents, including any appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, formation, organization,

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<sup>9</sup> **NTD:** Subject to review.

dissolution, or liquidation, in each case, containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree, including the documents comprising the Plan Supplement; (2) 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; (3) the filing of any New Organizational Documents, including any appropriate certificates or articles of incorporation, reincorporation, merger, amalgamation, consolidation, conversion, or dissolution pursuant to applicable state law; (4) such other transactions that are required to effectuate the Restructuring Transactions, including any sales, mergers, consolidations, restructurings, conversions, dispositions, transfers, formations, organizations, dissolutions, or liquidations; (5) the execution, delivery, and filing of the Exit Facility Documents; (6) the execution, delivery, and filing of the Takeback Debt Documents, if any; and (7) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

The Confirmation Order shall and shall be deemed to, pursuant to sections 1123 and 363 of the Bankruptcy Code, authorize, among other things, all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including the Restructuring Transactions.

#### **C. Sources of Consideration for Plan Distributions**

The Debtors shall fund distributions under the Plan with: (i) Cash held on the Effective Date by or for the benefit of the Debtors, (ii) the New Common Stock, and (iii) the Exit Facility, Takeback Debt, and/or third-party market financing, as applicable. The Reorganized Debtors will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and will not violate the terms of the Plan.

From and after the Effective Date, the Reorganized Debtors, shall have the right and authority without further order of the Bankruptcy Court to raise additional capital and obtain additional financing as the boards of directors of the applicable Reorganized Debtors deem appropriate.

#### **D. Takeback Debt**

On the Effective Date, one or more of the Reorganized Debtors shall issue the Takeback Debt in the Takeback Debt Principal Amount to the Holders of Senior Notes Claims. The Takeback Debt Documents shall provide for, among other things:

- i. an interest rate that is either (a) no more than 2.50% higher than the interest rate of the next most junior secured debt facility to be entered into by the Reorganized Debtors on the Effective Date if the Takeback Debt is secured on a third lien basis or (b) no more than 3.50% higher than the interest rate of the most junior secured debt facility to be entered into on the Effective Date if the Takeback Debt is unsecured;
- ii. a maturity of no less than one year outside of the longest-dated debt facility to be entered into by the Reorganized Debtors on the Effective Date; *provided, however*, that in no event shall the maturity of the Takeback Debt be longer than eight years from the Effective Date; and



- iii. to the extent that the Allowed Second Lien Notes Claims are Reinstated under the Plan, the Takeback Debt will be third lien debt; *provided, however*, that, to the extent the Allowed Second Lien Notes Claims are paid in full in Cash during the pendency of the Chapter 11 Cases or under the Plan, the Debtors and the Required Consenting Noteholders will agree on whether the Takeback Debt will be secured or unsecured within three Business Days of the Debtors' delivery to the Consenting Noteholders of a term sheet for the financing to repay the Allowed Second Lien Notes Claims in full in Cash that contains terms and conditions reasonably acceptable to the Debtors and the Required Consenting Noteholders.

For the avoidance of doubt, all other terms of the Takeback Debt, including, without limitation, covenants and governance, shall be reasonably acceptable to the Debtors and the Required Consenting Noteholders and otherwise consistent with the Restructuring Support Agreement. Notwithstanding anything to the contrary herein, in no event shall the terms of the Takeback Debt be more restrictive than those terms contained in the Second Lien Notes Indenture. Any terms of the Takeback Debt other than the Takeback Debt Principal Amount may be modified subject to the consent of the Debtors and the Required Consenting Noteholders.

The Takeback Debt Principal Amount is subject to downward adjustment by Consenting Noteholders holding at least sixty-six and two-thirds percent of the aggregate outstanding principal amount of Senior Notes that are held by all Consenting Noteholders (the "Determining Noteholders"). Any such downward adjustment to the Takeback Debt Principal Amount must be determined by the Debtors and the Determining Noteholders no later than thirty days prior to the Effective Date.

On the Effective Date, one or more of the Reorganized Debtors shall execute and deliver the Takeback Debt Documents and such documents shall become effective in accordance with their terms, all in accordance with the Restructuring Transactions Memorandum. On and after the Effective Date, the Takeback Debt Documents shall constitute legal, valid, and binding obligations of such applicable Reorganized Debtors and shall be enforceable in accordance with their respective terms. The terms and conditions of the Takeback Debt Documents shall bind each such Reorganized Debtor and each other Entity that enters into such Takeback Debt Documents, whether as a guarantor, if any, or otherwise. Any Entity's acceptance of Takeback Debt shall be deemed as its agreement to the terms of the Takeback Debt Documents, as amended, amended and restated, supplemented, or otherwise modified from time to time following the Effective Date in accordance with their terms.

Confirmation shall be deemed approval of the Takeback Debt Documents (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations and guarantees to be incurred and fees and expenses paid in connection therewith) and, to the extent not approved by the Bankruptcy Court previously, the Reorganized Debtors will be authorized to execute and deliver those documents necessary or appropriate to obtain the Takeback Debt, including the Takeback Debt Documents, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization, or approval of any Person, subject to such modifications as the Reorganized Debtors may deem to be necessary to enter into the Takeback Debt Documents.

In the event the Allowed Second Lien Notes Claims are Reinstated, on the Effective Date, all of the claims, liens, and security interests to be granted in accordance with the terms of the Takeback Debt Documents, (1) shall be deemed to be granted, (2) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the Takeback Debt Documents, (3) shall be deemed automatically attached and perfected on the Effective Date (without any further action being required by the Debtors, the Reorganized Debtors, as applicable, the applicable Agents, or any of the applicable lenders), subject only to such other liens and security interests as may be permitted

under the Takeback Debt Documents, and (4) shall not be subject to 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 applicable non-bankruptcy law. The Debtors, the Reorganized Debtors, as applicable, and the Entities granting such Liens and security interests 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, and any such filings, recordings, approvals, and consents shall not be required) 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.

Notwithstanding anything herein, the Takeback Debt may be replaced with cash proceeds of third-party market financing that becomes available prior to the Effective Date; *provided*, that the third-party market financing shall contain terms no less favorable to the Reorganized Debtors than those contemplated for the Takeback Debt.

#### **E. Exit Facility**

On the Effective Date, the Exit Facility Documents shall constitute legal, valid, binding, and authorized obligations of one or more of either the Reorganized Debtors or the Debtors, as applicable, and following the consummation of the Restructuring Transactions, the Exit Facility Documents shall constitute legal, valid, binding, and authorized obligations of the applicable Reorganized Debtors, enforceable in accordance with their terms. The financial accommodations to be extended pursuant to the Exit Facility Documents are being extended and shall be deemed to have been extended in good faith and for legitimate business purposes and are reasonable and shall not be subject to 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 other applicable non-bankruptcy law. On the Effective Date, all of the Liens and security interests to be granted in accordance with the Exit Facility Documents (1) shall be deemed to be granted, (2) shall be legal, binding, and enforceable Liens on and security interests in the collateral granted thereunder in accordance with the terms of the Exit Facility Documents, (3) shall be deemed automatically attached and perfected on the Effective Date (without any further action being required by the Debtors, the Reorganized Debtors, as applicable, the applicable Agents, or any of the applicable lenders), having the priority set forth in the Exit Facility Documents and subject only to such Liens and security interests as may be permitted under the Exit Facility Documents, and (4) shall not be subject to 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 Debtors, the Reorganized Debtors, as applicable, and the Entities granted such Liens and security interests 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, and any such filings, recordings, approvals, and consents shall not be required) 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.

The Exit Facility and any other third-party debt facilities to be entered into on the Effective Date shall be on terms and conditions (including as to amount) reasonably acceptable to the Debtors and reasonably acceptable to the Required Consenting Noteholders.

#### **F. Issuance and Distribution of the New Common Stock<sup>10</sup>**

On the Effective Date, Reorganized Frontier shall issue the New Common Stock and cause it to be transferred to Frontier pursuant to the Restructuring Transactions, the Interests in Frontier shall be cancelled, and Frontier shall transfer the New Common Stock (along with the other consideration described in this Plan) to the Holders of Senior Notes Claims in exchange for such Holders' respective Claims against or Interests in the Debtors (including their respective Senior Notes Claims) as set forth in Article III.C hereof. The issuance of the New Common Stock by Reorganized Frontier and the transfer of the New Common Stock by Frontier to the Holders of Senior Notes Claims is authorized without the need for any further corporate action and without the need for any further action by Holders of any Claims or Interests.

All of the New Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the New Common Stock 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. For the avoidance of doubt, the acceptance of New Common Stock by any Holder of any Claim or Interest shall be deemed as such Holder's agreement to the New Organizational Documents, as may be amended or modified from time to time following the Effective Date in accordance with their terms.

[It is intended that the New Common Stock will be publicly traded and Reorganized Frontier will seek to obtain a listing for the New Common Stock on a recognized U.S. stock exchange as promptly as reasonably practicable on or after the date on which such New Common Stock is issued. However, Reorganized Frontier shall have no liability if it does not or is unable to do so. In the event the New Common Stock is listed on a recognized U.S. stock exchange, recipients accepting distributions of New Common Stock, including the Required Consenting Noteholders, shall be deemed to have agreed to cooperate with Reorganized Frontier's reasonable requests to assist in its efforts to list the New Common Stock on a recognized U.S. stock exchange. Subject to meeting the applicable requirements for pink sheet trading and cooperation from a market maker, in the event that listing on a recognized U.S. stock exchange has not occurred by or on the date on which such New Common Stock is issued, Reorganized Frontier will use commercially reasonable efforts to qualify the New Common Stock for trading in the pink sheets or otherwise qualify the New Common Stock as "regularly traded" as defined in Treas. Reg. Section 1.897-9T(d) until such time as the New Common Stock is listed on a recognized U.S. stock exchange.<sup>11</sup>]<sup>12</sup>

#### **G. Corporate Existence**

Except as otherwise provided in the Plan, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated

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<sup>10</sup> **NTD:** Process for determining foreign ownership and whether special warrants will be necessary to be discussed.

<sup>11</sup> **NTD:** To confirm whether the New Common Stock can be listed on the OTCQX or OTCQB at emergence for tax purposes.

<sup>12</sup> **NTD:** Proposed language with respect to Reorganized Debtors being public under review and consideration.

or formed and pursuant to the respective certificates or articles of incorporation, certificates of formation, certificates of organization, or certificates of limited partnership and bylaws, operating agreements, limited liability company agreements, or limited partnership agreements (or other formation documents) in effect prior to the Effective Date, except to the extent such certificates or articles of incorporation, certificates of formation, certificates of organization, or certificates of limited partnership and bylaws, operating agreements, limited liability company agreements, or limited partnership agreements (or other formation documents) are amended pursuant to 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 under applicable state or federal law). After the cancellation of the Interests in Frontier, the former equityholders of Frontier shall not, on account of their former ownership of Interests in Frontier, own or be deemed to own any interest, directly or indirectly, in Frontier, any Reorganized Debtor, or any of their assets.

