SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-K

(Mark One)

|X| ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from_____ to _____

Commission File No.: 000-09881

SHENANDOAH TELECOMMUNICATIONS COMPANY
(Exact name of registrant as specified in its charter)

VIRGINIA	54-1162807
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

124 South Main Street, Edinburg, VA 22824
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (540) 984-4141

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

None

Securities Registered Pursuant to Section 12(g) of the Act:
COMMON STOCK (NO PAR VALUE)
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports, and (2) has been subject to such filing requirements for the past 90 days.

YES |X| NO |_|

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. |_|

Indicate by check mark whether the registration is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes |X| NO |_|

The aggregate market value of the voting stock held by non-affiliates of the registrant as of June 27, 2003, based on the closing sale price of such stock on the NASDAQ National Market on such date, was approximately $157 million (In determining this figure, the registrant has assumed that all of its officers and directors are affiliates. Such assumption shall not be deemed to be conclusive for any other purpose.)

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING AT FEBRUARY 24, 2004
Common Stock, No Par Value	7,602,838

Information in Part III is incorporated by reference to the Company's definitive proxy statement for its 2004 Annual Meeting of Shareholders.

SHENANDOAH TELECOMMUNICATIONS COMPANY

PART I

This Annual Report contains forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that might cause such a difference include, but are not limited to changes in the interest rate environment; management's business strategy; national, regional, and local market conditions; and legislative and regulatory conditions. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances, except as required by law.

ITEM 1. BUSINESS

Shenandoah Telecommunications Company is a diversified telecommunications holding company providing both regulated and unregulated telecommunications services through its nine wholly-owned subsidiaries. The Company's business strategy is to provide integrated, full service telecommunications products and services in the Northern Shenandoah Valley and surrounding areas. This geographic area includes the four-state region from Harrisonburg, Virginia to the Harrisburg and Altoona, Pennsylvania markets, and on a limited basis into Northern Virginia. Our fiber network is a state-of-the-art electronic backbone utilized for many of our services with the main lines of this network following the Interstate-81 corridor and the Interstate-66 corridor in the northwestern part of Virginia. Secondary routes providing redundant capacity are built to provide alternate routing in the event of an outage. The Company is certified to offer competitive local exchange services in Virginia outside of the present telephone service area. The Company has 268 employees and operates ten reporting segments based on the products and services provided by the holding company and the operating subsidiaries. There are minimal seasonal variations in the Company's operations, with the exception of the traditional seasonality in the retail sale of wireless handsets and services in November and December. The Company provides personal communications service (PCS) and is licensed to use the Sprint brand name in the territory from Harrisonburg, Virginia to Harrisburg, York and Altoona, Pennsylvania. The Company operates its PCS network under the Sprint radio spectrum license. The Company also holds a paging radio telecommunications license.

In November 2002, the Company entered into an agreement to sell its 66% general partner interest in the Virginia 10 RSA Limited Partnership (cellular operation) to Verizon Wireless for $37.0 million. The partnership interest was owned by the Mobile company subsidiary. The closing of the sale took place at the close of business on February 28, 2003. The total proceeds received were $38.7 million, including $5.0 million held in escrow, and a $1.7 million adjustment for estimated working capital at the time of closing. There was a post closing adjustment based on the actual working capital balance as of the closing date, which amounted to a charge to the Company of $39 thousand. The $5.0 million escrow was established for any contingencies and indemnification issues that may arise during the two-year post-closing period. To date, there have been no claims filed against the escrowed funds. The Company's net after tax gain on the total transaction was approximately $22.4 million, which is reflected in the 2003 financial statements. As set forth in the Company's consolidated financial statements appearing in the Company's 2003 Annual Report to security holders, the operating results of the partnership are reflected in discontinued operations for all periods presented.

Shenandoah Telecommunications Company

The Holding Company invests in both affiliated and non-affiliated companies. The Company's investments in non-affiliated companies are The Burton Partnership, LP (Burton), CoBank, Dolphin Communications Parallel Fund, LP (Dolphin), Dolphin Communications Fund II, LP (Dolphin II), NECA Services, Inc., NTC Communications, L.L.C., (NTC), South Atlantic Private Equity IV LP (SAPE IV), and South Atlantic Venture Fund III (SAVF III). Burton invests in a combination of small capitalization public companies and privately owned emerging growth companies. CoBank is a cooperative bank, and is the Company's primary lender. As a term of the loan agreement, the Company is required to own a specified amount of CoBank's stock. The growth of this investment is the result of distributions declared by CoBank and recorded by the Company that will be received by the Company in the future. Dolphin, Dolphin II, SAVF III, and SAPE IV are venture capital funds that invest in startup companies, a large number of which are telecommunications firms. NECA Services, Inc. provides services to telecommunications providers. NTC is a limited liability company that provides bundled telecommunication services primarily to privately owned multi-unit housing properties that target students near college and university campuses.

Shenandoah Telephone Company

This subsidiary provides both regulated and non-regulated telephone services to approximately 24,900 customers as of December 31, 2003, primarily in Shenandoah County and small service areas in Rockingham, Frederick, and Warren counties in Virginia. This subsidiary provides access for inter-exchange carriers to the local exchange network. The telephone subsidiary has a 20 percent ownership in Valley Network Partnership (ValleyNet), which is a partnership offering fiber network facility capacity in western, central, and northern Virginia, as well as the Interstate 81 corridor from Johnson City, Tennessee to Carlisle, Pennsylvania.

Shenandoah Cable Television Company

This subsidiary provides coaxial cable based television service to approximately 8,700 customers in Shenandoah County. The system is a state-of-the art hybrid fiber coaxial network, upgraded to 750 megahertz which provides better signal quality, expands the number of channels, and provides the infrastructure for future offerings of broadband services. Digital program offerings along with pay per view options are value added features available to customers.

ShenTel Service Company (ShenTel)

ShenTel Service Company sells and services telecommunications equipment and provides information services and Internet access to customers in the Northern Shenandoah Valley and surrounding areas. The Internet service has approximately 17,400 dial-up customers and nearly 1,300 DSL customers as of December 31, 2003. This subsidiary offers broadband Internet access via ADSL technology.

Shenandoah Valley Leasing Company

This subsidiary finances purchases of telecommunications equipment by customers of the other subsidiaries, particularly ShenTel Service Company.

Shenandoah Mobile Company

Shenandoah Mobile Company owns and leases tower space in the PCS service territory mentioned below in Virginia, West Virginia, Maryland and Pennsylvania to Shenandoah Personal Communications Company and other wireless communications providers. Additionally, this subsidiary provides paging service throughout the Virginia portion of the Northern Shenandoah Valley. Shenandoah Mobile Company was the managing partner and 66% owner of the Virginia 10 RSA Limited Partnership prior to its sale February 28, 2003.

Shenandoah Long Distance Company

This subsidiary principally offers resale of long distance service for calls placed to locations outside the regulated telephone service area. This operation purchases switching and billing and collection services from the telephone subsidiary similar to other long distance providers. In addition, this subsidiary offers facility leases of fiber optic capacity in surrounding counties, and into Herndon, Virginia. This subsidiary has approximately 9,500 customers at December 31, 2003.

Shenandoah Network Company

This subsidiary owns and operates the Maryland and West Virginia portions of a fiber optic network in the Interstate-81 corridor. In conjunction with the telephone subsidiary, Shenandoah Network Company is associated with the ValleyNet fiber network.

ShenTel Communications Company

This subsidiary began offering DSL service marketing Front Royal, VA. in early 2002, is outside the Company's regulated service area. The Company is operating this subsidiary as a Competitive Local Exchange Carrier (CLEC). Currently there are minimal subscribers receiving service from this subsidiary.

Shenandoah Personal Communications Company (PCS)

PCS began offering personal communications services through a digital wireless telephone and data network in 1995. The service was originally offered from Chambersburg, Pennsylvania to Harrisonburg, Virginia under an agreement with American Personal Communications (APC), using the GSM air interface technology. Upon the sale of APC to Sprint, during the fourth quarter of 1999, PCS executed a management agreement with Sprint, finished constructing and activating a CDMA network where our GSM network existed, and converted our PCS customer base from GSM to CDMA service. The Sprint agreement expanded the Company's existing PCS territory to include the adjacent Basic Trading Areas of Altoona, Harrisburg, and York-Hanover, Pennsylvania increasing the population served by PCS from of 679,000 to one of 2,048,000. During 2000, PCS completed the initial network build-out of the Harrisburg/York, PA. market, placing 74 sites in service in February 2001. This portion of the network includes Harrisburg, York, Hanover, Gettysburg, and Carlisle, Pennsylvania. In December 2001, the Altoona, Pennsylvania market was activated bringing the total covered population to approximately 1,600,000. The network covers

233 miles of Interstates 81 and 83, and provides coverage on a 126-mile section of the Pennsylvania Turnpike between Pittsburgh and Philadelphia. The Company had approximately 85,100 PCS customers at December 31, 2003.

Additional information regarding the details of the agreements with Sprint is set forth in Note 7 of the Company's consolidated financial statements and related notes thereto appearing elsewhere in this report.

Additional detail on the operating segments is set forth in Note 14 of the Company's consolidated financial statements appearing elsewhere in this report.

The registrant does not engage in operations in foreign countries.

Working capital practices and competitive conditions are discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes thereto appearing elsewhere in this report.

The Company has no research and development expenses.

Websites and Additional Information

The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding the Company. In addition, we maintain a corporate website at www.shentel.com. We make available free of charge through our website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, as soon as reasonably practicable after we electronically file or furnish such material with or to the SEC. The contents of our website are not a part of this report.

We also make available on our website and in print to any shareholder who requests them copies of the charters of each standing committee of our board of directors and our code of business conduct and ethics. Requests for copies of these documents may be directed to our Secretary at Shenandoah Telecommunications Company, 124 South Main Street, P.O. Box 459, Edinburg, Virginia 22824. To the extent required by SEC rules, we intend to disclose any amendments to our code of conduct and ethics, and any waiver of a provision of the code with respect to the Company's directors, principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, on our website referred to above within five business days following any such amendment or waiver, or within any other period that may be required under SEC rules from time to time.

RISK FACTORS

The Company is subject to many risks. The following items are representative of the risks, uncertainties and assumptions that could affect the Company, future performance, liquidity and the outcome of the forward-looking statements. In addition, the business, future performance, and liquidity could be affected by general industry and market conditions and growth rates, general economic and political conditions, including the global economy and other future events, including those described below and elsewhere in this annual report on Form 10-K.