## **H. New Organizational Documents**

To the extent advisable or required under the Plan or applicable non-bankruptcy law, on or prior to the Effective Date, except as otherwise provided in the Plan or the Restructuring Transactions Memorandum, the Reorganized Debtors will file their respective New Organizational Documents with the applicable Secretary of State and/or other applicable authorities in the state, province, or country of incorporation or formation in accordance with the applicable corporate or formational laws of the respective state, province, or country of incorporation. The New Organizational Documents of Reorganized Frontier shall, among other things: (1) authorize the issuance of the New Common Stock; and (2) pursuant to and only to the extent required by section 1123(a)(6) of the Bankruptcy Code, prohibit the issuance of non-voting equity securities. After the Effective Date, the Reorganized Debtors may amend, amend and restate, supplement, or modify the New Organizational Documents, and the Reorganized Debtors may file their respective certificates or articles of incorporation, certificates of formation, certificates of organization, certificates of limited partnership, or certificates of conversion, limited liability company agreements, operating agreements, or limited partnership agreements, or such other applicable formation documents, and other constituent documents as permitted by the laws of the respective states, provinces, or countries of incorporation or formation and the New Organizational Documents.

## **I. Directors and Officers of the Reorganized Debtors**

### **1. The New Board**

As of the Effective Date, the terms of the current members of the board of directors of Frontier shall expire, and, without further order of the Bankruptcy Court, the New Board of Reorganized Frontier shall be appointed. The New Board will initially consist of directors who shall be determined by the Required Consenting Noteholders.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, to the extent known, the identity of the members of the New Board will be disclosed in the Plan Supplement or prior to the commencement of the Confirmation Hearing. [The directors of each of the subsidiary Debtors shall consist of either existing directors of such Debtor or such persons as designated in the Plan Supplement or prior to the commencement of the Confirmation Hearing, and remain in such capacities as directors of the applicable Reorganized Debtor until replaced or removed in accordance with the New Organizational Documents of the applicable Reorganized Debtor.]

From and after the Effective Date, each director (or director equivalent) of the Reorganized Debtors shall serve pursuant to the terms of the respective Reorganized Debtor's charters and bylaws or other

formation and constituent documents, and applicable laws of the respective Reorganized Debtor's jurisdiction of formation.

#### **J. FCC Applications and PUC Applications**

The FCC Applications and PUC Applications will be filed as soon as reasonably practicable after the filing of the Plan, with respect to the Restructuring Transactions contemplated by the Plan. The Debtors or the Reorganized Debtors, as applicable, shall diligently prosecute the FCC Applications and the PUC Applications, and shall promptly provide such additional documents or information requested by the FCC or any PUC in connection with the review of the foregoing.

Any agreements with or commitments to the FCC or any PUCs by the Debtors, including any decision to accept and/or not to oppose any proposed material conditions or limitations on any such required approvals shall require the prior approval of the Required Consenting Noteholders, not to be unreasonably withheld.

#### **K. Corporate Action**

Upon the Effective Date, all actions contemplated under the Plan shall be deemed authorized and approved in all respects, and, to the extent taken prior to the Effective Date, ratified without any requirement for further action by Holders of Claims or Interests, directors, managers, managing-members, limited or general partners, or officers of the Debtors, the Reorganized Debtors, or any other Entity, including: (1) selection of the directors, managers, members, and officers for the Reorganized Debtors, including the appointment of the New Board or any directors of a subsidiary Debtor; (2) the issuances, transfer, and distribution of the New Common Stock; (3) the formation of any entities pursuant to and the implementation of the Restructuring Transactions and performance of all actions and transactions contemplated hereby and thereby; (4) adoption and filing of the New Organizational Documents; (5) the rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases; (6) the entry into the Exit Facility and the execution, entry into, delivery and filing of the Exit Facility Documents; (7) the execution, delivery, and filing of the Takeback Debt Documents, if any; (8) reservation of the Management Incentive Plan Pool; and (9) all other acts or actions contemplated by the Plan or reasonably necessary or appropriate to promptly consummate the Restructuring Transactions (whether to occur before, on, or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, as applicable, and any corporate action required by the Debtors or the Reorganized Debtors, as applicable, in connection with the Plan shall be deemed to have occurred on, and shall be in effect as of, the Effective Date, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Reorganized Debtors, as applicable. On or, as applicable, prior to the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors, as applicable, shall be authorized and, as applicable, directed to issue, execute, and deliver the agreements, documents, Securities, certificates of incorporation, certificates of formation, bylaws, operating agreements, and instruments contemplated under the Plan (or necessary or desirable to effect the transactions contemplated under the Plan) in the name of and on behalf of the Reorganized Debtors, including the New Common Stock, the Exit Facility Documents, the Takeback Debt Documents, and the New Organizational Documents, and any and all other agreements, documents, Securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this Article IV.K shall be effective notwithstanding any requirements under non-bankruptcy law.

#### **L. Vesting of Assets in the Reorganized Debtors**

Except as otherwise provided in the Plan (including, for the avoidance of doubt, the Restructuring Transactions), or in any agreement, instrument, or other document incorporated in the Plan, notwithstanding

any prohibition of assignability under applicable non-bankruptcy law and in accordance with section 1141 of the Bankruptcy Code, on the Effective Date, all property in each Debtor's Estate, all Causes of Action of the Debtors (unless otherwise released or discharged pursuant to the Plan), and any property acquired by any of the Debtors under the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for Liens securing obligations on account of any Term Loan Claims, First Lien Notes Claims, Second Lien Notes Claims, Subsidiary Secured Notes Claims, or Other Secured Claims that are Reinstated pursuant to the Plan and Liens securing obligations under the Exit Facility Documents and the Takeback Debt). On and after the Effective Date, except as otherwise provided herein, and subject to compliance with the applicable provisions of the Communications Act, 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.

**M. Cancellation of Notes, Instruments, Certificates, and Other Documents**

On the Effective Date, except as otherwise specifically provided in the Plan, the Confirmation Order, or any agreement, instrument, or other document entered into in connection with or pursuant to the Plan or the Restructuring Transactions, all notes, bonds, indentures, Certificates, Securities, shares, purchase rights, options, warrants, collateral agreements, subordination agreements, intercreditor agreements, or other instruments or documents directly or indirectly evidencing, creating, or relating to any indebtedness or obligations of, or ownership interest in, the Debtors giving rise to any rights or obligations relating to Claims against or Interests in the Debtors (except with respect to any Claim or Interest that is Reinstated pursuant to the Plan) shall be deemed cancelled and surrendered without any need for a Holder to take further action with respect thereto, and the obligations of the Debtors or the Reorganized Debtors, as applicable, and any non-Debtor Affiliates thereunder or in any way related thereto shall be deemed satisfied in full, released, and discharged; *provided* that, notwithstanding such cancellation, satisfaction, release, and discharge, anything to the contrary contained in the Plan or Confirmation Order, Confirmation, or the occurrence of the Effective Date, any such document or instrument that governs the rights, claims, or remedies of the Holder of a Claim or Interest shall continue in effect solely for purposes of allowing Holders to receive distributions as specified under the Plan.

**N. Effectuating Documents; Further Transactions**

On and after the Effective Date, the Reorganized Debtors, and the directors, managers, partners, officers, authorized persons, and members thereof, 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, the Restructuring Transactions, the New Common Stock, the New Organizational Documents, the Exit Facility, the Takeback Debt, and any other Securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorizations, or consents except for those expressly required under the Plan.

**O. Section 1145 Exemption**

The shares of New Common Stock and the Takeback Debt (if applicable) being issued under the Plan will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon (i) section 1145 of the Bankruptcy Code (except with respect to an entity that is an "underwriter" as defined in subsection (b) of section 1145 of the Bankruptcy Code) or (ii) only to the extent that such exemption under section 1145 of the Bankruptcy Code is not available (including with respect to an entity that is an "underwriter") pursuant to section 4(a)(2) under the Securities Act and/or Regulation D thereunder.

Securities issued 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 and (a) are not “restricted securities” as defined in Rule 144(a)(3) under the Securities Act and (b) are freely tradable and transferable by any holder thereof that, at the time of transfer, (1) is not an “affiliate” of the Reorganized Debtors as defined in Rule 144(a)(1) under the Securities Act, (2) has not been such an “affiliate” within ninety (90) days of such transfer, (3) has not acquired such securities from an “affiliate” within one year of such transfer and (4) is not an entity that is an “underwriter.”

To the extent any shares of New Common Stock and Takeback Debt (if applicable) are issued in reliance on section 4(a)(2) of the Securities Act or Regulation D thereunder, such shares or Takeback Debt (as applicable), 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.

New Common Stock constituting or issued with respect to any Emergence Awards will be issued pursuant to a registration statement or an exemption from registration under the Securities Act and applicable state and local securities laws.

Should the Reorganized Debtors elect on or after the Effective Date to reflect any ownership of the New Common Stock and/or the Takeback Debt (if applicable) to be issued under the Plan through the facilities of 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 New Common Stock and the Takeback Debt (if applicable), as applicable, 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 New Common Stock and/or the Takeback Debt (if applicable) 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 Entity (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 New Common Stock and the Takeback Debt (if applicable) to be issued under the Plan are exempt from registration and/or eligible for DTC book-entry delivery, settlement, and depository services.

#### **P. Section 1146(a) Exemption**

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfers (whether from a Debtor to a Reorganized Debtor or to any other Entity) of property under the Plan or pursuant to: (1) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors; (2) the Restructuring Transactions; (3) the creation, modification, consolidation, termination, refinancing, and/or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (4) the making, assignment, or recording of any lease or sublease; or (5) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, 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, real estate transfer tax, mortgage recording tax, sales or use tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, 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 without the payment of any such tax, recordation fee, or governmental assessment. All filing

or recording officers (or any other Person with authority over any of the foregoing), wherever located and by whomever appointed, shall comply with the requirements of section 1146(c) of the Bankruptcy Code, shall forgo the collection of any such tax or governmental assessment, and shall accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

**Q. Management Incentive Plan**

The Management Incentive Plan Pool shall be established and reserved for grants to be made from time to time from such pool to management employees of the Reorganized Debtors at the discretion of the New Board effective as of the Effective Date. The terms and conditions (including, without limitation, with respect to participants, form, allocation, structure, duration and timing, and extent of issuance and vesting) shall be determined at the discretion of the New Board after the Effective Date; *provided*, that up to fifty percent of the Management Incentive Plan Pool may be allocated prior to the Effective Date as emergence grants (“Emergence Awards”) to individuals selected to serve in key senior management positions after the Effective Date (as and when such individuals are selected as contemplated by and subject to the consent rights specified in the Restructuring Support Agreement); *provided, further*, that the Emergence Awards will have terms and conditions (including, without limitation, with respect to form, allocation, structure, duration, timing, and extent of issuance and vesting) that are acceptable to the Debtors and the Required Consenting Noteholders.

**R. Employee Matters**

Except as provided herein or in the Plan Supplement, or pursuant to an order of the Bankruptcy Court, or any applicable law, contract, instrument, release, or other agreement or document, all employee wages, compensation, and benefit programs, and collective bargaining agreements, including without limitation under any expired 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. All Proofs of Claim filed for amounts due under any collective bargaining agreement and any cure obligation shall be considered satisfied by the agreement and obligation to assume and cure in the ordinary course.

**S. Qualified Defined Benefit Plan**

Frontier sponsors a defined benefit pension plan covered by Title IV of the Employee Retirement Security Act of 1974, as amended (“ERISA”). Reorganized Frontier will assume the Frontier Communications Pension Plan (the “Pension Plan”) in accordance with its terms on the Effective Date and the relevant provisions of ERISA and the Internal Revenue code. Reorganized Frontier, and all members of its controlled group, are obligated to pay contributions to the Pension Plan necessary to satisfy the minimum funding standards under section 412 of the Internal Revenue Code and section 302 of ERISA.

**T. 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 (1) all applicable workers’ compensation laws in states in which the Reorganized Debtors operate and (2) the Debtors’ applicable written contracts, agreements, agreements of indemnity, self-insured workers’ compensation bonds, policies, programs, and plans, in each case, for workers’ compensation and workers’ compensation insurance. Any and 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.

#### **U. Preservation of Rights of Action**

In accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue 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, including in Article VIII of the Plan, which shall be deemed released and waived by the Debtors and Reorganized Debtors as of the Effective Date.

The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, the Disclosure Statement, or the Schedule of Retained Causes of Action 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 provided in the Plan, including Article VIII of the Plan.** Unless any Cause of Action of the Debtors against an Entity is expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or pursuant to a Final Order, the Reorganized Debtors expressly reserve all such 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 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 Cause of Action that a Debtor may hold against any Entity shall vest in the applicable Reorganized Debtor, except as otherwise provided in the Plan, including Article VIII of 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, or to decline to do any of the foregoing, without the consent or approval of any third party or any further notice to or action, order, or approval of the Bankruptcy Court.

#### **V. Release of Preference Actions**

On the Effective Date, the Debtors, on behalf of themselves and their Estates, shall release any and all Avoidance Actions arising under section 547 of the Bankruptcy Code or any comparable "preference" action arising under applicable nonbankruptcy law; *provided* that the Reorganized Debtors shall retain the right to assert counterclaims or defenses to claims asserted against the Debtors or Reorganized Debtors, as applicable, based thereon.

**W. Consenting Noteholder Fees**

On the Confirmation Date, the Debtors shall pay all Consenting Noteholder Fees in Cash to the extent not already paid by the Debtors subject to receipt by the Debtors of an invoice from any Entity entitled to a Consenting Noteholder Fee and in accordance with the applicable engagement letter. On and after the Confirmation Date, the Debtors or the Reorganized Debtors, as applicable, shall pay all Consenting Noteholder Fees in Cash, to the extent not already paid by the Debtors, in each case, within ten Business Days of receipt by the Debtors or the Reorganized Debtors, as applicable, of an invoice from any Entity entitled to a Consenting Noteholder Fee for any unpaid Consenting Noteholder Fees in accordance with the applicable engagement letter.

**X. [Payment of Trustee Fees]**

[On the Effective Date, the Debtors shall pay all Trustee Fees in Cash to the extent not already paid by the Debtors subject to receipt by the Debtors of an invoice from any Entity entitled to a Trustee Fee. On and after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, shall pay all Trustee Fees in Cash, to the extent not already paid by the Debtors or the Reorganized Debtors, in each case, within ten Business Days of receipt by the Debtors or the Reorganized Debtors, as applicable, of an invoice from any Entity entitled to a Trustee Fee for any unpaid Trustee Fees.]<sup>13</sup>

**Y. Payment of Board Observer Fees**

On the Effective Date, the Debtors shall pay all Board Observer Fees in Cash to the extent not already paid by the Debtors.

**ARTICLE V.  
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**A. Assumption and Rejection of Executory Contracts and Unexpired Leases**

Except as otherwise provided herein, each Executory Contract and Unexpired Lease shall be deemed assumed, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code, unless such Executory Contract or Unexpired Lease (a) was previously assumed, assumed and assigned, or rejected by the Debtors; (b) previously expired or terminated pursuant to its own terms; (c) is the subject of a motion to assume, assume and assign, or reject Filed on or before the Confirmation Date that is pending on the Effective Date; or (d) is designated specifically, or by category, as an Executory Contract or Unexpired Lease on the Schedule of Rejected Executory Contracts and Unexpired Leases, if any. The assumption of Executory Contracts and Unexpired Leases hereunder may include the assignment of certain of such contracts to Affiliates. The Confirmation Order will constitute an order of the Bankruptcy Court approving the above-described assumptions and assignments, all pursuant to sections 365(a) and 1123 of the Bankruptcy Code and effective on the occurrence of the Effective Date. Notwithstanding anything to the contrary in the Plan, the Debtors or the Reorganized Debtors, as applicable, shall have the right to alter, amend, modify, or supplement the Schedule of Rejected Executory Contracts and Unexpired Leases at any time through and including 45 days after the Effective Date.

Except as otherwise provided herein or agreed to by the Debtors and the applicable counterparty, each assumed Executory Contract or Unexpired Lease shall include all modifications, amendments,

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<sup>13</sup> **NTD:** Subject to review.

supplements, restatements, or other agreements related thereto. 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 any “change of control” provision), then such provision shall be deemed modified such that the transactions contemplated by the Plan shall not entitle the non-Debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto. Modifications, amendments, supplements, and restatements to 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.

**B. Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases**

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of preexisting obligations owed to the Debtors or the Reorganized Debtors, as applicable, under such Executory Contract or Unexpired Lease. Without limiting the general nature of the foregoing, and notwithstanding any non-bankruptcy law to the contrary, the Debtors and Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors contracting from non-Debtor counterparties to any rejected Executory Contract or Unexpired Lease.

**C. Claims Based on Rejection of Executory Contracts or Unexpired Leases**

Counterparties to Executory Contracts or Unexpired Leases listed on the Schedule of Rejected Executory Contracts and Leases, if any, shall be served with a notice of rejection of Executory Contracts and Unexpired Leases with the Plan Supplement. Unless otherwise provided by a Final Order of the Bankruptcy Court, all Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Claims, Noticing, and Solicitation Agent and served on the Debtors or Reorganized Debtors, as applicable, no later than thirty days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed with the Bankruptcy Court within such time will be automatically disallowed, forever barred from assertion, and shall not be enforceable against the Debtors or the Reorganized Debtors, the Estates, or their property without the need for any objection by the Reorganized Debtors 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, and be subject to the permanent injunction set forth in Article VIII.E of the Plan, including any Claims against any Debtor listed on the Debtors’ schedules as unliquidated, contingent, or disputed.** All Allowed Claims arising from the rejection by any Debtor of any Executory Contract or Unexpired Lease shall be treated as a General Unsecured Claim in accordance with Article III.C of the Plan.

**D. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed**

The Debtors or the Reorganized Debtors, as applicable, shall pay Cures, if any, on the Effective Date, with the amount and timing of payment of any such Cure dictated by the Debtors’ ordinary course of business. Unless otherwise agreed upon in writing by the parties to the applicable Executory Contract or Unexpired Lease, all requests for payment of Cure that differ from the ordinary course amounts paid or proposed to be paid by the Debtors or the Reorganized Debtors must be Filed with the Claims, Noticing, and Solicitation Agent on or before thirty days after the Effective Date. Any such request that is

not timely Filed shall be disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any other party in interest or any further notice to or action, order, or approval of the Bankruptcy Court. Any Cure shall be deemed fully satisfied, released, and discharged upon payment by the Debtors or the Reorganized Debtors of the Cure in the Debtors' ordinary course of business; *provided, however*, 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. The Reorganized Debtors may also settle any Cure Claim without any further notice to or action, order, or approval of the Bankruptcy Court. In addition, any objection to the assumption of an Executory Contract or Unexpired Lease under the Plan must be Filed with the Bankruptcy Court on or before thirty days after the Effective Date. Any such objection will be scheduled to be heard by the Bankruptcy Court at the Debtors' first scheduled omnibus hearing for which such objection is timely Filed. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease will be deemed to have consented to such assumption.

In the event of a dispute regarding: (1) the amount of any Cure Claim, (2) 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 assumed and assigned, as applicable), or (3) any other matter pertaining to assumption or assignment, then any disputed Cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made as soon as reasonably practicable following the entry of a Final Order of the Bankruptcy Court resolving such dispute or as may be agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease, and any such unresolved dispute shall not prevent or delay implementation of the Plan or the occurrence of the Effective Date.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise and full payment of any applicable Cure pursuant to this Article V.D, in the amount and at the time dictated by the Debtors' ordinary course of business, shall result in the full release and satisfaction of any Cures, 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 prior to the effective date of assumption. **Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, including pursuant to the Confirmation Order, and for which any Cure has been fully paid pursuant to this Article V.D, in the amount and at the time dictated by the Debtors' ordinary course of business, shall be deemed disallowed and expunged as of the Effective Date without the need for any objection thereto or any further notice to or action, order, or approval of the Bankruptcy Court.**

#### **E. Indemnification Provisions**

On and as of the Effective Date, the Indemnification Provisions will be assumed by the Debtors, and shall be reinstated and remain intact, irrevocable, and shall survive the Effective Date. The Reorganized Debtors' governance documents shall provide for indemnification, defense, reimbursement, and limitation of liability of, and advancement of fees and expenses to, the Reorganized Debtors' current and former directors, managers, officers, members, employees, attorneys, accountants, investment bankers, and other professionals of the Debtors to the fullest extent permitted by law and at least to the same extent as provided under the Indemnification Provisions against any Cause of Action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, asserted or unasserted; *provided* that the Reorganized Debtors shall not indemnify any Person for any Cause of Action arising out of or related to any act or omission that is a criminal act or constitutes actual fraud, gross negligence, bad faith, or willful misconduct. None of the Reorganized

Debtors will amend or restate their respective governance documents before, on, or after the Effective Date to terminate or materially adversely affect any of the Reorganized Debtors' obligations to provide such rights to indemnification, defense, reimbursement, limitation of liability, or advancement of fees and expenses. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the Indemnification Provisions.

#### **F. Restructuring Support Agreement**

The Restructuring Support Agreement shall be deemed assumed in its entirety pursuant to sections 105, 363, and 365 of the Bankruptcy Code, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, upon entry of the Confirmation Order. Upon the entry of the Confirmation Order, the Restructuring Support Agreement shall be effective and binding upon all parties in interest, including, without limitation, all creditors of any of the Debtors, the Creditors' Committee, and the Debtors, and their respective successors and assigns, whether in these chapter 11 cases, in any successor chapter 11 or chapter 7 cases, or upon any dismissal of any of these chapter 11 cases or any successor chapter 11 or chapter 7 cases, and shall inure to the benefit of the Consenting Noteholders and the Debtors and their respective permitted successors and assigns.