Risks Related to the PCS Business

Shenandoah Personal Communications Company (PCS) is the largest of our operating subsidiaries in terms of revenues and assets.

PCS faces many risks associated with this substantial and growing business. The Company relies on Sprint's ongoing operations as the basis for its ability to continue to offer its PCS subscribers seamless national services that are currently provided. Given the magnitude of the relationship, any interruption in Sprint's business could adversely impact the Company's results of operations, liquidity and financial condition.

Competition is intense in the wireless communications industry. Competition has caused, and the Company anticipates that competition will continue to cause, the market prices for two-way wireless products and services to decline in the future. The ability to compete will depend, in part, on the ability to anticipate and respond to various competitive factors affecting the telecommunications industry as a whole, and the wireless industry specifically.

Revenues may be less than anticipated, which could materially adversely affect liquidity, financial condition and results of operations.

Revenue growth is primarily dependent on the growth of the subscriber base, average monthly revenues per user, travel and roaming revenue. The Company has seen a continuation of competitive pressures in the wireless telecommunications market causing some major carriers to offer plans with increasingly larger bundles of minutes of use at lower prices that may compete with the Sprint wireless calling plans sold by the Company. Increased price competition may lead to lower average monthly revenues per user than anticipated. In addition, the lower reciprocal travel rate that Sprint instituted in 2003 reduced our travel revenue yield, although the Company's overall travel revenue increased due to significantly increased travel traffic. The Company's travel expense may not follow the same trend in the future, depending on our subscribers' travel usage outside our network area. If revenues are less than anticipated, it could impact liquidity, financial condition and results of operations.

Operating costs may be higher than anticipated which could materially adversely affect liquidity, financial condition and results of operations.

Increased competition may lead to higher promotional costs, losses on sales of handsets and other costs to acquire subscribers. Further, as described below under "Risks Related to Our Relationship With Sprint," a substantial portion of costs of service and roaming are attributable to fees and charges paid to Sprint for billing and collection, customer care and other back-office support. The ability to manage costs charged by Sprint is limited. If these costs are more than anticipated, the actual amount of funds to implement the Company's strategy and business plan may fall short of our estimates, which could have a material adverse affect on liquidity, financial condition and results of operations.

The dynamic nature of the wireless market may limit management's ability to quickly discern causes of volatility in key operating metrics.

The Company's dependence on Sprint to develop competitive products and services in the PCS segment may limit the ability to keep pace with competitors on the introduction of new products, services and equipment.

The business plan and estimated future operating results are based on estimates of key operating metrics, including subscriber growth, subscriber turnover (commonly known as churn), average monthly revenue per subscriber, losses on sales of handsets and other subscriber acquisition costs and other operating costs. The dynamic nature of the wireless market, economic conditions, increased competition in the wireless telecommunications industry, Sprint's or any competitor's new service offerings of increasingly larger bundles of minutes of use at lower prices, and other issues facing the wireless telecommunications industry in general created a level of uncertainty that may adversely affect our ability to predict these key operating metrics.

The Company may continue to experience a high rate of subscriber turnover, which could adversely affect financial performance in the future.

The 2004 business plan assumes that churn will remain fairly stable under existing operating conditions. Due to significant competition in the industry and general economic conditions, among other things, this stability may not occur and the future rate of subscriber turnover may be higher than the Company's recent experience. Factors that may contribute to higher churn include:

- inability or unwillingness of subscribers to pay, which results in involuntary deactivations;
- subscriber mix and credit class, particularly sub-prime credit subscribers;
- competition of products, services and pricing of other providers;
- inadequate network performance and coverage relative to competitors in the Company's service area;
- inadequate customer service;
- increased prices; and,
- any future changes by Sprint and/or the Company in the products and services offered, especially as it relates to sub-prime credit customers.

A high rate of subscriber turnover could adversely affect the competitive position, liquidity, financial position, results of operations and the costs of, or losses incurred in, obtaining new subscribers, especially because as is the norm in the industry, the Company subsidizes some of the costs related to the purchases of handsets by subscribers.

The allowance for doubtful accounts is an estimate and may not be sufficient to cover uncollectable accounts.

On an ongoing basis, the Company estimates the amount of subscriber receivables that will not be collected based on historical results and actual write-offs reported by Sprint. The allowance for doubtful accounts may underestimate actual unpaid receivables for various reasons, including:

- the churn rate may exceed estimates;
- bad debt as a percentage of service revenues may increase rather than remain consistent with historical trends ;
- adverse changes in the economy; or,
- unanticipated changes in Sprint's wireless products and services.

If the allowance for doubtful accounts is insufficient to cover losses on receivables, it could adversely affect liquidity, financial condition and results of operations.

Travel revenue, which is the fee paid to the Company by Sprint and the other Sprint Affiliates when their customers use the Company's network, could be less than anticipated, which could adversely affect the liquidity, financial condition and results of operations.

The Company may incur significantly higher wireless handset subsidy costs than anticipated for existing subscribers who upgrade to a new handset.

As the Company's subscriber base matures, and technological innovations occur, the Company anticipates existing subscribers will continue to upgrade to new wireless handsets. The Company subsidizes a portion of the price of wireless handsets and in some cases incurs sales commissions, for handset upgrades, to discourage customer defections to competitors. If more subscribers upgrade to new wireless handsets than the Company projects, the results of operations would be adversely affected. If the Company does not continue to subsidize the cost of the handsets for handset up-grades, subscribers could choose to deactivate and move to other carriers.

If the Company is unable to secure additional tower sites or leases to install equipment to expand the wireless coverage or is unable to renew expiring leases, the level of service and ultimately the financial condition and results of operations could be adversely impacted.

Many of the Company's cell sites are co-located on leased tower facilities shared with one or more wireless providers. A large portion of these leased tower sites are owned by a limited number of companies. If economic conditions affect the leasing company, the Company's lease may be impacted and the ability to remain on the tower could be jeopardized, which could leave areas of the Company's service area without service, and therefore the financial condition and results of operations could be materially and adversely affected.

Media reports have suggested that certain radio frequency emissions from wireless handsets may be linked to various health problems, including cancer, and may interfere with various electronic medical devices, including hearing aids and pacemakers. Concerns over radio frequency emissions may discourage use of wireless handsets or expose the Company to potential litigation. Any resulting decrease in demand for wireless services, costs of litigation or damage awards could impair the ability to sustain profitability.

Regulation by government or potential litigation relating to the use of wireless phones while driving could adversely affect our results of operations, liquidity and financial condition. Some studies have indicated that some aspects of using wireless phones

while driving may impair drivers' attention in certain circumstances, making accidents more likely. These concerns could lead to litigation relating to accidents, deaths or serious bodily injuries, or to new restrictions or regulations on wireless phone use, any of which also could have an adverse effect on the results of operations. A number of U.S. states and local governments are considering or have recently enacted legislation that would restrict or prohibit the use of a wireless handset while driving a vehicle or, alternatively, require the use of a hands-free telephone. Legislation of this nature, if enacted, could require wireless service providers to supply to its subscribers hands-free enhanced services, such as voice activated dialing and hands-free speaker phones and headsets, in order to continue generating revenue from their subscribers who use wireless phones while driving. If the Company is unable to provide hands-free services and products to subscribers in a timely and adequate fashion, the volume of wireless phone usage would likely decrease, and the ability to generate revenues would suffer in the wireless line of our business.

Risks Related to the Telecommunications Industry

With the enactment of the Telecommunications Act of 1996, competition in all segments of the business has intensified.

As new technologies are developed and deployed by competitors in the Company's service area, there is the potential that subscribers will elect other providers' offerings, based on price, capabilities and personal preferences. If significant numbers of the Company's subscribers elect to move to other competing providers, it could prevent the Company from operating profitably.

Most of the Company's competitors are larger, possess greater resources, have more extensive coverage areas, and offer more services than the Company. There has been a recent trend in the industry towards consolidation through joint ventures, reorganizations and acquisitions. The Company expects this consolidation to lead to larger competitors over time, and as a result, the Company may be unable to compete successfully with larger companies that have substantially greater resources or that offer more services to larger geographic areas.

Market saturation could limit or decrease the rate of new subscriber additions.

Alternative technologies, changes in the regulatory environment and current uncertainties in the marketplace may reduce future demand for existing telecommunication services.

The telecommunications industry is experiencing significant technological change, evolving industry standards, ongoing improvements in the capacity and quality of digital technology, shorter development cycles for new products and enhancements and changes in end-user requirements and preferences. Technological advances and industry changes could cause the technology used by the Company to become obsolete. The Company and its vendors may not be able to respond to such changes and implement new technology on a timely basis, or at an acceptable cost.

If the Company and other companies that support the Company's operations are unable to keep pace with these technological changes, the Company may lose revenues, subscribers or both. This could be the result of changes in the telecommunications market based on the effects of the Telecommunications Act of 1996, from the uncertainty of future government regulation and changes in customers' technology demands.

A recession in the United States involving significantly reduced consumer spending could have a negative impact on the results of operations.

The Company customers are individual consumers and businesses that provide goods and services to consumers. The Company's customers are located in a relatively concentrated geographic area and our accounts receivable represent unsecured credit. An economic downturn could have an adverse affect on the Company's operations. In the event that the economic downturn occurs, and spending by consumers drops significantly, the Company may be negatively affected.

Regulation by government and taxing agencies may increase the costs of providing service or require changes in services, either of which could impair the Company's financial performance.

The Company's operations is subject to varying degrees of regulation by the Federal Communications Commission, the Federal Trade Commission, the Federal Aviation Administration, the Environmental Protection Agency, the Occupational Safety and Health Administration along with state and local regulatory agencies and legislative bodies. Adverse decisions or regulation of these regulatory bodies could negatively impact the operations and the costs of doing business. For example, changes in tax laws or the interpretation of existing tax laws by state and local authorities could increase income, sales or other tax costs.

Risks Related to the Company's Relationship with Sprint

The termination of the Company's affiliation with Sprint would severely restrict the ability to conduct the wireless business.

The Company does not own the licenses to operate its wireless network. The ability of the Company to offer Sprint wireless products and services and operate a PCS network is dependent on the Sprint agreements remaining in effect and not being terminated. The Company's Management Agreement with Sprint automatically renews at the expiration of the 20-year initial term which ends in 2019, for an additional 10-year period and two subsequent 10-year periods unless the Company is in material default. Sprint can choose not to renew the Management Agreement at the expiration of any the renewal term. In any event, the Management Agreement terminates in 50 years.