#### **G. Insurance Policies**

Each D&O Liability Insurance Policy (including, without limitation, any "tail policy" and all agreements, documents, or instruments related thereto) shall be deemed assumed, without the need for any further notice to or action, order, or approval of the Bankruptcy Court, as of the Effective Date, pursuant to section 365 of the Bankruptcy Code.

The Debtors or the Reorganized Debtors, as applicable, shall not terminate or otherwise reduce the coverage under any D&O Liability Insurance Policy (including, without limitation, any "tail policy" and all agreements, documents, or instruments related thereto) in effect prior to the Effective Date, and any current and former directors, officers, managers, and employees of the Debtors who served in such capacity at any time before or after the Effective Date shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such directors, officers, managers, and employees remain in such positions after the Effective Date. Notwithstanding anything to the contrary in the Plan, the Debtors or the Reorganized Debtors shall retain the ability to supplement such D&O Liability Insurance Policy as the Debtors or Reorganized Debtors may deem necessary.

The Debtors shall continue to satisfy their surety bonds and insurance policies in full and continue such programs in the ordinary course of business. Each of the Debtors' surety bonds and insurance policies, and any agreements, documents, or instruments relating thereto shall be treated as Executory Contracts under the Plan. Unless otherwise provided in the Plan, on the Effective Date: (a) the Debtors shall be deemed to have assumed all such surety bonds and insurance policies and any agreements, documents, and instruments relating to coverage of all insured Claims; and (b) such surety bonds and insurance policies and any agreements, documents, or instruments relating thereto shall revert in the applicable Reorganized Debtor(s).

Entry of the Confirmation Order will constitute the Bankruptcy Court's approval of the Reorganized Debtors' assumption of all such 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 insurance policies 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, and shall survive the Effective Date.

**H. Reservation of Rights**

Nothing contained in the Plan or the Plan Supplement (unless otherwise explicitly provided) shall constitute an admission by the Debtors or any other party that any 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 the Reorganized Debtors, as applicable, shall have forty-five days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease, including by rejecting such contract or lease *nunc pro tunc* to the Confirmation Date.

**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 pursuant to section 365(d)(4) of the Bankruptcy Code.

**J. Contracts and Leases Entered into After the Petition Date**

Contracts and leases entered into after the Petition Date by any Debtor, including any Executory Contracts and Unexpired Leases assumed under section 365 of the Bankruptcy Code, will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Such contracts and leases that are not rejected under the Plan shall survive and remain unaffected by entry of the Confirmation Order.

**ARTICLE VI.**

**PROVISIONS GOVERNING DISTRIBUTIONS**

**A. Timing and Calculation of Amounts to Be Distributed**

Except (1) as otherwise provided herein, (2) upon a Final Order, or (3) as otherwise agreed to by the Debtors or the Reorganized Debtors, as the case may be, and the Holder of the applicable Claim, on the Effective Date (or if a Claim is not an Allowed Claim on the Effective Date, on the next Distribution Date after such Claim becomes, as applicable, an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of an Allowed Claim shall receive the full amount of distributions that the Plan provides for Allowed Claims in the applicable Class from the Distribution Agent. In the event that any payment or distribution 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 distribution may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. 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 and exercise its rights under the Plan; (b) make all distributions contemplated under the Plan; (c) employ professionals to represent it with respect to its responsibilities and powers; 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 of the Plan.

2. Expenses Incurred on or after the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Distribution Agent on or after the Effective Date and any reasonable compensation and expense reimbursement claims (including reasonable attorney and/or other professional fees and expenses) made by such Distribution Agent shall be paid in Cash by the Reorganized Debtors.

**C. Delivery of Distributions and Undeliverable or Unclaimed Distributions**

1. Distributions Generally

Except as otherwise provided in the Plan, the Distribution Agent shall make distributions to Holders of Allowed Claims at the address for each such Holder as indicated on the applicable register or in the Debtors' records as of the date of any such distribution (as applicable), including the address set forth in any Proof of Claim filed by that Holder; *provided* that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors.

2. Distributions on Account of Obligations of Multiple Debtors

For all purposes associated with distributions under the Plan, all guarantees by any Debtor of the obligations of any other Debtor, as well as any joint and several liability of any Debtor with respect to any other Debtor, shall be deemed eliminated so that any obligation that could otherwise be asserted against more than one Debtor shall result in a single distribution under the Plan. Any such Claims shall be released and discharged pursuant to Article VIII of the Plan and shall be subject to all potential objections, defenses, and counterclaims, and to estimation pursuant to section 502(c) of the Bankruptcy Code.

3. Record Date of Distributions

[On the Distribution Record Date, the various transfer registers for each Class of Claims as maintained by the Debtors or their respective agents shall be deemed closed, and there shall be no further changes in the record Holders of any Claims.] The Distribution Agent shall have no obligation to recognize any transfer of Claims occurring on or after the Distribution Record Date. In addition, with respect to payment of any Cure amounts or disputes over any Cure amounts, neither the Debtors nor the Distribution Agent shall have any obligation to recognize or deal with any party other than the non-Debtor party to the applicable Executory Contract or Unexpired Lease as of the Effective Date, even if such non-Debtor party has sold, assigned, or otherwise transferred its Claim for a Cure amount. For the avoidance of doubt, the Distribution Record Date shall not apply to distributions to Holders of public Securities.

4. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed to by the Reorganized Debtors, on the one hand, and the Holder of a Disputed Claim, on the other hand, or as set forth in a Final Order, no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all of the Disputed Claim has become an Allowed Claim or has otherwise been resolved by settlement or Final Order; *provided* that, if the Reorganized Debtors do not dispute a portion of an amount asserted pursuant to an otherwise Disputed Claim, the Distribution Agent may make a partial distribution on account of that portion of such Claim that is not Disputed at the time and in the manner that the Distribution Agent makes distributions to similarly situated Holders of Allowed Claims pursuant to the

Plan. Any dividends or other distributions arising from property distributed to Holders of Allowed Claims, as applicable, 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, as applicable, 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.

5. De Minimis Distributions; Minimum Distributions

No fractional shares of New Common Stock or Takeback Debt shall be distributed, and no Cash shall be distributed in lieu of such fractional amounts and such fractional amount shall be deemed to be zero. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of New Common Stock or Takeback Debt that is not a whole number, the actual distribution of shares of New Common Stock or Takeback Debt 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 thereto. The total number of authorized shares of New Common Stock or Takeback Debt to be distributed to Holders of Allowed Senior Notes Claims may (at the Debtors' discretion) be adjusted as necessary to account for the foregoing rounding; *provided* that DTC may be considered a single holder for purposes of distributions.

The Distribution Agent shall not make any distributions to a Holder of an Allowed Senior Notes Claim on account of such Allowed Senior Notes Claim of New Common Stock or Cash where such distribution is valued, in the reasonable discretion of the Distribution Agent, at less than \$100.00, and each Senior Notes Claim to which this limitation applies shall be discharged pursuant to Article VIII of the Plan and its Holder shall be forever barred pursuant to Article VIII of the Plan from asserting that Senior Notes Claim against the Reorganized Debtors or their property.

6. Undeliverable Distributions and Unclaimed Property

In the event that either (a) a distribution to any Holder is returned as undeliverable or (b) the Holder of an Allowed Claim does not respond to a request by the Debtors or the Distribution Agent for information necessary to facilitate a particular distribution, no distribution to such Holder shall be made unless and until the Distribution Agent has determined the then-current address of such Holder or received the necessary information to facilitate a particular distribution, at which time such distribution shall be made to such Holder without interest, dividends, or other accruals of any kind; *provided* that such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code on the date that is six months after the Effective Date. After such date, all unclaimed property or interests in property shall revert to the Reorganized Debtors automatically and without need for a further order by the Bankruptcy Court (notwithstanding any applicable local, state, federal, or foreign 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.

7. Manner of Payment Pursuant to the Plan

At the option of the Distribution Agent, any Cash payment to be made hereunder may be made by check, wire transfer, automated clearing house, or credit card, or as otherwise provided in applicable agreements.

**D. Compliance Matters**

In connection with the Plan, to the extent applicable, the Debtors, the Reorganized Debtors, any Distribution Agent, and any other applicable withholding and reporting agents 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, the Reorganized Debtors, the Distribution Agent, and any other applicable withholding and reporting agents 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 that are reasonable and appropriate; *provided* that the Reorganized Debtors and the Distribution Agent, as applicable, shall request appropriate documentation from the applicable distributees and allow such distributees a reasonable amount of time to respond. The Debtors, the Reorganized Debtors, the Distribution Agent, and any other applicable withholding and reporting agents reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

**E. Foreign Currency Exchange Rate**

Except as otherwise provided in a Bankruptcy Court order, as of the Effective Date, any Claim asserted in currency other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate for the applicable currency as published in The Wall Street Journal, National Edition, on the Effective Date.

**F. Claims Paid or Payable by Third Parties**

1. Claims Paid by Third Parties

The Debtors or the Reorganized Debtors, as applicable, shall reduce a Claim, and such Claim (or portion thereof) 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 a payment on account of such Claim from a party that is not a Debtor or Reorganized Debtor (or other Distribution Agent), as applicable. 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 (or other Distribution Agent), as applicable, on account of such Claim, such Holder shall, within ten Business Days of receipt thereof, 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. The failure of such Holder to timely repay, return, or deliver such distribution shall result in the Holder owing the applicable Reorganized Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the ten-Business Day grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

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 satisfaction, such Claim may be expunged on the Claims Register by the Claims, Noticing, and Solicitation Agent to the extent of any such satisfaction 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.

3. Applicability of Insurance Policies

Except as otherwise provided herein, 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 release, settlement, satisfaction, compromise, or waiver of any rights, defenses, or Cause of Action that the Debtors or any other Entity may hold against any other Entity, including insurers, under any policies of insurance, agreements related thereto, or applicable indemnity, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any rights or defenses, including coverage defenses, held by such insurers under the applicable insurance policies, agreements related thereto, and applicable non-bankruptcy law.

**G. Setoffs and Recoupment**

Except as otherwise expressly provided for herein, each Debtor, Reorganized Debtor, or such Entity's designee as instructed by such Debtor or Reorganized Debtor, as applicable, may, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, set off against or recoup from an Allowed Claim and any distributions to be made pursuant to the Plan on account of such Allowed Claim, any Claims, rights, and Causes of Action of any nature whatsoever that the Debtor or Reorganized Debtor, as applicable, may have against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action have not been otherwise compromised, settled, or released on or prior to the Effective Date (whether pursuant to the Plan or otherwise). Notwithstanding the foregoing, except as expressly stated in Article VIII of this Plan, neither the failure to effect such a setoff or recoupment nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such Claims, rights, or Causes of Action the Debtors or Reorganized Debtors may possess against such Holder.

**H. Allocation between Principal and Accrued Interest**

Except as otherwise provided herein, the aggregate consideration paid to Holders with respect to their Allowed Claims shall be treated pursuant to the Plan as allocated first to the principal amount of such Allowed Claims (to the extent thereof and as determined for federal income tax purposes) and second, to the extent the consideration exceeds the principal amount of the Allowed Claims, to the remaining portion of such Allowed Claim, if any.

**ARTICLE VII.**

**PROCEDURES FOR RESOLVING DISPUTED,  
CONTINGENT, AND UNLIQUIDATED CLAIMS AND INTERESTS**

**A. Disputed Claims Process<sup>14</sup>**

Notwithstanding section 502(a) of the Bankruptcy Code, and in light of the Unimpaired status of all Allowed General Unsecured Claims under the Plan, the Reorganized Debtors and the Holders of Claims shall determine, adjudicate, and resolve any disputes over the validity and amounts of such Claims in the ordinary course of business as if the Chapter 11 Cases had not been commenced, except that (unless expressly waived pursuant to the Plan) the Allowed Amount of such Claims shall be subject to the limitations or maximum amounts permitted by the Bankruptcy Code, including sections 502 and 503 of the Bankruptcy Code, to the extent applicable. Unless relating to a Claim expressly Allowed pursuant to the

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<sup>14</sup> **NTD:** To be discussed.

Plan, all Proofs of Claim filed in these Chapter 11 Cases shall be considered objected to and Disputed without further action by the Debtors. Upon the Effective Date, all Proofs of Claim filed against the Debtors, regardless of the time of filing, and including Proofs of Claim filed after the Effective Date, shall be deemed withdrawn and expunged, other than as provided below. Notwithstanding anything in this Plan to the contrary: (1) all Claims against the Debtors that result from the Debtors' rejection of an Executory Contract or Unexpired Lease; (2) disputes regarding the amount of any Cure pursuant to section 365 of the Bankruptcy Code; and (3) Claims that the Debtors seek to have determined by the Bankruptcy Court, shall in all cases be determined by the Bankruptcy Court.

**All Proofs of Claim required to be Filed by the Plan that are Filed after the date that they are required to be Filed pursuant to the Plan shall be disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court.**

#### **B. Objections to Claims**

Except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized Debtors, shall have the sole authority to: (1) File, withdraw, or litigate to judgment, any objections to Claims; and (2) settle or compromise any Disputed Claim 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, including the Causes of Action retained pursuant to Article IV.U of the Plan.

Any objections to Claims shall be Filed on or before the Claims Objection Deadline. For the avoidance of doubt, the Bankruptcy Court may extend the time period to object to Claims set forth in this paragraph at any time, including before or after the expiration of one hundred eighty days after the Effective Date, in its discretion or upon request by the Debtors or any party in interest.

#### **C. Estimation of Claims**

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to), at any time, request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to applicable law, including pursuant to section 502(c) of the Bankruptcy Code, for any reason, regardless of whether any party previously has objected to such Disputed Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction under sections 157 and 1334 of the Judicial Code to estimate any such Disputed Claim, including during the litigation of any objection to any Disputed Claim or during the pendency of any appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Disputed Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any 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 discharge) and may be used as evidence in any supplemental proceedings, and the Debtors or the Reorganized Debtors 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 Disputed 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 fourteen days after the date on which such Disputed Claim is estimated.

**D. No Distributions Pending Allowance**

Notwithstanding any other provision of the Plan, if any portion of a Claim is a Disputed Claim, no payment or distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim; *provided* that if only a portion of a Claim is Disputed, such Claim shall be deemed Allowed in the amount not Disputed and payment or distribution shall be made on account of such undisputed amount; *provided, further* that the foregoing shall not apply to any Make-Whole Claim, which Claims shall not be Allowed Claims under the Plan.

**E. 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 the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Distribution Agent shall provide to the Holder of such Allowed Claim the distribution (if any) to which such Holder is entitled under the Plan as of the Effective Date, without any interest, dividends, or accruals to be paid on account of such Allowed Claim unless required under applicable bankruptcy law.

**F. No Interest**

Unless otherwise specifically provided for herein or by Final Order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on Claims against the Debtors, and no Holder of a Claim against the Debtors shall be entitled to interest accruing on or after the Petition Date on any such Claim. Additionally, and without limiting the foregoing, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

**G. Adjustment to Claims and Interests without Objection**

Any Claim or Interest that has been paid, satisfied, amended, superseded, cancelled, or otherwise expunged (including pursuant to the Plan) may be adjusted or expunged on the Claims Register at the direction of the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court. Additionally, any Claim or Interest that is duplicative or redundant with another Claim or Interest against the same Debtor may be adjusted or expunged on the Claims Register at the direction of the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

**H. Disallowance of Claims**

All Claims of any Entity from which property is sought by the Debtors under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer that is avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Final Order with respect thereto has been entered by the Bankruptcy Court and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors or the Reorganized Debtors, as applicable. All Claims filed on account of an indemnification obligation to a director, officer, or employee

shall be deemed satisfied and expunged from the Claims register as of the Effective Date to the extent such indemnification obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order or approval of the Bankruptcy Court. All Claims filed on account of an employee benefit shall be deemed satisfied and expunged from the Claims register as of the Effective Date to the extent the Reorganized Debtors elect to honor such employee benefit, without any further notice to or action, order or approval of the Bankruptcy Court.

**Except as otherwise provided herein or as agreed to by the Reorganized Debtors, all Proofs of Claim Filed after the Claims Bar Date or Administrative Claims Bar Date, as applicable, shall be deemed disallowed in full and expunged as of the Effective Date, forever barred, estopped, and enjoined from assertion, and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any further notice to or action, order, or approval of the Bankruptcy Court, unless on or before the Confirmation Hearing such late Claim has been deemed timely filed by a Final Order.**

#### **I. Amendments to Proofs of Claim**

On or after the Effective Date, except as provided in the Plan or the Confirmation Order, a Proof of Claim or Proof of Interest may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors, and any such new or amended Proof of Claim or Proof of Interest Filed shall be deemed disallowed in full and expunged without any further action, order, or approval of the Bankruptcy Court.

### **ARTICLE VIII.**

#### **EFFECT OF CONFIRMATION OF THE PLAN**

##### **A. Discharge of Claims and Termination of Interests**

As provided by 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 resolved or compromised after the Effective Date by the Reorganized Debtors), 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 performed by current or former employees of the Debtors 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: (1) a Proof of Claim or Proof of Interest based upon such debt, right, or Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (2) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (3) the Holder of such a Claim or Interest has accepted the Plan. Any default by the Debtors or their Affiliates with respect to any Claim or Interest that existed immediately prior to or on account of filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

**B. Releases by the Debtors**

Except as expressly set forth in the Plan, effective on the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is hereby conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by each and all of the Debtors, the Reorganized Debtors, and their Estates, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, directly or derivatively, by, through, for, or because of, the foregoing Entities, from any and all Causes of Action, including any derivative claims, asserted or assertable on behalf of any of the Debtors, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort, or otherwise, that the Debtors 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, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), their capital structure, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Chapter 11 Cases and related adversary proceedings, the Credit Facilities, the First Lien Notes, the Second Lien Notes, the IDR, the Senior Notes, the Subsidiary Debt, the DIP Facility, the Exit Facility, the Takeback Debt, the assertion or enforcement of rights and remedies against the Debtors' out-of-court restructuring efforts, intercompany transactions between or among a Debtor and another Debtor, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Definitive Documents, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement or the Definitive Documents, the pursuit of consummation of the Plan, the administration and implementation of the Restructuring Transaction, or upon any other act or omission, transaction, agreement, event, or other occurrence related to the Debtors taking place on or before the Effective Date.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to section 1123(b) and Bankruptcy Rule 9019, of the releases described in this Article VIII.B by the Debtors, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in this Article VIII.B is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good-faith settlement and compromise of such Causes of Action; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; (6) a sound exercise of the Debtors' business judgment; and (7) a bar to any of the Debtors or Reorganized Debtors or their respective Estates asserting any Cause of Action related thereto, of any kind, against any of the Released Parties or their property.

**C. Releases by Holders of Claims and Interests**

Except as expressly set forth in the Plan, effective on the Effective Date, in exchange for good and valuable consideration, the adequacy of which is hereby confirmed, each Released Party is hereby conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by each and all of the Releasing Parties, in each case on behalf of themselves and their respective successors, assigns, and representatives, and any and all other Entities who may purport to assert any Cause of Action, from any and all Causes of Action, whether known or unknown, foreseen or unforeseen, matured or unmatured, existing or hereafter arising, in law, equity, contract, tort, or

otherwise, including any derivative claims asserted or assertable on behalf of any of the Debtors, that such Entity would have been legally entitled to assert in its 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 (including the management, ownership, or operation thereof), their capital structure, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the Credit Facilities, the First Lien Notes, the Second Lien Notes, the IDR, the Senior Notes, the Subsidiary Debt, the DIP Facility, the Exit Facility, the Takeback Debt, the assertion or enforcement of rights and remedies against the Debtors' out-of-court restructuring efforts, intercompany transactions between or among a Debtor and another Debtor, the formulation, preparation, dissemination, negotiation, or filing of the Restructuring Support Agreement, the Definitive Documents, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Restructuring Support Agreement or the Definitive Documents, the pursuit of consummation of the Plan, the administration and implementation of the Restructuring Transaction, or upon any other act or omission, transaction, agreement, event, or other occurrence related to the Debtors taking place on or before the Effective Date.

Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the releases described in this Article VIII.C, which includes by reference each of the related provisions and definitions contained in this Plan, and further, shall constitute the Bankruptcy Court's finding that each release described in this Article VIII.C is: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good-faith settlement and compromise of such Causes of Action; (3) in the best interests of the Debtors and all Holders of Claims and Interests; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; (6) a sound exercise of the Debtors' business judgment; and (7) a bar to any of the Releasing Parties or the Debtors or Reorganized Debtors or their respective Estates asserting any Cause of Action related thereto, of any kind, against any of the Released Parties or their property.

#### **D. Exculpation**

Effective as of the Effective Date, to the fullest extent permissible under applicable law and without affecting or limiting either the Debtor Release or the third-party release, and 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 act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, filing, or consummation of the Restructuring Support Agreement, the Disclosure Statement, the Plan, any Definitive Documents, or any Restructuring Transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of consummation of the Plan, 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 (including, for the avoidance of doubt, providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion), except for Causes of Action related to any act or omission that is determined in a Final Order of a court of competent jurisdiction to have constituted actual fraud, willful misconduct, 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 Consummation 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.

#### **E. Injunction**

Except as otherwise provided in the Plan or the Confirmation Order, all Entities who have held, hold, or may hold Claims, Interests, Causes of Action, or liabilities that: (a) are subject to compromise and settlement pursuant to the terms of the Plan; (b) have been released pursuant to Article VIII.B of this Plan; (c) have been released pursuant to Article VIII.C of this Plan, (d) are subject to exculpation pursuant to Article VIII.D of this Plan, or (e) are otherwise discharged, satisfied, stayed, or terminated pursuant to the terms of the Plan, are permanently enjoined and precluded, from and after the Effective Date, from commencing or continuing in any manner, any action or other proceeding, including on account of any Claims, Interests, Causes of Action, or liabilities that have been compromised or settled against the Debtors, the Reorganized Debtors, or any Entity so released or exculpated (or the property or estate of any Entity, directly or indirectly, so released or exculpated) on account of, or in connection with or with respect to, any discharged, released, settled, compromised, or exculpated Claims, Interests, Causes of Action, or liabilities.