In addition, each of the Sprint Agreements can be terminated for breach of any material term, including, among others, marketing, build-out and network operational requirements. Many of these requirements are extremely technical and detailed in nature. In addition, many of these requirements can be changed by Sprint with little notice. As a result, the Company may not always be in compliance with all requirements of the Sprint agreements. At December 31, 2003, the Company believes it was in compliance with all material terms and conditions of the Sprint Management Agreement.

The Company is dependent on Sprint's ability to perform its obligations under the Sprint agreements. The non-renewal or termination of any of the Sprint agreements or the failure of Sprint to perform its obligations under the Sprint agreements would severely restrict the ability to conduct business.

Sprint may make business decisions that are not in the Company's best interests, which may adversely affect the relationships with subscribers in our territory, increase expenses and/or decrease revenues.

Sprint, under the Sprint Agreements, has a substantial amount of control over the conduct of the Company's PCS business. Accordingly, Sprint may make decisions that adversely affect our PCS business, such as the following:

- Sprint could price its national plans based on its own objectives and could set price levels or other terms that may not be economically sufficient for the Company;
- Sprint could develop products and services, or establish credit policies, which could adversely impact the results of operations;
- Sprint cost to provide and maintain support services could increase;
- Sprint can reduce the reciprocal travel rate charged when Sprint's or its PCS Affiliates' subscribers use the Company's network after 2006;
- Sprint could, subject to limitations under our Sprint Agreements, alter its network and technical requirements or request the Company build out additional areas within its territories, which could result in increased equipment and build-out costs; or
- Sprint could make decisions that could adversely affect the Sprint brand names; products or services; or no longer perform its obligations, any of which would severely restrict the Company's ability to conduct business in its PCS segment.

The occurrence of any of the foregoing could adversely affect the relationship with wireless subscribers in the Company's territories, increase expenses and/or decrease revenues and have a material adverse affect on liquidity, financial condition and results of operation not only in our PCS business, but could damage the reputation of the Company and have a similar impact on the other business segments.

The dependence on Sprint for services may limit the ability to reduce costs, which could adversely affect the financial condition and results of operations or may adversely affect the ability to predict the results of operations.

The dependence on Sprint injects a greater degree of uncertainty to the Company's business and financial planning. Unanticipated future expenses and reductions in revenue will have a negative impact on liquidity and make it more difficult to reliably predict future performance.

It is the Company's policy to reflect the information supplied by Sprint in the financial statements in the respective periods. Corrections, if any, are made no earlier than the period in which the parties agree to the corrections.

Inaccuracies in data provided by Sprint could overstate or understate expenses or revenues and result in out-of-period adjustments that may materially adversely impact financial results.

Because Sprint provides billing and collection services for the Company, Sprint remits a significant portion of total revenues to the Company. The Company relies on Sprint to provide accurate, timely and sufficient data and information to properly record revenues, expenses and accounts receivable, which underlie a substantial portion of the financial statements and other financial disclosures.

The Company and Sprint have previously discovered billing and other errors or inaccuracies, which, while not material to Sprint, could be material to the Company. If the Company is required in the future to make additional adjustments or charges as a result of errors or inaccuracies in data provided by Sprint, such adjustments or charges may have a material adverse affect on the financial results in the period that the adjustments or charges are made. Such adjustments, may lead to a qualified opinion by the external auditors, or require restatement of the Company's financial statements.

The Company is subject to risks relating to Sprint's provision of back office services, changes in products, services, plans and programs.

The inability of Sprint to provide high quality back office services could lead to subscriber dissatisfaction, increased churn or otherwise increased costs. The Company relies on Sprint's internal support systems, including customer care, billing and back office support. The Company's operations could be disrupted if Sprint is unable to provide and expand its internal support systems in a high quality manner, or to efficiently outsource those services and systems through third-party vendors.

Sprint recently notified the Company that the customer care function was being outsourced to IBM. This move could impact the level of service the customers receive and could adversely impact the Company's ability to retain subscribers in its markets.

Changes in Sprint's PCS products and services may reduce subscriber additions, increase subscriber turnover and decrease subscriber credit quality. The competitiveness of Sprint's PCS products and services is a key factor in the ability to attract and retain subscribers.

Sprint's roaming arrangements to provide service outside of the Sprint National Network may not be competitive with other wireless service providers, which may restrict the ability to attract and retain subscribers and may increase the costs of doing business.

The Company relies on Sprint's roaming arrangements with other wireless service providers for coverage in some areas where Sprint service is not yet available. The risks related to these arrangements include:

- the quality of the service provided by another provider during a roaming call may not approximate the quality of the service provided by the Sprint PCS network;
- the price of a roaming call off network may not be competitive with prices of other wireless companies for roaming calls;
- subscribers must end a call in progress and initiate a new call when leaving the Sprint PCS network and entering another wireless network;

- customers may not be able to use Sprint's advanced features, such as voicemail notification, while roaming; and

- Sprint or the carriers providing the service may not be able to provide accurate billing information on a timely basis.

If customers are not able to roam quickly or efficiently onto other wireless networks, the Company may lose current subscribers and Sprint wireless services will be less attractive to new subscribers.

Certain provisions of the Sprint Agreements may diminish the value of the Company's common stock and restrict or diminish the value of the business.

Under limited contractual circumstances, Sprint may purchase the operating assets of the Company's PCS operation at a discount. In addition, Sprint must approve any assignment of the Sprint agreements. Sprint also has a right of first refusal if the Company decides to sell its PCS operating assets to a third-party. These restrictions and other restrictions contained in the Sprint agreements could adversely affect the value of the Company's common stock, may limit the ability to sell the business, may reduce the value a buyer would be willing to pay and may reduce the "entire business value," as described in the Sprint agreements.

The Company may have difficulty in obtaining an adequate supply of certain handsets from Sprint, which could adversely affect the results of operations.

PCS depends on our relationship with Sprint to obtain handsets. Sprint orders handsets from various manufacturers. The Company could have difficulty obtaining specific types of handsets in a timely manner if:

- Sprint does not adequately project the need for handsets for itself, its PCS Affiliates and its other third-party distribution channels, particularly in transition to new technologies;

- Sprint gives preference to other distribution channels;

- The Company does not adequately project its need for handsets;

- Sprint modifies its handset logistics and delivery plan in a manner that restricts or delays access to handsets; or

- there is an adverse development in the relationship between Sprint and its suppliers or vendors.

- Sprint and the Company rely on manufacturers for new product introductions and meeting delivery commitments.

The occurrence of any of the foregoing could disrupt subscribers' service and/or result in a decrease in subscribers, which could adversely affect the results of operations.

If Sprint does not continue to enhance its nationwide digital wireless network, the Company may not be able to attract and retain subscribers.

Sprint currently intends to cover a significant portion of the population of the United States, Puerto Rico and the U.S. Virgin Islands by creating a nationwide network through its own construction efforts and those of its PCS Affiliates. Sprint and the Affiliates are still constructing its nationwide network and does not offer PCS services, either on its own network or through its roaming agreements, in every part of the United States. Sprint

has entered into management agreements similar to the Company's with companies in other markets under its nationwide digital wireless build-out strategy. The results of operations are dependent on Sprint's national network and on the networks of Sprint's other Affiliates. Sprint's digital wireless network may not provide nationwide coverage to the same extent as its competitors, which could adversely affect the ability to attract and retain subscribers.

If other PCS Affiliates of Sprint have financial difficulties or cease operating, the Affiliate's network could be disrupted.

Sprint's national digital wireless network is a combination of networks. The large metropolitan areas are owned and operated by Sprint, and the areas in between them are generally owned and operated by Sprint PCS Affiliates, all of which are independent companies.

If other PCS Affiliates experience financial difficulties, Sprint's digital wireless network could be disrupted. While Sprint may have the right to step in and operate the network in the affected territory, there can be no assurance that the transition would occur in a timely and seamless manner. In addition, the Company does not have the ability to require other PCS Affiliates to pay amounts due for travel in the Company's market areas by such other PCS Affiliates subscribers. The Company relies on Sprint to enforce the payment obligations of such PCS Affiliates.

Non-renewal or revocation by the Federal Communications Commission (FCC) of Sprint's PCS licenses would significantly harm to the Company. Wireless spectrum licenses are subject to renewal and revocation by the FCC. There may be opposition to renewal of Sprint's PCS licenses upon their expiration, and Sprint's PCS licenses may not be renewed. The FCC has adopted specific standards to apply to PCS license renewals. Any failure by Sprint to comply with these standards could cause revocation or forfeiture of Sprint's PCS licenses. If Sprint loses any of its licenses, it would severely restrict the Company's ability to conduct business.

If Sprint does not maintain control over its licensed spectrum, the Sprint agreements may be terminated, which would result in the inability to provide service to the Company's subscribers.

ITEM 2. PROPERTIES

The Company owns a 24,000 square foot building in Edinburg, Virginia that houses the corporate headquarters and the Company's main switching center. A separate 10,000 square foot building in Edinburg, is used for customer services and retail sales. In late 1999, the Company purchased a 60,000 square foot building in Edinburg, which was initially used for storage and limited office space. Renovations are currently underway to convert a portion of the building into additional office space and meeting facilities. The Company also owns eight telephone exchange buildings that are located in the major towns and some of the rural communities and that serve the regulated service area. These buildings contain switching and fiber optic equipment and associated local exchange telecommunications equipment. The Company owns a 6,000 square foot service building outside of the town limits of Edinburg, Virginia. The Company owns a 10,000 square foot building in Winchester, Virginia used for retail sales and office space. The Company has fiber optic hubs or points of presence in Hagerstown, Maryland; Ashburn, Berryville, Front Royal, Harrisonburg, Herndon, Leesburg, Stephens City, Warrenton and Winchester, Virginia; and Martinsburg, West Virginia.

The buildings are a mixture of owned on leased land, leased space, and leasehold improvements. The majority of the identified properties are of masonry construction, are suitable to their existing use, and are in adequate condition to meet the foreseeable future needs of the organization. The Company is leasing a warehouse, office space and an operations area in Pennsylvania, to support the network and sales efforts in the Central Penn market. The Company also leases retail space in Harrisonburg and Front Royal, Virginia, Hagerstown, Maryland, and Harrisburg, Mechanicsburg, and York, Pennsylvania. The Company plans to lease additional land, equipment space, and retail space in support of the ongoing PCS expansion.