Upon entry of the Confirmation Order, all Holders of Claims and Interests and their respective current and former directors, managers, officers, principals, predecessors, successors, employees, agents, and direct and indirect Affiliates shall be enjoined from taking any actions to interfere with the implementation or Consummation of the Plan. Each Holder of an Allowed Claim or Allowed Interest, as applicable, by accepting, or being eligible to accept, distributions under or Reinstatement of such Claim or Interest, as applicable, pursuant to the Plan, shall be deemed to have consented to the injunction provisions set forth in this Article VIII.E.

#### **F. Release of Liens**

Except as otherwise provided in the Plan, the Plan Supplement, or any contract, instrument, release, or other agreement or document created pursuant to the Plan or Confirmation Order, on the Effective Date, and concurrently with the applicable distributions made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, compromised, and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Debtors shall automatically revert to the applicable Debtor or Reorganized Debtor, as applicable, and their successors and assigns, in each case, without any further approval or order of the Bankruptcy Court and without any action or Filing being required to be made by the Debtors. Any Holder of such Secured Claim (and the applicable agents for such Holder) shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral and possessory collateral) held by such Holder (and the applicable agents for such Holder), and to take such actions as requested by the Debtors or Reorganized Debtors to evidence the release of such Lien, including the execution, delivery, and filing or recording of such documents evidencing such releases. The presentation or filing of the Confirmation Order to or with any local, state, federal, or foreign agency or department shall constitute good and sufficient evidence of, but shall not be required to effect, the termination of such Liens.



**G. Protection against Discriminatory Treatment**

As provided by section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Entity, including Governmental Units, shall discriminate against any Reorganized Debtor or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, or discriminate with respect to such a grant against, any Reorganized Debtor, or any Entity with which a Reorganized Debtor has been or is associated, solely because such Reorganized Debtor was a debtor under chapter 11 of the Bankruptcy Code, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before such Debtor was granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

**H. Document Retention**

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their standard document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

**I. Reimbursement or Contribution**

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

**J. 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.**

**ARTICLE IX.**

**CONDITIONS PRECEDENT TO THE EFFECTIVE DATE**

**A. Conditions Precedent to the Effective Date.**

It shall be a condition to the Effective Date that the following conditions shall have been satisfied or waived pursuant to Article IX.B of the Plan:

1. The Bankruptcy Court shall have entered the Confirmation Order, and such order shall be a Final Order and in full force and effect.
2. Reorganized Frontier's New Common Stock shall have been issued.

3. As applicable, the Exit Facility Documents shall have been 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 consummation of the Exit Facility shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Exit Facility shall be deemed to occur concurrently with the occurrence of the Effective Date.
4. As applicable, the Takeback Debt Documents shall have been 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 consummation of the Takeback Debt shall have been waived or satisfied in accordance with the terms thereof, and the closing of the Takeback Debt shall be deemed to occur concurrently with the occurrence of the Effective Date.
5. The Plan Supplement, including any amendments, modifications, or supplements to the documents, schedules, or exhibits included therein shall have been Filed with the Bankruptcy Court pursuant to the terms of the Plan.
6. Any and all requisite FCC Approvals, PUC Approvals, and any other authorizations, consents, regulatory approvals, rulings, or documents required to implement and effectuate the Plan shall have been obtained, without any conditions required to implement and effectuate the Plan that are materially adverse to the Debtors and that have not previously been approved by the Required Consenting Noteholders in accordance with Article IV.J, and shall be in full force and effect.
7. The Professional Fee Escrow Account shall have been established and funded with Cash in accordance with **Error! Reference source not found.** of the Plan.
8. The Reorganized Debtors shall have paid, to the extent unpaid and invoiced at least five Business Days prior to the Effective Date, all Consenting Noteholder Fees.
9. The Debtors shall have used commercially reasonable best efforts to analyze and develop a detailed report regarding a virtual separation under the same ownership structure of select state operations where the Reorganized Debtors will conduct fiber deployments from those states' operations where the Reorganized Debtors will perform broadband upgrades and operational improvements.
10. The Restructuring Support Agreement shall remain in full force and effect, all conditions shall have been satisfied thereunder, and there shall be no breach that, after the lapse of time or expiration of any applicable notice or any cure period, would give rise to right to terminate the Restructuring Support Agreement.
11. [The Required Consenting Noteholders shall have determined in their reasonable judgment, with the assistance of their financial and legal advisors, that the aggregate amount of Parent Litigation Claims is reasonably expected to be equal to or less than existing insurance coverage plus \$25 million.]<sup>15</sup>

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<sup>15</sup> NTD: Subject to discussion.

**B. Waiver of Conditions Precedent**

The Debtors may, with the prior written consent of the Required Consenting Noteholders (such consent not to be unreasonably withheld), waive any of the conditions to the Effective Date set forth in Article IX.A of the Plan at any time, without any notice to any other parties-in-interest and without any further notice to or action, order, or approval of the Bankruptcy Court, and without any formal action other than proceeding to confirm and consummate the Plan; *provided, however*, that any waiver in respect of Article IX.A.4 that affects the Takeback Debt Principal Amount shall require the prior written consent of the Determining Noteholders in accordance with Article IV.D of the Plan and the Restructuring Support Agreement.

**C. Effect of Non-Occurrence of Conditions to Consummation**

If the Effective Date does not occur, then the Plan will be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims, Interests, or Causes of Action held by any Debtor or any other Entity; (2) prejudice in any manner the rights of any Debtor or any other Entity; or (3) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Entity in any respect.

**ARTICLE X.**

**MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN**

**A. Modification of Plan**

Subject to the limitations and terms contained in the Plan, and subject to the terms of the Restructuring Support Agreement, the Debtors reserve the right to (1) amend or modify the Plan before the entry of the Confirmation Order, in accordance with the Bankruptcy Code and the Bankruptcy Rules (2) after the entry of the Confirmation Order, the Debtors or the Reorganized Debtors, as applicable, may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, remedy any defect or omission, or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan consistent with the terms set forth herein.

**B. Effect of Confirmation on Modifications**

Entry of the Confirmation Order shall constitute approval of all modifications or amendments to the Plan occurring after the solicitation thereof pursuant to section 1127(a) of the Bankruptcy Code and a finding that such modifications to the Plan do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

**C. Revocation or Withdrawal of Plan**

The Debtors, subject to the terms of the Restructuring Support Agreement, reserve the right to revoke or withdraw the Plan with respect to any or all Debtors before the Confirmation Date and to File subsequent chapter 11 plans. If the Debtors revoke or withdraw the Plan, or if Confirmation or the Effective Date does not occur, then: (1) the Plan will be null and void in all respects; (2) any settlement or compromise not previously approved by Final Order of the Bankruptcy Court embodied in the Plan (including the fixing or limiting to an amount certain of the Claims or Classes of Claims), assumption or rejection of Executory Contracts or Unexpired Leases effectuated by the Plan, and any document or agreement executed pursuant to the Plan will be null and void in all respects; and (3) nothing contained in the Plan shall (a) constitute a waiver or release of any Claims, Interests, or Causes of Action by any Entity,

(b) prejudice in any manner the rights of any Debtor or any other Entity, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by any Debtor or any other Entity.

## ARTICLE XI.

### RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, 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;

2. decide and resolve all matters related to the granting and denying, in whole or in part, of 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 Executory Contracts or Unexpired Leases, including: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure Claims or other Claims arising therefrom, including pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed or assumed and assigned; and (c) any dispute regarding whether a contract or lease is or was executory, expired, or terminated;

4. ensure that distributions to Holders of Allowed Claims and Allowed Interests are accomplished pursuant to the provisions of the Plan and adjudicate any and all disputes arising from or relating to distributions under the Plan;

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 or the Estates that may be pending on the Effective Date;

6. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of (a) contracts, instruments, releases, indentures, and other agreements or documents approved by Final Order in the Chapter 11 Cases and (b) the Plan, the Confirmation Order, and contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan; *provided* 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;

7. enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

8. grant any consensual request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code;

9. 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;

10. hear, determine, and resolve any cases, matters, controversies, suits, disputes, or Causes of Action in connection with or in any way related to the Chapter 11 Cases, including: (a) with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or an Interest for amounts not timely repaid pursuant to Article VI of the Plan; (b) with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan, including entry of such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions; (c) anything that may arise in connection with the Consummation, interpretation, implementation, or enforcement of the Plan and the Confirmation Order; or (d) related to section 1141 of the Bankruptcy Code;

11. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

12. adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein;

13. 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;

14. enforce all orders, judgments, injunctions, releases, exculpations, indemnifications, and rulings entered in connection with the Chapter 11 Cases with respect to any Entity, and resolve any cases, controversies, suits, or disputes that may arise in connection with any Entity's rights arising from or obligations incurred in connection with the Plan;

15. hear and determine matters concerning local, state, federal, and foreign taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

16. enter an order or Final Decree concluding or closing the Chapter 11 Cases;

17. enforce all orders previously entered by the Bankruptcy Court; and

18. hear and determine any other matters related to the Chapter 11 Cases and not inconsistent with the Bankruptcy Code or the Judicial Code.

Nothing herein limits the jurisdiction of the Bankruptcy Court to interpret and enforce the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan, or the Disclosure Statement, without regard to whether the controversy with respect to which such interpretation or enforcement relates may be pending in any state or other federal court of competent jurisdiction.

If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under, or related to the Chapter 11 Cases, including the matters set forth in this Article XI, the provisions of this Article XI shall have no effect on and shall not control, limit, or prohibit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

Unless otherwise specifically provided herein or in a prior order of the Bankruptcy Court, the Bankruptcy Court shall have exclusive jurisdiction to hear and determine disputes concerning Claims against or Interests in the Debtors that arose prior to the Effective Date.

## ARTICLE XII.

### MISCELLANEOUS PROVISIONS

#### A. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, exculpations, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. All Claims against and Interests in the Debtors shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or Interest 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; *provided* that such agreements and other documents shall be in form and substance reasonably acceptable to the Required Consenting Noteholders. The Debtors or the Reorganized Debtors, as applicable, and all Holders of Claims and 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. Payment of Statutory Fees

All fees and applicable interest payable pursuant to section 1930 of the Judicial Code and 31 U.S.C. § 3717, as applicable, as determined by the Bankruptcy Court at a hearing pursuant to section 1128 of the Bankruptcy Code, shall be paid by each of the Reorganized Debtors (or the Distribution Agent on behalf of the Reorganized Debtors) for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed, or a Final Decree is issued, whichever occurs first.

#### D. Dissolution of Statutory Committees

On the Effective Date, any statutory committee appointed in the Chapter 11 Cases, including the Creditors' Committee, shall dissolve, and the members thereof shall be released and discharged from all rights and duties arising from, or related to, the Chapter 11 Cases. The Reorganized Debtors shall not be responsible for paying any fees or expenses incurred by the members of or advisors to any statutory committee after the Effective Date.

#### E. Reservation of Rights

Except as expressly set forth herein, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order, and the Confirmation Order shall have no force or effect if the

Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement, 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, unless and until the Effective Date has occurred.

**F. Successors and Assigns**

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiary, or guardian, if any, of each such Entity.

**G. Service of Documents**

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtors shall be served on:

Reorganized Debtors

**Frontier Communications Corporation**  
50 Main Street, Suite 1000  
White Plains, New York 10606  
Attention: Mark Nielsen,  
Executive Vice President, Chief Legal Officer,  
and Chief Transaction Officer  
E-mail address: mark.nielsen@ftr.com

with copies for information only (which shall not constitute notice) to:

Counsel to the Debtors

**Kirkland & Ellis LLP**  
**Kirkland & Ellis International LLP**  
601 Lexington Avenue  
New York, New York 10022  
Attention: Stephen E. Hessler, P.C. and Patrick Venter

**Kirkland & Ellis LLP**  
**Kirkland & Ellis International LLP**  
300 North LaSalle Street  
Chicago, Illinois 60654  
Attention: Chad J. Husnick, P.C. and Benjamin M. Rhode

Counsel to the  
Noteholder Groups

**Akin Gump Strauss Hauer & Feld LLP**  
One Bryant Park  
New York, New York 10036  
Attention: Ira S. Dizengoff, Philip C. Dublin, and Naomi  
Moss

-and-

**Milbank LLP**  
55 Hudson Yards,

New York, New York 10001  
Attention: Dennis F. Dunne, Samuel A. Khalil, and Michael  
W. Price

#### **H. Entire Agreement; Controlling Document**

Except as otherwise indicated, on the Effective Date, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations with respect to the subject matter of the Plan, all of which will have become merged and integrated into the Plan. Except as set forth in the Plan, in the event that any provision of the Restructuring Support Agreement, the Disclosure Statement, the Plan Supplement, or any order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control.

#### **I. Plan Supplement**

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be made available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the website of the Claims, Noticing, and Solicitation Agent at <https://cases.primeclerk.com/ftc> or the Bankruptcy Court's website at <http://www.nysb.uscourts.gov>. Unless otherwise ordered by the Bankruptcy Court, to the extent any exhibit or document in the Plan Supplement is inconsistent with the terms of any part of the Plan that does not constitute the Plan Supplement, such part of the Plan that does not constitute the Plan Supplement shall control.

#### **J. Non-Severability**

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, at the request of the Debtors, with the consent of the Required Consenting Noteholders (not to be unreasonably withheld), shall have the power to alter and interpret such term or provision to make it valid or enforceable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. 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: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' consent, consistent with the terms set forth herein; and (3) non-severable and mutually dependent.

#### **K. Votes Solicited in Good Faith**

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors, and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, managers, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale,



and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties nor individuals or the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan or any previous plan.

**L. Closing of Chapter 11 Cases**

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases.

**M. Waiver or Estoppel**

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed prior to the Confirmation Date.

**N. 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. No transfer of any FCC License held by Debtors or transfer of control of any Debtor, or transfer of control of an FCC licensee controlled by Debtors 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.

Dated: May 14, 2020

FRONTIER COMMUNICATIONS  
CORPORATION  
on behalf of itself and all other Debtors

*/s/ Mark Nielsen*

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Mark Nielsen,  
Executive Vice President, Chief Legal Officer,  
and Chief Transaction Officer  
Frontier Communications Corporation

**EXHIBIT A**

**Frontier Communications Corporation Affiliate Entities**

Citizens Capital Ventures Corp.  
Citizens Directory Services Company L.L.C.  
Citizens Louisiana Accounting Company  
Citizens Newcom Company  
Citizens Newtel, LLC  
Citizens Pennsylvania Company LLC  
Citizens SERP Administration Company  
Citizens Telecom Services Company L.L.C.  
Citizens Telecommunications Company of California Inc.  
Citizens Telecommunications Company of Illinois  
Citizens Telecommunications Company of Minnesota, LLC  
Citizens Telecommunications Company of Nebraska  
Citizens Telecommunications Company of Nebraska LLC  
Citizens Telecommunications Company of Nevada  
Citizens Telecommunications Company of New York, Inc.  
Citizens Telecommunications Company of Tennessee L.L.C.  
Citizens Telecommunications Company of the White Mountains, Inc.  
Citizens Telecommunications Company of Utah  
Citizens Telecommunications Company of West Virginia  
Citizens Utilities Capital L.P.  
Citizens Utilities Rural Company, Inc.  
Commonwealth Communication, LLC  
Commonwealth Telephone Company LLC  
Commonwealth Telephone Enterprises LLC  
Commonwealth Telephone Management Services, Inc.  
CTE Holdings, Inc.  
CTE Services, Inc.  
CTE Telecom, LLC  
CTSI, LLC  
CU Capital LLC  
CU Wireless Company LLC  
Electric Lightwave NY, LLC  
Evans Telephone Holdings, Inc.  
Fairmount Cellular LLC  
Frontier ABC LLC  
Frontier California Inc.  
Frontier Communications - Midland, Inc.  
Frontier Communications - Prairie, Inc.  
Frontier Communications - Schuyler, Inc.  
Frontier Communications Corporate Services Inc.  
Frontier Communications ILEC Holdings LLC  
Frontier Communications of America, Inc.  
Frontier Communications of Ausable Valley, Inc.  
Frontier Communications of Breezewood, LLC  
Frontier Communications of Canton, LLC  
Frontier Communications of Delaware, Inc.  
Frontier Communications of Depue, Inc.

Frontier Communications of Georgia LLC  
Frontier Communications of Illinois, Inc.  
Frontier Communications of Indiana, LLC  
Frontier Communications of Iowa, LLC  
Frontier Communications of Lakeside, Inc.  
Frontier Communications of Lakewood, LLC  
Frontier Communications of Michigan, Inc.  
Frontier Communications of Minnesota, Inc.  
Frontier Communications of Mississippi LLC  
Frontier Communications of Mt. Pulaski, Inc.  
Frontier Communications of New York, Inc.  
Frontier Communications of Orion, Inc.  
Frontier Communications of Oswayo River LLC  
Frontier Communications of Pennsylvania, LLC  
Frontier Communications of Rochester, Inc.  
Frontier Communications of Seneca-Gorham, Inc.  
Frontier Communications of Sylvan Lake, Inc.  
Frontier Communications of the Carolinas LLC  
Frontier Communications of the South, LLC  
Frontier Communications of the Southwest Inc.  
Frontier Communications of Thorntown, LLC  
Frontier Communications of Virginia, Inc.  
Frontier Communications of Wisconsin LLC  
Frontier Communications Online and Long Distance Inc.  
Frontier Communications Services Inc.  
Frontier Directory Services Company, LLC  
Frontier Florida LLC  
Frontier Infoservices Inc.  
Frontier Midstates Inc.  
Frontier Mobile LLC  
Frontier North Inc.  
Frontier Security Company  
Frontier Services Corp.  
Frontier Southwest Incorporated  
Frontier Subsidiary Telco LLC  
Frontier Techserv, Inc.  
Frontier Telephone of Rochester, Inc.  
Frontier Video Services Inc.  
Frontier West Virginia Inc.  
GVN Services  
Navajo Communications Co., Inc.  
N C C Systems, Inc.  
Newco West Holdings LLC  
Ogden Telephone Company  
Phone Trends, Inc.  
Rhineland Telecommunications, LLC  
Rib Lake Cellular for Wisconsin RSA #3, Inc.  
Rib Lake Telecom, Inc.  
SNET America, Inc.  
TCI Technology & Equipment LLC  
The Southern New England Telephone Company

Total Communications, Inc.

## EXHIBIT B

### List of subsidiaries of Frontier Communications Corporation\*

As of May 1, 2020

	<b>Entity Name</b>	<b>Domestic Jurisdiction</b>
1	Citizens Capital Ventures Corp.	Delaware
2	Citizens Directory Services Company L.L.C.	Delaware
3	Citizens Louisiana Accounting Company	Delaware
4	Citizens Newcom Company	Delaware
5	Citizens Newtel, LLC	Delaware
6	Citizens Pennsylvania Company LLC	Delaware
7	Citizens SERP Administration Company	Delaware
8	Citizens Telecom Services Company L.L.C.	Delaware
9	Citizens Telecommunications Company of California Inc.	California
10	Citizens Telecommunications Company of Illinois	Illinois
11	Citizens Telecommunications Company of Minnesota, LLC	Delaware
12	Citizens Telecommunications Company of Nebraska	Delaware
13	Citizens Telecommunications Company of Nebraska LLC	Delaware
14	Citizens Telecommunications Company of Nevada	Nevada
15	Citizens Telecommunications Company of New York, Inc.	New York
16	Citizens Telecommunications Company of Tennessee L.L.C.	Delaware
17	Citizens Telecommunications Company of The White Mountains, Inc.	Delaware
18	Citizens Telecommunications Company of Utah	Delaware
19	Citizens Telecommunications Company of West Virginia	West Virginia
20	Citizens Utilities Capital L.P.	Delaware
21	Citizens Utilities Rural Company, Inc.	Delaware
22	Commonwealth Communication, LLC	Delaware
23	Commonwealth Telephone Company LLC	Pennsylvania
24	Commonwealth Telephone Enterprises LLC	Delaware
25	Commonwealth Telephone Management Services, Inc.	Pennsylvania
26	CTE Holdings, Inc.	Pennsylvania
27	CTE Services, Inc.	Pennsylvania
28	CTE Telecom, LLC	Pennsylvania
29	CTSI, LLC	Pennsylvania
30	CU Capital LLC	Delaware
31	CU Wireless Company LLC	Delaware
32	Electric Lightwave NY, LLC	Delaware
33	Evans Telephone Holdings, Inc.	Delaware
34	Fairmount Cellular LLC	Georgia
35	Frontier ABC LLC	Delaware
36	Frontier California Inc.	California
37	Frontier Communications - Midland, Inc.	Illinois
38	Frontier Communications - Prairie, Inc.	Illinois
39	Frontier Communications - Schuyler, Inc.	Illinois