ITEM 3. LEGAL PROCEEDINGS

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders for the three months ended December 31, 2003.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

The Company's stock is traded on the NASDAQ National Market under the symbol "SHEN." Information on the high and low closing prices per share of common stock as reported by the NASDAQ National Market for the last two years is set forth below:

2003	High price	Low price
First Quarter	$24.31	$13.64
Second Quarter	24.98	14.33
Third Quarter	25.48	19.25
Fourth Quarter	27.50	19.74

2002	High price	Low price
First Quarter	$20.06	$16.50
Second Quarter	27.25	19.69
Third Quarter	27.25	22.75
Fourth Quarter	25.95	21.61

All share and per share figures are restated to reflect the 2 for 1 stock split effected February 23, 2004.

As of February 15, 2004, there were approximately 3,930 holders of record of the Company's common stock.

The Company historically has paid an annual cash dividend on or about December 1st of each year. The cash dividend was $0.39 per share in 2003 and $0.37 per share in 2002. The terms of a mortgage agreement require the maintenance of defined amounts of the Telephone subsidiary's equity and working capital after payment of dividends. Approximately $2,812,000 of the Telephone subsidiary's retained earnings was available for payment of dividends at December 31, 2003. The loan agreement is not expected to limit dividends in amounts that the Company historically has paid.

ITEM 6. SELECTED FINANCIAL DATA

The following table presents selected financial data as of December 31, 1999, 2000, 2001, 2002 and 2003 and for each of the five years ended December 31, 2003.

The selected financial data as of December 31, 2001, 2002 and 2003 and for each of the years in the three-year period ended December 31, 2003 are derived from the Company's audited consolidated financial statements appearing elsewhere in this report.

The selected financial data as of December 31, 1999 and 2000 and for the years ended December 31, 1999 and 2000 are derived from the Company's financial statements which have been audited.

The selected financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes thereto appearing elsewhere in this report.

(Dollar figures in thousands, except per share data.)

	2003	2002	2001	2000	1999
Operating Revenues	$ 105,861	$ 92,974	$ 68,722	$ 44,445	$ 29,701
Operating Expenses	87,233	83,636	62,298	39,065	24,624
Income Taxes (Benefit)	5,304	(2,109)	5,811	2,975	1,729
Interest Expense	3,510	4,195	4,127	2,936	1,951
Income (Loss) from Continuing Operations	$ 9,761	$ (2,893)	$ 9,694	$ 5,091	$ 2,927
Discontinued Operations, net of tax	22,389	7,412	6,678	4,764	3,501
Cumulative effect of a change in accounting, net of tax	(76)	--	--	--	--
Net Income	32,074	4,519	16,372	9,855	6,428
Total Assets	185,364	164,004	167,372	152,585	133,644
Long-term Obligations	43,346	52,043	56,436	55,487	33,030
Shareholder Information					
Number of Shareholders	3,930	3,954	3,752	3,726	3,683
Shares Outstanding	7,592,768	7,551,818	7,530,956	7,518,462	7,511,520
Income (Loss) per share from Continuing Operations-diluted	$ 1.28	$ (0.38)	$ 1.28	$ 0.68	$ 0.39
Income per share from					

Discontinued Operations-diluted	2.94	0.98	0.88	0.63	0.47
Loss per share from cumulative effect of a change in accounting-diluted	(0.01)	--	--	--	--
Net Income per share-diluted	4.22	0.60	2.17	1.31	0.86
Cash dividends per share	$ 0.39	$ 0.37	$ 0.35	$ 0.33	$ 0.28

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This annual report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding our expectations, hopes, intentions, or strategies regarding the future. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, changes in the interest rate environment, management's business strategy, national, regional and local market conditions, and legislative and regulatory conditions. The Company undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances, except as required by law.

General

Shenandoah Telecommunications Company is a diversified telecommunications company providing both regulated and unregulated telecommunications services through its nine wholly owned subsidiaries. These subsidiaries provide local exchange telephone services, wireless personal communications services (PCS), as well as cable television, paging, Internet access, long distance, fiber optics facilities, and leased tower facilities. The Company is the exclusive provider of wireless mobility communications network products and services under the Sprint brand from Harrisonburg, Virginia to Harrisburg, York and Altoona, Pennsylvania. The Company refers to the Hagerstown, Maryland; Martinsburg, West Virginia; and Harrisonburg and Winchester, Virginia markets as its Quad State markets. The Company refers to the Altoona, Harrisburg, and York, Pennsylvania markets as its Central Penn markets. Competitive local exchange carrier (CLEC) services were established on a limited basis during 2002. In addition, the Company sells and leases equipment, mainly related to services it provides, and also participates in emerging services and technologies by direct investment in non-affiliated companies.

The Company reports revenues as wireless, wireline and other revenues. These revenue classifications are defined as follows: Wireless revenues are made up of the Personal Communications Company (a PCS Affiliate of Sprint), and the Mobile Company. Wireline revenues include the following subsidiary revenues in the financial results: Telephone Company, Network Company, Cable Television Company, and the Long Distance Company. Other revenues are comprised of the revenues of ShenTel Service Company, the Leasing Company, ShenTel Communications Company and the Holding Company. For additional information on the Company's business segments, see Note 14 to audited consolidated financial statements appearing elsewhere in this report.

The Company participates in the telecommunications industry, which requires substantial investment in fixed assets or plant. This significant capital requirement may preclude profitability during the initial years of operation. The strategy of the Company is to grow and diversify the business by adding services and geographic areas that can leverage the existing plant, but to do so within the opportunities and constraints presented by the industry. For many years the Company focused on reducing reliance on the regulated telephone operation, which up until 1981 was the primary business within the Company. This initial diversification was concentrated in other wireline businesses, such as the cable television and regional fiber facility businesses, but in 1990 the Company made its first significant investment in the wireless sector through its former investment in the Virginia 10 RSA Limited partnership. By 1998, revenues of the regulated telephone operation had decreased to 59.2% of total revenues. In that same year more than 76.6% of the Company's total revenue was generated by wireline operations, and initiatives were already underway to make wireless a more significant contributor to total revenues.

During the 1990's significant investments were made in the cellular and PCS (wireless) businesses. The VA 10 RSA cellular operation, in which the Company held a 66% interest and was the general partner, experienced rapid revenue growth and excellent margins in the late 1990's. The cellular operation covered only six counties, and became increasingly dependent on roaming revenues. Management believed the roaming revenues and associated margins would be unsustainable as other wireless providers increasingly offered nationally-branded services with significantly reduced usage charges. To position it to participate in the newer, more advanced, digital wireless services, in 1995 the Company entered the PCS business through an affiliation with American Personal Communications (APC), initiating service along the Interstate 81 corridor from Harrisonburg, Virginia to Chambersburg, Pennsylvania. This territory was a very close match to the Company's fiber network, thereby providing economic integration that might not be available to other wireless carriers. In 1999, the Company entered a new affiliation arrangement with Sprint, the successor to APC (which introduced the Company to a nationally-branded wireless service) and expanded the PCS footprint further into Central Pennsylvania. The Company's combined capital investment in 2000 and 2001 in the PCS operation was $45.1 million.

The wireless industry in the late 1990's became increasingly competitive and the Company was not immune to these industry issues. The Clear PaySM program, introduced by Sprint as a no-deposit offering in 2001, attracted high credit risk customers in the Company's markets. As the results began to materialize, the Company implemented deposits on this program (mid-April 2002), and experienced high levels of customer turnover (churn) and uncollectable accounts. The write-offs of uncollectable accounts peaked in the third quarter of 2002. During the fourth quarter of 2002 there was some evidence that the strengthened credit policy was having a favorable impact. Nonetheless, the 2002 net loss in the PCS operation was $5.4 million, as compared to $5.5 million in 2001. Despite the disappointing financial results for 2002, the PCS customer base grew by over 40%. While the PCS operation was adding customers, the cellular operation continued to lose its local customer base.

The growing belief that national branding was critical to our wireless operations, the expectation that roaming revenues from our analog cellular operation would not continue to grow, and the increase in the number of wireless competitors in our markets, prompted the Company to exit the cellular business in order to focus on our PCS operations. The Company entered into an agreement on November 21, 2002, to sell its 66% ownership interest in the Virginia 10 RSA cellular operation which was classified as a discontinued operation. The closing occurred February 28, 2003. The Company received $37.0 million in proceeds, including $5.0 million in escrow for two years and $1.7 million for working capital.

In many respects, 2003 was a successful year. Churn and levels of uncollectable accounts in the PCS operation returned to more acceptable levels. PCS revenues reached $67.0 million, and total revenues reached $105.9 million. The PCS operation recognized a small profit for the year, including favorable adjustments associated with settlement of disputed items with Sprint. Excluding the favorable adjustments, the PCS operation recognized a profit in the fourth quarter. With improved operating cash flow and reduced capital spending in 2003, the Company prepaid $4.6 million in debt, selecting those notes with nominal prepayment penalties. Additionally, after receiving the cash and paying taxes on the gain of the sale of the Virginia 10 partnership interest, the Company invested the remaining proceeds in liquid financial instruments, available for future deployment. Additionally, the Company has been successful at decreasing its dependency on wireline revenues. Wireline revenues, at $29.0 million in 2003 compared to $18.6 million in 1998, were 27.4% of total revenues in 2003 compared to 76.6% in 1998.

Entering 2004, the Company is pleased with the milestone of a profitable quarter in the PCS operation, but recognizes that much work remains to ultimately earn a reasonable return on this investment. The recently announced signing of an addendum to the management and services agreements with Sprint is expected to lead to cost savings and greater

certainty in fees paid to Sprint. However, the consolidation predicted for the wireless industry in recent years, including the recently announced Cingular/ATT deal and anticipated improvements in the overall economics of wireless services, has not yet materialized. Future Sprint marketing efforts, designed to meet the competition, could potentially have an unfavorable impact on the Company and lead to additional losses. The risks associated with the Sprint PCS affiliation are described in further detail elsewhere in this document. The Company is now reviewing alternatives for other businesses to further diversify our revenue base, from either a services platform or a geographic concentration.

Additional Information About the Company's Business
(unaudited)

Three Month Period Ended		Dec. 31, 2003	Sept. 30, 2003	Jun. 30, 2003	Mar. 31, 2003	Dec. 31, 2002
Telephone Access Lines		24,877	24,951	24,972	24,903	24,879
CATV Subscribers		8,696	8,796	8,750	8,704	8,677
Dial-up Internet Subscribers		17,420	17,616	17,798	18,174	18,050
DSL Subscribers		1,298	1,163	1,080	852	646
Retail PCS Subscribers		85,139	81,015	77,398	72,480	67,842
Wholesale PCS Users	(1)	12,858	7,531	4,690	3,280	1,672
Paging Subscribers		1,989	2,107	2,315	2,805	2,940
Long Distance Subscribers		9,526	9,517	9,520	9,312	9,310
Fiber Route Miles		552	552	552	552	549
Total Fiber Miles		28,740	28,740	28,739	28,729	28,403
Wholesale PCS Minutes (000)		4,974	3,207	2,303	1,562	530
Long Distance Calls (000)	(2)	5,851	6,078	5,001	5,074	5,969
Total Switched Access Minutes (000)		55,932	54,349	51,124	48,380	46,627
Originating Switched Access MOU (000)		17,829	18,285	18,343	18,685	18,476
Employees (full time equivalents)		268	264	266	267	268
CDMA Base Stations (sites)		253	248	246	240	237
Towers (100 foot and over)		77	76	73	72	72
Towers (under 100 foot)		11	10	10	10	10
(See note (3) for definitions of terms)						
PCS Market POPS (000)		2,048	2,048	2,048	2,048	2,048
PCS Covered POPS (000)		1,581	1,581	1,574	1,574	1,555
PCS Average Revenue Per User (ex. Travel)		$ 52.05	$ 55.09	$ 52.84	$ 52.22	$ 51.38
PCS Travel Revenue per sub. (4)		$ 20.84	$ 16.50	$ 17.18	$ 17.39	$ 31.21
PCS Ave. Management Fee per sub		$ 4.02	$ 4.62	$ 4.58	$ 4.40	$ 4.64
PCS Ave. Monthly Churn %		2.00%	2.20%	1.90%	2.30%	3.40%
PCS Cost Per Gross Addition (CPGA)		$387.47	$418.22	$376.98	$276.97	$390.66
PCS Cash Cost Per User (CCPU) (4)		$ 36.31	$ 40.05	$ 44.23	$ 45.87	$ 53.52

PLANT FACILITIES	Telephone	CATV
Route Miles	2,133.6	550.5
Customers Per Route Mile	11.7	15.8
Miles of Distribution Wire	579.3	157.8
Telephone Poles	7,675	36
Miles of Aerial Copper Cable	337.2	162.0
Miles of Buried Copper Cable	1,314.4	352.7
Miles of Underground Copper Cable	39.2	2.0
Fiber Optic Cable-Fiber Miles	256.9	--
Inter-toll Circuits to Interexchange Carriers	1,622	--
Special Service Circuits to Interexchange Carriers	313	--

(1) - Wholesale PCS Users are private label subscribers homed in the Company's wireless network service area and primarily include Virgin Mobile subscribers.

(2) - Originated by customers of the Company's Telephone subsidiary

(3) - POPS refers to the estimated population of a given geographic area. Market POPS are those within a market area, and Covered POPS are those covered by the network's service area. ARPU is roaming revenue, and management fee, net of adjustments divided by average subscribers. PCS Travel revenue includes roamer revenue and is divided by average subscribers. PCS Average management fee per subscriber is 8% of collected revenue, excluding travel revenue, retained by Sprint. PCS Ave Monthly Churn is the average of three monthly calculations of deactivations (excluding returns less than 30 days) divided by beginning of period subscribers. CPGA includes selling costs, product costs, and advertising costs. CCPU includes network, customer care and other costs.

(4) - On a normalized basis, the 4th quarter PCS travel revenue per subscriber would be $19.25 and PCS CCPU would be approximately $38.66 taking into account the adjustments and true-ups recorded in December 2003.

Significant Transactions

The Company had several significant transactions during 2003. The largest was the sale of its 66% interest in the Virginia 10 RSA cellular operation, as described above. The Company originally entered into the agreement with Verizon Wireless in November 2002. The Company was the general partner of the limited partnership which operated an analog cellular network in the six-county area of Northwestern Virginia, including Clarke, Frederick, Page, Rappahannock, Shenandoah, and Warren counties, and the city of Winchester. The sales price was $37.0 million plus the Company's 66% share of the partnership's working capital, which was approximately $1.7 million. The Company was required to do a working capital true up following the closing, from which the Company recorded a charge for $23 thousand after taxes. In the fourth quarter the Company recorded an additional charge for taxes of $0.2 million to reflect the consolidated effective tax rate based on the final operating results for the year.

The sale of this business is reflected in the discontinued operations section of the income statement along with the results of operations for the two months of 2003 that the operation remained a part of the Company.

Reflected in the 2003 results are several unusual items, which should be noted in understanding the financial results of the Company for 2003.

1. Certain access revenue rate elements billed by the Company to interexchange carriers were disputed and subsequently refunded to the carriers. During 2003, the Company recorded a reduction in access revenue of $1.2 million from interexchange customers related to the disputed access revenue the Company previously billed for switching facilities and the local exchange network. The disputes cover a two-year period beginning in 2001 through and including the second quarter of 2003. The total amount of the reduction related to 2003 was $0.7 million.

2. The Company changed its employee vacation policy so that employees now earn and use their vacation benefits in the same year. Previously, vacation benefits were earned in the year prior to the year the benefits were available to the employee. As a result of this change in employee benefit policy, the Company did not accrue employee vacation expense for 2004 in 2003, thereby reducing its benefit expenses by $0.5 million for the 2003 year.

3. The Company adjusted its estimate of deferred revenue for the PCS operation in the fourth quarter of 2003. The adjustment decreased deferred revenue by $0.6 million and increased revenue in 2003 by the same amount.

4. The Company received a reimbursement from Sprint of $0.2 million related to 2002 for its portion of the E911 surcharge collected from PCS subscribers. The reimbursement is to offset the Company's portion of handset costs incurred to make the customers' phones E911 compliant. This entry decreased cost of goods expenses.

On January 30, 2004, the Company, a PCS Affiliate of Sprint, signed agreements with Sprint that resolved disputed items and documented changes in the management and operating agreements between the two companies related to the operations of the nationwide Sprint PCS network. The agreements provide the Company with the ability to better estimate the future costs of certain operating expenses and in the Company's opinion improve the contract between Sprint and itself. Under the agreements:

1. Sprint agreed to compensate the Company for lost travel revenue related to usage by Sprint customers in the Company's territory for the period prior to 2003, and change the method of allocating certain software maintenance fees between Sprint and its Affiliates for fees recorded in 2002 and 2003. These items had the effect of increasing operating income by $0.7 million in the 4th quarter of 2003.

2. The method used to price certain services performed by Sprint on behalf of the Company was simplified. The CCPU (cash cost per user) rate for the periods 2004 through 2006 was set at $7.70 per user per month. This fee covers customer service, billing, collections, network operations and other costs to support the customer. However, Sprint may discontinue such services if Sprint is discontinuing such services to all other Sprint PCS affiliates and Sprint's own end-users. It is estimated that this rate will decrease the amount the Company will pay Sprint compared to payments under the previous method by approximately $120,000 per month in 2004.

3. There will be a maximum until the year 2007, on the non-direct Costs per Gross Additions (CPGA) at the greater of 6.3% of the Sprint published CPGA rate or $25. With the volatility of CPGA, the Company cannot determine the amount of potential savings, but the change does provide more certainty in estimating future costs.

4. For the period 2004 through 2006, the travel and reseller rates between the Company and Sprint were set at $0.058 per minute for voice and $0.002 per kilobyte for data. Without this agreement the voice travel rate for 2004 would have decreased to $0.041. Since the Company is in a net receivable position related to travel with Sprint, the impact on net travel and reseller revenue would have been a reduction of $1.5 million had the $0.041 rate been in effect in 2003. Beginning in 2007, the Sprint travel and reseller rate will be changed annually to equal 90% of Sprint's retail yield from the prior year. Sprint's retail yield will be determined based on Sprint's average revenue per PCS user for voice services divided by the average minutes of use per user.

5. Sprint and the Company will agree on a service level agreement related to the provision of customer services by December 1, 2006. If Sprint does not reach the stated goals, the Company will have the opportunity to either provide the services itself or contract with a third party, beginning in 2008.

6. Through 2006, a methodology is provided to determine if the Company is required to make certain capital expenditures and participate in Sprint national marketing programs.

7. Effective January 1, 2004, the method of cash settlement provided for under the Agreement changed from Sprint distributing cash from customers based on collected revenue to billed revenue. The absolute amount of cash received by the Company should remain the same, but the Company should receive cash on a more timely basis.

8. The Company is entitled to a Most Favored Nations clause. During the period through 2006, the Company will have the opportunity to adopt any addendum to the Management and/or Service Agreements that Sprint signs with another PCS Affiliate.

In May 2003, the Board of Directors of the Company adopted a nonqualified supplemental executive retirement plan (SERP) benefit for named executives. The plan was established to provide benefits beyond the pension plan that covers all employees. See Note 9 of the Consolidated Financial Statements for additional information.

In November 2003, the Company commenced a management reorganization that will be ongoing into 2004. The reorganization was in recognition of the Company's growth and changes in the telecom industry. The Company shifted from an organization structure that was focused on lines of business to a plan that organizes on function. The Company plans to expand the senior staff and corresponding departments as needed to better position itself for future opportunities. This reorganization did not require a charge to the operation, as there were no positions lost or values impaired as a result of the reorganization.

On November 24, 2003, federal regulations went into effect whereby customers in the 100 largest metropolitan areas were able to change wireless carriers and keep their phone numbers. This is referred to as Wireless Local Number Portability (WLNP). On the same date in those markets, wireline customers could transfer their wireline number to a wireless phone. On May 24, 2004, Local Number Portability (LNP) will be available to wireless and wireline subscribers throughout the United States. To date, the impact of LNP/ WLNP on the Company has been insignificant.

Summary

The Company's three major lines of business are wireless, wireline and other businesses. Each of the three areas has unique issues and challenges that are critical to the understanding of the operations of the Company. The wireless business is made up of two different operations, the PCS operation and the tower business. The wireline business is

made up of traditional telephone operations, a cable TV operation, fiber network leasing and a company that resells long-distance. Other business includes the Company's Internet operation, the Interstate 81 corridor Travel 511 project and the sales and service of telecommunications systems.

The PCS operation must be understood within the context of the Company's relationship with Sprint and its PCS Affiliates. The Company operates its PCS wireless network as an affiliate of Sprint. The Company receives revenues from Sprint for subscribers that obtain service in the Company's network coverage area and those subscribers using the Company's network when they travel. The Company relies on Sprint to provide timely, accurate and complete information for the Company to record the appropriate revenue and expenses for the periods reflected.