40	Frontier Communications Corporate Services Inc.	Delaware
41	Frontier Communications ILEC Holdings LLC	Delaware
42	Frontier Communications of America, Inc.	Delaware
43	Frontier Communications of Ausable Valley, Inc.	New York
44	Frontier Communications of Breezewood, LLC	Pennsylvania
45	Frontier Communications of Canton, LLC	Pennsylvania
46	Frontier Communications of Delaware, Inc.	Delaware
47	Frontier Communications of Depue, Inc.	Illinois
48	Frontier Communications of Georgia LLC	Georgia
49	Frontier Communications of Illinois, Inc.	Illinois
50	Frontier Communications of Indiana, LLC	Indiana
51	Frontier Communications of Iowa, LLC	Iowa
52	Frontier Communications of Lakeside, Inc.	Illinois
53	Frontier Communications of Lakewood, LLC	Pennsylvania
54	Frontier Communications of Michigan, Inc.	Michigan
55	Frontier Communications of Minnesota, Inc.	Minnesota
56	Frontier Communications of Mississippi LLC	Mississippi
57	Frontier Communications of Mt. Pulaski, Inc.	Illinois
58	Frontier Communications of New York, Inc.	New York
59	Frontier Communications of Orion, Inc.	Illinois
60	Frontier Communications of Oswayo River LLC	Pennsylvania
61	Frontier Communications of Pennsylvania, LLC	Pennsylvania
62	Frontier Communications of Rochester, Inc.	Delaware
63	Frontier Communications of Seneca-Gorham, Inc.	New York
64	Frontier Communications of Sylvan Lake, Inc.	New York
65	Frontier Communications of the Carolinas LLC	Delaware
66	Frontier Communications of The South, LLC	Alabama
67	Frontier Communications of The Southwest Inc.	Delaware
68	Frontier Communications of Thorntown, LLC	Indiana
69	Frontier Communications of Virginia, Inc.	Virginia
70	Frontier Communications of Wisconsin LLC	Wisconsin
71	Frontier Communications Online And Long Distance Inc.	Delaware
72	Frontier Communications Services Inc.	Arizona
73	Frontier Directory Services Company, LLC	Delaware
74	Frontier Florida LLC	Florida
75	Frontier Infoservices Inc.	Delaware
76	Frontier Midstates Inc.	Georgia
77	Frontier Mobile LLC	Delaware
78	Frontier North Inc.	Wisconsin
79	Frontier Security Company	Delaware
80	Frontier Services Corp.	Connecticut
81	Frontier Southwest Incorporated	Delaware
82	Frontier Subsidiary Telco LLC	Delaware

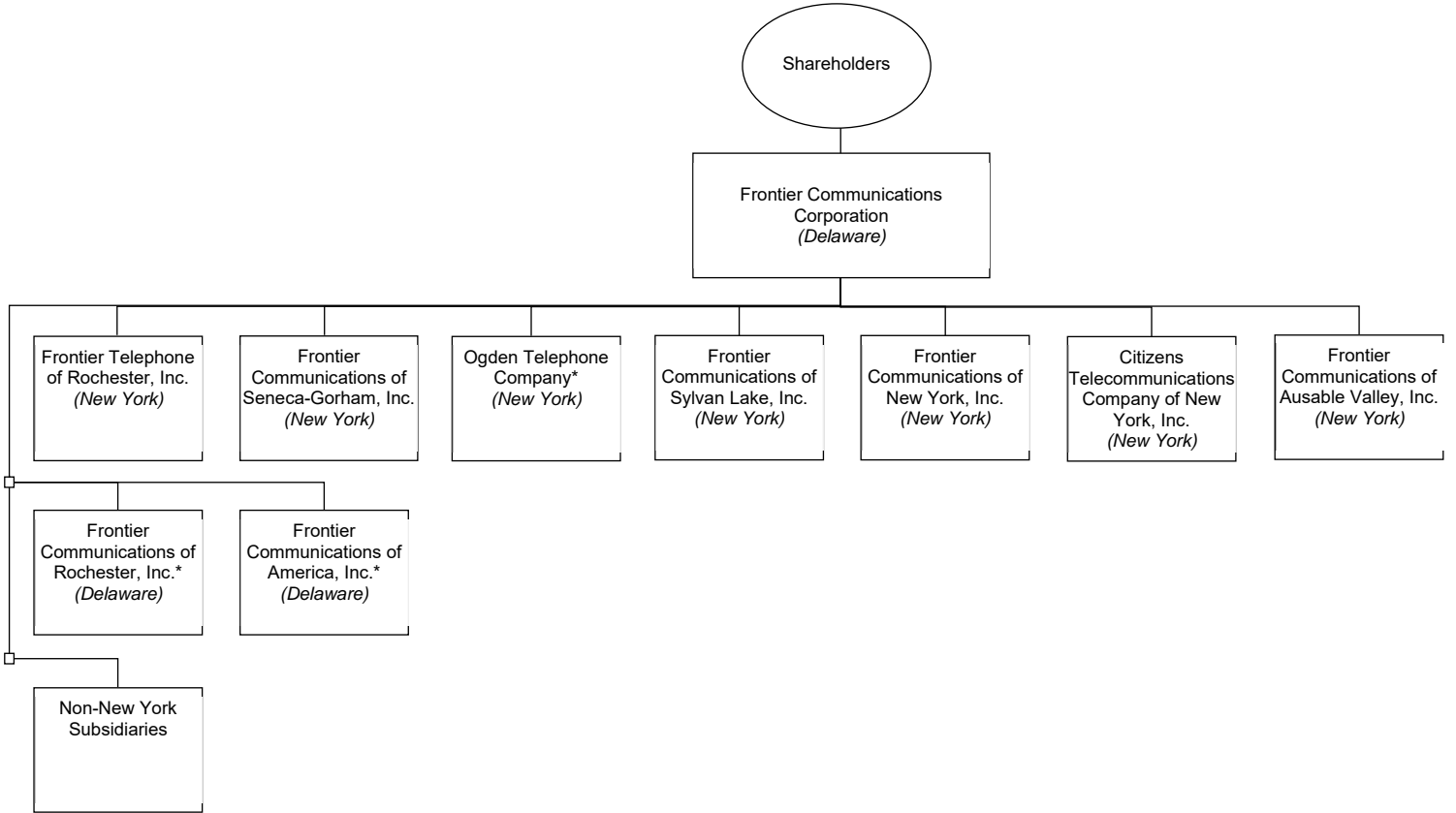
83	Frontier Techserv, Inc.	Delaware
84	Frontier Telephone Of Rochester, Inc.	New York
85	Frontier Video Services Inc.	Delaware
86	Frontier West Virginia Inc.	West Virginia
87	GVN Services	California
88	Navajo Communications Co., Inc.	New Mexico
89	N C C Systems, Inc.	Texas
90	Newco West Holdings LLC	Delaware
91	Ogden Telephone Company	New York
92	Phone Trends, Inc.	New York
93	Rhinelanders Telecommunications, LLC	Wisconsin
94	Rib Lake Cellular For Wisconsin RSA #3, Inc.	Wisconsin
95	Rib Lake Telecom, Inc.	Wisconsin
96	SNET America Inc.	Connecticut
97	TCI Technology & Equipment LLC	Delaware
98	The Southern New England Telephone Company	Connecticut
99	Total Communications, Inc.	Connecticut

\* All entities are direct or indirect wholly-owned subsidiaries of Frontier Communications Corporation.



**EXHIBIT C**

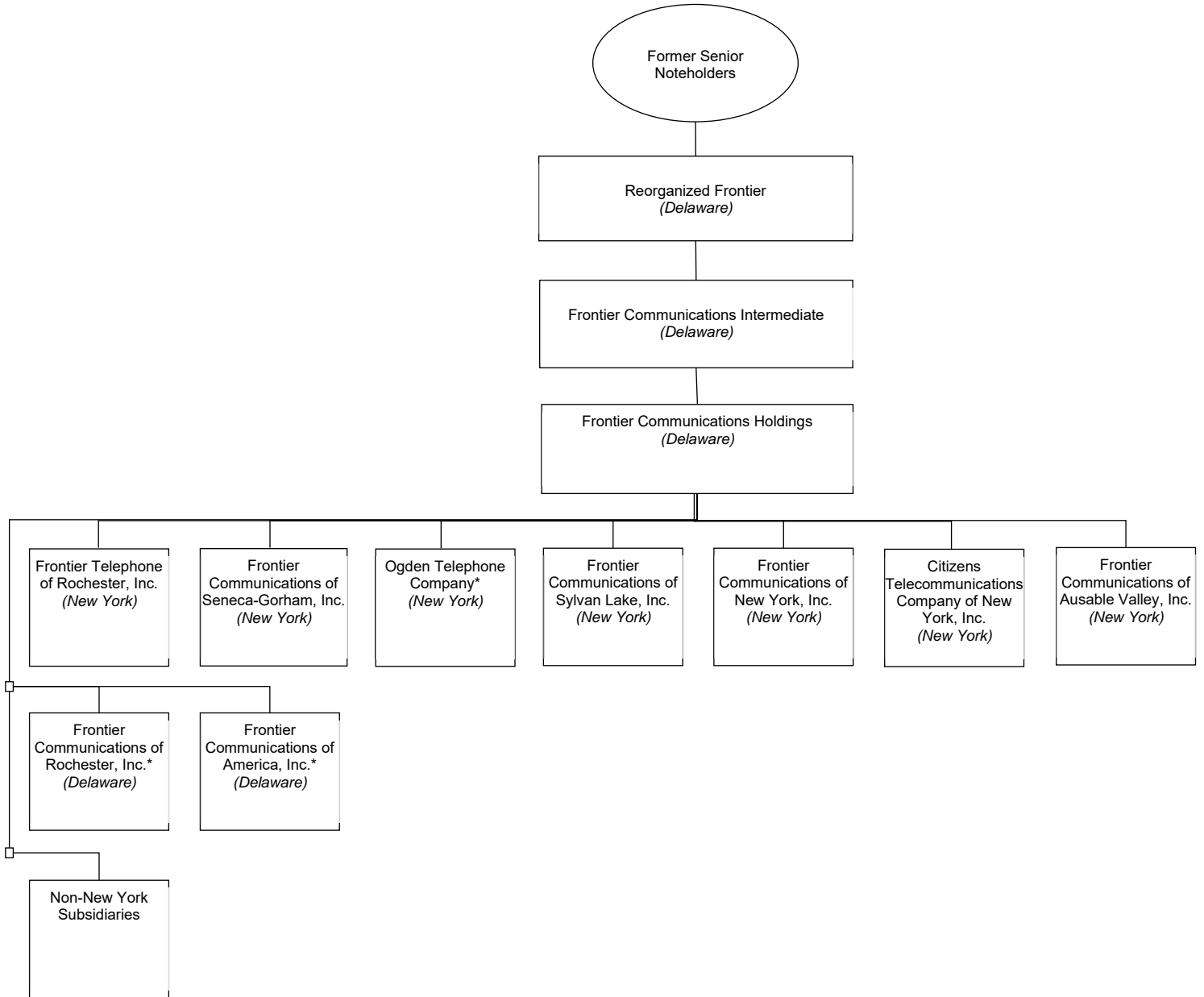
**Existing Frontier Corporate Ownership and Organizational Structure**



*\* Unlicensed (non-regulated) subsidiaries of entity not depicted*

## EXHIBIT D

### Post-Restructuring Corporate Ownership and Organizational Structure



*\* Unlicensed (non-regulated) subsidiaries of entity not depicted*