The Company's PCS business has operated in a net travel receivable position for several years. The Company received $6.0 million in net travel in 2003, compared to $5.8 million in 2002, and $4.0 million in 2001. This relationship could change due to service plan changes, subscriber travel habit changes and other changes beyond the control of the Company.

Through Sprint, the Company began receiving revenue from wholesale resellers of wireless PCS service in late 2002. These resellers pay a flat rate per minute of use for all traffic their subscribers generate on the Company's network. The Company's cost to handle this traffic is the incremental cost to provide the necessary network capacity.

The Company faces vigorous competition in the wireless business as numerous national carriers are aggressively marketing their services in the Company's markets. The competitive landscape could change significantly depending on the marketing initiatives of our competitors, or in the event of consolidation in the wireless industry.

The wireline business is made up of traditional telephony, cable TV, fiber network operations and the Company's long-distance resale business. These businesses operate in a defined geographic area. The Company's primary service area for the telephone, cable TV and long-distance business is Shenandoah County, Virginia. The county is a rural area in northwestern Virginia, with a population of approximately 37,300 inhabitants, which has increased by approximately 6,000 since 1990. The potential for significant numbers of additional customers in the current operating area is limited.

The Company's telephone subscriber count declined in the third quarter and again in the fourth quarter of 2003. Migration to wireless and DSL services are believed to be driving this change. Based on industry experience, the Company anticipates this trend may continue for the foreseeable future.

Other revenues include Internet services, both dial-up and DSL high-speed service. The Company has seen a decline in dial up subscriptions over the last year. The DSL service has grown over 100% in the last year driven by customer desire for faster Internet connections.

The Company is facing competition for revenues it generates in the other lines of business, which will require the Company to differentiate itself from other providers through its service levels and evolving technologies that are more reliable and cost effective for the customer.

CRITICAL ACCOUNTING POLICIES

The Company relies on the use of estimates and makes assumptions that impact its financial condition and results. These estimates and assumptions are based on historical results and trends as well as the Company's forecasts as to how these might change in the future. Several of the most critical accounting policies that materially impact the Company's results of operations include:

Allowance for Doubtful Accounts

Estimates are used in determining the allowance for doubtful accounts and are based on historical collection and write-off experience, current trends, credit policies, and the analysis of the accounts receivable by aging category. In determining these estimates, the Company compares historical write-offs in relation to the estimated period in which the subscriber was originally billed. The Company also looks at the historical average length of time that elapses between the original billing date and the date of write-off and the financial position of its larger customers in determining the adequacy of the allowance for doubtful accounts. From this information, the Company assigns specific amounts to the aging categories. The Company provides an allowance for substantially all receivables over 90 days old.

The allowance for doubtful accounts balance as of December 31, 2003, 2002 and 2001 was $0.5 million, $0.9 million and $0.7 million, respectively. If the allowance for doubtful accounts is not adequate, it could have a material adverse effect on our liquidity, financial position and results of operations.

The Company also reviews current trends in the credit quality of the subscriber bases in its various businesses and periodically changes its credit policies. As of December 31, 2003, the Sprint PCS subscriber base in the Company's market area consisted of 17.9% sub-prime credit quality subscribers compared to 25.3% at December 31, 2002. Sprint manages the accounts receivable function related to all of the Company's Sprint PCS wireless customers, therefore limiting the amount of control the Company has in setting credit policy parameters.

The remainder of the Company's receivables are associated with services provided on a more localized basis, where the Company exercises total control in setting credit policy parameters. Historically there have been limited losses generated from the non-PCS revenue streams. Prior to 2002, the Company had not faced significant write-offs of inter-carrier accounts, but due to the telecommunication industry down-turn of the last few years, the Company experienced write-offs in this area of the business totaling $0.5 million in 2002, due to bankruptcy filings of several significant telecommunications companies. In 2003, the inter-carrier segment of the business improved and the Company recovered $240 thousand of bad debt from the sale of certain accounts that were previously written-off.

Bad Debt expense summary, net of recoveries for the three years ended December 31, 2003:

In thousands

	2003	2002	2001
PCS subscribers	$1,716	$3,744	$1,241
Interexchange carriers	48	488	--
Other subscribers and entities	71	170	82
Total bad debt expense	$1,835	$4,402	$1,323

Revenue Recognition

The Company recognizes revenues when persuasive evidence of an arrangement exists, services have been rendered or products have been delivered, the price to the buyer is fixed and determinable, and collectibility is reasonably assured. The Company's revenue recognition polices are consistent with the guidance in Staff Accounting Bulletin ("SAB") No. 101, Revenue Recognition in Financial Statements promulgated by the Securities and Exchange Commission, and the Emerging Issues Task Force ("EITF") 00-21, "Revenue Arrangements with Multiple Deliverables" ("EITF 00-21"). Effective July 1, 2003 the Company adopted EITF 00-21. The EITF guidance addresses how to account for arrangements that may involve multiple revenue-generating activities, i.e., the delivery or performance of multiple products, services, and/or rights to use assets. In applying this guidance, separate contracts with the same party, entered into at or near the same time, will be presumed to be a bundled transaction, and the consideration will be measured and allocated to the separate units based on their relative fair values. The consensus guidance was applicable to new PCS service agreements entered into for quarters beginning July 1, 2003. The adoption of EITF 00-21 required evaluation of each arrangement entered into by the Company for each sales channel. The Company will continue to monitor arrangements with its sales channels to determine if any changes in revenue recognition will need to be made in the future. The adoption of EITF 00-21 has resulted in substantially all of the PCS activation fee revenue generated through Company-owned retail stores and associated direct costs being recognized at the time the related wireless handset is sold and it is classified as equipment revenue and cost of equipment, respectively. Upon adoption of EITF 00-21, previously deferred PCS revenue and costs will continue to be amortized over the remaining estimated life of a subscriber, not to exceed 30 months. PCS revenue and costs for activations at other retail locations and through other sales channels will continue to be deferred and amortized over their estimated lives as prescribed by SAB 101. The adoption of EITF 00-21 had the effect of increasing equipment revenue by $68 thousand and increasing costs of equipment by $23 thousand, which otherwise would have been deferred and amortized.

The Company records equipment revenue from the sale of handsets and accessories to subscribers in its retail stores and to local distributors in its territories upon delivery. The Company does not record equipment revenue on handsets and accessories purchased from national third-party retailers, those purchased though the Company's business-to-business sales force, or directly from Sprint by subscribers in its territories. The Company believes the equipment revenue and related cost of equipment associated with the sale of wireless handsets and accessories is a separate earnings process from the sale of wireless services to subscribers. For competitive marketing reasons, the Company

sells wireless handsets at prices lower than the cost. In certain instances the Company may offer larger handset discounts as an incentive for the customer to agree to a multi-year service contract. The Company also sells wireless handsets to existing customers at a loss in handset sales and the corresponding cost in cost of goods, and accounts for these transactions separately from agreements to provide customers wireless service. These transactions are viewed as a cost to retain the existing customers and deter churn.

For the Company's wireless customers that purchase and activate their service through a channel not covered by EITF 00-21, the wireless customers generally pay an activation fee to the Company when they initiate service. The Company defers the activation fee revenue (except when a special promotion reduces or waives the fee) over the average life of its subscribers, which is estimated to be 30 months. The Company recognizes service revenue from its subscribers as they use the service. The Company provides a reduction of recorded revenue for billing adjustments and the portion of revenue (8%) that is retained by Sprint. The Company also reduces recorded revenue for rebates and discounts given to subscribers on wireless handset sales in accordance with ("EITF") Issue No. 01-9 "Accounting for Consideration Given by a Vendor to a Subscriber (Including a Reseller of the Vendor's Products)." The Company participates in the Sprint national and regional distribution programs in which national retailers sell Sprint wireless products and services. In order to facilitate the sale of Sprint wireless products and services, national retailers purchase wireless handsets from Sprint for resale and receive compensation from Sprint for Sprint wireless products and services sold. For industry competitive reasons, Sprint subsidizes the price of these handsets by selling the handsets at a price below cost. Under the Company's agreements with Sprint, when a national retailer sells a handset purchased from Sprint to a subscriber in the Company's territories, the Company is obligated to reimburse Sprint for the handset subsidy. The Company does not receive any revenues from the sale of handsets and accessories by national retailers. The Company classifies these handset subsidy charges as a cost of goods expense.

Through December 31, 2003, the Agreement provided that Sprint retains 8% of collected service revenues from subscribers based in the Company's markets and from non-Sprint wholesale subscribers who roam onto the Company's network. The amount of revenue retained by Sprint is recorded as an offset to the revenues recorded. All revenue derived from the sale of handsets and accessories by the Company and from certain roaming services (outbound roaming and travel revenues from Sprint and its PCS Affiliate subscribers) are retained by the Company.

The Company defers direct subscriber activation costs on subscribers whose activation falls within the SAB 101 guidelines. The activation costs are deferred when incurred, and then amortized using the straight-line method over 30 months, which is the estimated average life of a subscriber. Direct subscriber activation costs also include the activation charge from Sprint, and credit check fees. These fees are charged to the Company by Sprint at approximate $12.50 per subscriber.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company evaluates the recoverability of tax assets generated on a state-by-state basis from net operating losses apportioned to that state. Management uses a more likely than not threshold to make that determination and has established a valuation allowance against the tax assets, in case they are not recoverable. For 2003, the Company added an additional reserve of $0.2 million to its valuation allowance due to the uncertainty of the recoverability of the net operating loss carry-forwards in certain states. The valuation allowance now stands at $0.9 million as of December 31, 2003. Management will evaluate the effective rate of taxes based on apportionment factors, the Company's operating results, and the various state income tax rates. Currently, management anticipates the normalized effective income tax rate to be approximately 39%.

Other

The Company does not have any unrecorded off-balance sheet transactions or arrangements, however, the Company has commitments under operating leases and is subject to certain capital calls under one of its investments.

Results of Continuing Operations

2003 compared to 2002

Total revenue was $105.9 million in 2003, an increase of $12.9 million or 13.9%. Total revenues included $69.9 million of wireless revenues, an increase of $12.0 million or 20.7%; wireline revenues of $29.0 million, an increase of $0.3 million or 0.9%; and other revenues of $7.0 million, an increase of $0.6 million or 9.7%.

Within wireless revenues, the PCS operation contributed $67.0 million, an increase of $11.6 million, or 20.8%. PCS service revenues were $44.4 million, an increase of $10.9 million or 32.4%. Service revenue growth was driven by the increase in subscribers, totaling 85,139 at December 31, 2003, an increase of 17,297 or 25.5%, compared to 67,842 subscribers at year-end 2002. The company had churn of 2.1% in 2003 compared to 2.8% in 2002. The decline in the churn rate is the result of tightening the credit screening for new subscribers as well as continued efforts to improve the after sales support. Competition in the wireless industry continues to have a significant impact on the results of the Company's PCS operation.

PCS travel revenue, including reseller revenue, which is compensation between Sprint and its PCS Affiliates for use of the other party's network, was $16.8 million, an increase of $0.3 million or 1.8%. Travel revenue is impacted by the geographic size of the Company's network service area, the overall number of Sprint wireless customers, their travel patterns and the travel exchange rate. The rate received on travel was $0.058 per minute in 2003, compared to $0.10 per minute in 2002. As a part of the amended management agreement signed on January 30, 2004, Sprint and the Company agreed to maintain the travel rate at $0.058 per minute through December 31, 2006.

PCS equipment sales were $2.1 million, an increase of $0.4 million or 26.6%. The equipment sales are net of $1.7 million of rebates and discounts given at the time of sale. Rebates and discounts continue to be required to meet significant industry competition for subscriber additions and subscriber retention. These discounts and rebates are primarily transacted in the form of instant rebates, providing a second phone free when a customer purchases one, or providing free phones if the subscriber signs up for a specific contract term and a specific service plan.

In accordance with Sprint's requirements, the Company launched third generation (3G 1X) wireless service in August 2002. 3G 1X is the first of a four-stage migration path that will enable additional voice capacity and increased data speeds for subscribers. The network upgrades completed in 2002 were software changes, channel card upgrades, and some new network elements required for packet data. The Company's base stations were outfitted with network card enhancements, thereby allowing the Company to provide 3G 1X service without wholesale change-outs of base stations. 3G 1X is backwards compatible with the existing 2G network, thereby allowing continued use of current customer handsets. The impact of 3G 1X-network enhancements on revenues became more pronounced in 2003, as use of new 3G services and features generated approximately $1.0 million for the year, compared to $0.2 million in 2002. The growth in 3G revenue is the result of more subscribers on 3G plans and the increase in popularity of camera phones during 2003.

Wireless revenues included tower leases of $2.6 million, an increase of $0.5 million or 24.8%. The increase was the result of other wireless carriers executing additional leases to use space on the Company's portfolio of towers. Of the 88 towers and poles owned by the Company as of December 31, 2003, 52 towers have one or more external tenants, compared to 46 towers with external tenants at the end of 2002.

Wireless revenues from the Company's paging operation were $0.2 million, a decrease of $0.1 million as the customer base increasingly chose alternative wireless services. Paging service subscribers declined by 32.3% in 2003 from 2,940 subscribers to 1,989 subscribers. The paging operation continues to decline as more areas are covered by wireless voice services, which have features that surpass those of paging technologies. The Company anticipates that its paging customer base will continue to decline in the future.

Within wireline revenues, the Telephone operation contributed $22.7 million, an increase of $0.3 million, or 1.2%. Telephone access revenues were $11.6 million, an increase of $0.7 million or 6.7%. During 2003, the Company recorded a $1.2 million reduction to access revenue, of which $0.7 million was related to 2002, resolving disputes with interexchange carriers on the rating of long distance calls transiting the Telephone switching network for termination on wireless networks.

Originating access revenue increased in 2003 due in part to a shift from interstate to intrastate traffic. On similar traffic volume in both years, the Company generated an additional $0.4 million due to a favorable rate differential of $0.03 per minute on the increase in the mix of intrastate traffic. The Company's increased access revenue was also a result of the benefit gained through terminating more minutes through the switch, which increased 36.0 million minutes or

35.7% over 2002. The rates for terminating traffic were similar in both years, although the percentage of terminating traffic to total traffic increased from 58% in 2002 to 65% in 2003.

The shift in originating traffic is the result of implementing software capable of identifying actual interstate and intrastate traffic specifically delivered to the wireline switch, where previously usage was allocated between interstate and intrastate traffic types by the interexchange carriers.

The following table shows the access traffic minutes of use for the two years of 2003 and 2002.

Minutes of use (in thousands)	2003		2002	
(net of intercompany usage)	Originating	Terminating	Originating	Terminating
Interstate	29,373	87,539	42,929	63,959
Intrastate	37,190	49,103	22,684	36,712
Total	66,563	136,642	65,613	100,671

Access revenue (in thousands)	2003		2002	
(net of intercompany usage)	As reported	Pro forma	As reported	Pro forma
Traffic sensitive (1)	$ 4,274	$ 4,974	$ 4,676	$ 3,976
Special access revenues	1,606	1,606	1,247	1,247
Carrier common line settlement	5,750	5,750	4,978	4,978
Total	$11,630	$ 12,330	$10,901	$ 10,201

(1) Traffic sensitive revenue has been normalized in the proforma column to remove the impact of the access billing dispute adjustment and the impact of the NECA settlement adjustments.

Facility lease revenue contributed $5.5 million to wireline revenues, a decrease of $0.2 million or 3.5%. The decrease was primarily the result of the prolonged decline of lease rates associated with competitive pricing pressures and the economic downturn in the telecommunications industry. During 2002 the Company completed a second, diverse fiber route to its existing interconnection point in the Dulles airport area of Northern Virginia. This fiber route provides increased reliability for customers in the event of fiber cuts or breaks, and extends the availability of the Company's fiber network to additional market locations but to date has not added additional revenue to the Company's operation.

Billing and collection services and other revenues contributed $0.4 million to wireline revenues, which was the same as 2002 results. Revenues from this service had declined in recent years, with interexchange carriers now issuing a greater proportion of their bills directly to their customers.

Wireline revenues from cable television services were $4.4 million, an increase of $0.1 million or 1.7%. The number of subscribers and service plan prices remained relatively constant during 2003.

Other revenues, primarily consisting of Internet and 511Virginia service revenues were $5.8 million in 2003, an increase of $0.7 million or 13.5%. The Company had 17,420 dial-up Internet subscribers at December 31, 2003, compared to 18,050 at the end of the previous year. During 2003, the Company's DSL high-speed Internet access subscriber count increased to 1,298 from 646. Total Internet service revenue was $4.5 million, an increase of $0.3 million or 10.7%. The 511Virginia contract with the Virginia Department of Transportation contributed $1.3 million to other revenues, an increase of $0.4 million or 41.3%. Telecommunications equipment sales, services and lease revenues were $1.1 million, which reflects a $0.1 million decrease from 2002 results.

Total operating expenses were $87.2 million, an increase of $3.6 million or 4.3%. The primary driver in the increase in operating expenses is continued growth in the PCS operation somewhat offset by a significant decline in bad debt expense compared to 2002.

Late in 2003, the Company made an employee benefits policy change, which eliminated the requirement for the Company to accrue a vacation liability in advance of the year in which the benefit was used. The result of this change was a reduction of benefit expense of $0.5 million for the year compared to 2002. Benefit expenses impact all operating departments based on the amount of direct labor charged to the department. The change has a one-time impact on the

financial statements of the Company. The benefits policy now provides that employees earn and use their paid time off in the same period. In the future, under this policy, unused hours can be banked but only used for extended illness, not carried over for use as vacation.

Cost of goods and services was $10.9 million, an increase of $0.4 million or 4.2%. The PCS cost of goods sold was $8.5 million, an increase of $0.2 million or 2.3%. This change is due primarily to higher volumes of handsets sold through Company owned stores and PCS handset subsidies paid to third-party retailers. In 2003, the Company recorded approximately $1.8 million in handset costs related to existing subscribers upgrading their handsets. Prior to 2003, the Company did not track the specific costs related to subsidizing new handsets to existing customers. The cost of handset up-grades sold to existing customers is expected to increase as the customer base matures and handset manufacturers introduce new technologies in new handsets. The cable television programming (cost of service) expense was $1.6 million, an increase of $0.2 million or 16.3%. The Company has seen continuing upward pressure on the cost of cable TV programming by cable TV program providers.

Network operating costs were $33.6 million, an increase of $1.1 million or 3.4%. The largest item in network operating costs is travel expense. These costs made up 31.8% and 32.9% of the total network and other costs in 2003 and 2002, respectively. Travel expense is the cost of minutes used by the Company's PCS subscribers on Sprint or other Sprint Affiliates' networks. Travel expense in 2003 was $10.8 million, an increase of $0.1 million due to a significant increase in travel minutes in 2003 which was offset by the impact of the rate decline. The travel rate declined from $0.10 per minute in 2002 to $0.058 per minute in 2003. Our PCS customers increased their average monthly travel minutes by 22% compared to 2002. In 2002, the average customer's travel usage was 130 minutes per month and in 2003 that average travel usage increased to 159 minutes per month.

Network infrastructure maintenance costs were $4.9 million or 14.6% of total network operating costs, a decrease of $0.2 million from 2002. Rent for towers, tower sites, and buildings increased $0.9 million or 27.3% to $4.2 million. Lease escalators plus the increase in the number of sites leased contributed to the increase. Line costs in 2003 were $9.8 million or 29.1% of the network operating costs, an increase of $0.1 million.

Depreciation and amortization expense was $16.6 million, an increase of $2.1 million or 14.8%. The PCS operation had depreciation expense of $10.2 million, an increase of $1.6 million or 18.9%. The 16 additional PCS base stations placed in service during 2003 resulted in higher depreciation expense for the year. In the telephone operation, depreciation increased $0.5 million or 12.7%, due to new assets deployed in the operation. There was no amortization of goodwill in 2003 or 2002, compared to goodwill amortization of $360 thousand expensed in 2001, due to the required accounting change.

Selling, general and administrative expenses were $26.0 million, down $0.1 million or 0.4%. Customer support costs were $8.7 million, an increase of $0.9 million or 11.4%. The growth in Sprint wireless subscribers is primarily responsible for this change. Advertising expense was $4.6 million, an increase of $0.3 million or 6.4%. The change is primarily due to increased marketing efforts in support of the PCS operations in both the Quad State and Central Penn markets. PCS sales staff expenses were $2.8 million, an increase of $0.1 million or 1.5% compared to 2002. Other sales staff expenses increased $0.3 million to $1.3 million as the Company worked to expand its other services in areas outside its historically defined service area. Bad debt expense decreased $2.6 million or 58.3%.

Administrative expenses increased $1.0 million or 17.1%. This increase is a result of increased professional fees, insurance and pension costs. During 2003, the Company added several positions to expand the management team to support the Company's growing operations.

Bad debt expense decreased $2.6 million to $1.8 million or 58.3%. This decrease was due to more restrictive credit terms for new PCS subscribers (limiting the high credit risk customers who obtained service), lower churn in the PCS operation and improvement in the interexchange carrier segment of the business. This expense is net of normal recoveries and includes a recovery of $0.2 million for an interexchange carrier settlement the Company received in 2003 which was written off in 2002.

Operating income grew to $18.6 million, an increase of $9.3 million or 100%. Revenue growth, primarily in the PCS operation in addition to the reduced bad debt expenses, adjustments of management estimates, and the settlement of disputed items with Sprint, all contributed to the operating income improvements. The Company's operating margin was 17.6%, compared to 10.0% in 2002.

Other income (expense) is comprised of non-operating income and expenses, interest expense and gain or loss on investments. Collectively, the net impact of these items to pre-tax income was an expense of $3.6 million for 2003, compared to expense of $14.3 million from 2002. The 2002 results were primarily the results of the previously disclosed $9.0 million loss recorded on the sale of the VeriSign stock.

Interest expense was $3.5 million, a decrease of $0.7 million or 16.3%. The Company's average debt outstanding decreased approximately $4.8 million. Long-term debt (inclusive of current maturities), was $43.3 million at year-end 2003, versus $52.0 million at year-end 2002. The Company did not borrow any money on its revolving facilities in 2003.

Net losses on investments were $0.4 million, compared to a loss of $10.1 million from 2002. Results in 2002 include the sale of the VeriSign, Inc. stock for a loss of $9.0 million. See Note 3 to the consolidated financial statements.

Non-operating income was a gain of $0.4 million, an increase of $0.5 million, due to an increase in patronage equity earned from CoBank, the Company's primary lender, and due to interest income from the proceeds on the sale of the Virginia 10 RSA Limited partnership, offset by losses recorded for the Company's portfolio of investments.

The Company provided for income taxes of $5.3 million in 2003, which is an effective tax rate of 35.2% due to the effect of state tax apportionment rules and reduction in the liability for tax exposures. On a normalized basis the Company would have recorded taxes at an effective tax rate of approximately 39%. Last year's effective tax rate was 42.2% due to the impact of net operating loss carry forwards generated in several states with higher tax rates. The Company currently operates in four states. Due to apportionment rules and geographic operations of subsidiaries where the Company's profits and losses arise, the Company is generating profits in states with lower tax rates, while generating losses in states with higher tax rates. The Company cautions readers that the current effective tax rate may not be the same rate at which tax benefits or tax expenses are recorded in the future. The Company's state apportionments, profits and losses and state tax rates may change, therefore changing the effective rate at which taxes are provided for or at which tax benefits accrue. In the near term, under existing operating results and current tax rates, the Company anticipates a normalized effective tax rate will be approximately 39%.

Net income from continuing operations was $9.8 million, an increase of $12.7 million from 2002. The results are primarily made up of the improvement in the PCS operation and the one-time impact of the losses on the sale of VeriSign stock in 2002.

Income from discontinued operations was $22.4 million after taxes, an increase of $15.0 million or 202%. The income from discontinued operations in 2003 includes the sale of the partnership interest in February 2003 and results from the two months of its operations in 2003.

The Company adopted FAS 143 "Accounting for Asset Retirement Obligations." effective January 1, 2003, and as a result recorded a charge to earnings for the cumulative effect of this change in accounting of $76 thousand after taxes.

Net income was $32.1 million, an increase of $27.6 million or 610%. The increase is a result of improved operating results in the PCS operations, the 2002 VeriSign stock loss and the sale of the cellular operations.

DISCONTINUED OPERATIONS

The Company invested $2.0 million in the Virginia 10 RSA limited partnership in the early 1990's. The partnership's local customer base peaked in early 2000 with nearly 12,000 subscribers, then steadily declined to 6,700 by December 31, 2002. The decline was the result of competition with digital technologies and increased competition from national carriers in the area. As a result of the decline in the subscriber base, and the need for extensive capital expenditures to transform the analog network into a digital cellular network, the Company elected to sell its 66% interest in the partnership to one of the minority partners. The agreement was signed in November 2002, and closing was February 28, 2003. The Company's portion of the net income from its operations for 2003, 2002 and 2001 was $1.2 million, $7.4 million and $6.7 million, respectively.

CONTINUING OPERATIONS

2002 compared to 2001

Total revenue was $93.0 million in 2002, an increase of $24.3 million or 35.3%. Total revenues included $57.9 million of wireless revenues, an increase of $21.7 million or 60.2%; wireline revenues of $28.7 million, an increase of $1.3 million or 4.6%; and other revenues of $6.4 million, an increase of $1.2 million or 24.5%.

Within wireless revenues, the PCS operation contributed $55.5 million, an increase of $21.4 million, or 63.0%. PCS service revenues were $37.4 million, an increase of $18.3 million or 95.7%. The increase in the subscriber base, which totaled 67,842 at December 31, 2002, was an increase of 20,524 or 43% from the prior year end.

PCS travel revenue, which is compensation between Sprint and its PCS Affiliates for use of the other party's network, was $16.5 million, an increase of $2.9 million or 21.3%. Travel revenue is impacted by the geographic size of the Company's network service area, the overall number of Sprint wireless customers, and the travel exchange rate. The rate received on travel was $0.10 per minute in 2002. The rates in 2001 were $0.20 per minute from January 1, 2001 through April 30, 2001; $0.15 per minute from May 1, 2001 through September 30, 2001; and $0.12 per minute from October 1, 2001 through December 31, 2001.

PCS equipment sales were $1.6 million, an increase of $0.3 million or 19.6%. The equipment sales are net of $0.3 million of rebates and discounts given at the time of sale, which became more pronounced during the year to meet industry competition for subscriber additions and subscriber retention.

In accordance with Sprint's requirements, the Company launched third generation (3G 1X) service in August 2002. The impact of 3G 1X-network enhancements on revenues was not significant in 2002.

Tower leases added $2.1 million to wireless revenues, an increase of $0.4 million or 24.5%. The increase was the result of other wireless carriers executing additional leases to use space on the Company's portfolio of towers. Of the 82 towers and poles owned by the Company as of December 31, 2002, 46 have tower space leased to other carriers.

Wireless revenues from the Company's paging operation were $0.3 million, a decrease of $0.1 million as the local customer base increasingly chose alternative digital wireless services. Paging service subscribers declined by 7.8% in 2002 from 3,190 subscribers to 2,940 subscribers.

Within wireline revenues, the Telephone operation contributed $22.5 million, an increase of $0.9 million, or 4.0%. Telephone access revenues were $10.9 million, an increase of $1.4 million or 14.8%. The growth in access revenues was driven by a 38.4% increase in access minutes of use on the Company's network and an increased percentage of minutes in the intrastate jurisdiction, where rates are higher than the interstate jurisdiction. On January 1, 2002 the Federal subscriber line charge (SLC) for residential customers increased from $3.50 to $5.00 per month. The SLC increased again on July 1, 2002 to $6.50, and comparable rate increases also impacted business subscribers. Tied to the SLC rate increases were declines in rates charged to interexchange carriers for interstate minutes of use. The 2002 results reflect a significantly larger increase in network usage, which more than offset the decline in rates.

Facility lease revenue contributed $5.7 million to wireline revenues, a decrease of $0.8 million or 12.6% from 2001. The decrease was primarily the result of declining lease rates associated with competitive pricing pressure, and the economic downturn in the telecommunications industry.

Billing and collection services contributed $0.4 million to wireline revenues, which was the same as 2001 results. Revenues from this service had declined in recent years, with interexchange carriers now issuing a greater proportion of their bills directly to their customers.

Wireline revenues from cable television services were $4.3 million, an increase of $0.5 million or 14.5%. In December 2001, the Company increased its basic service charge by $6.00 per month, which produced $0.3 million of the increase in cable television revenue. The remaining $0.2 million was generated by an increased penetration of digital services and increased pay per view sales.

Within other revenues, Internet and 511Virginia contract revenues from the Virginia Department of Transportation, were $5.1 million in 2002, an increase of $1.2 million or 30.4%. The Company had 18,050 dial-up Internet subscribers at December 31, 2002, compared to 17,423 subscribers at the end of 2001. Total Internet service revenue was $4.2 million, an increase of $0.6 million or 15.7%. Services provided under the 511Virginia contract contributed $0.9 million to other revenues, an increase of $0.6 million. Telecommunications equipment sales, services and lease revenues were $1.2 million, a nominal increase over 2001 results.

Total operating expenses were $83.6 million, an increase of $21.3 million or 34.3%. The continued growth in the PCS operation was principally responsible for the change.

Cost of goods and services was $10.5 million, an increase of $3.1 million or 41.8%. The PCS cost of goods sold was $8.3 million, an increase of $2.8 million or 50.2%. This change is due primarily to higher volumes of handsets sold through Company owned stores and PCS handset subsidies paid to third-party retailers. The cable television programming (cost of service) expense was $1.4 million, an increase of $0.1 million or 4.6%. The other cost of goods sold increased $0.3 million, compared to the same period in 2001.

Network operating costs were $32.5 million, an increase of $5.8 million or 21.5%. Line and switching costs were $9.7 million, an increase of $2.6 million or 37.4%, due principally to the impact of the expanded PCS network. Travel expense, generated by the Company's PCS subscribers' use of minutes on other providers' portions of the Sprint wireless network, was $10.7 million, an increase of $0.9 million or 8.4%. The increase in customer travel usage more than offset the travel rate explained above in travel revenue. Plant specific costs were $9.6 million, which include the operation, and maintenance of the networks increased $2.3 million or 30.7%. Tower, building, and land rentals, as well as PCS equipment maintenance, were major contributors to the increase in plant specific expenses. Other network costs such as power, network administration, and engineering, were $2.7 million, the same as in 2001.

Depreciation and amortization expense was $14.5 million, an increase of $3.2 million or 28.6%. The PCS operation had depreciation expense of $8.6 million, an increase of $3.6 million or 72.7%. The PCS operation added 53 additional base stations during 2002.

Selling, general and administrative expenses were $26.1 million, an increase of $9.3 million or 55.0%. Customer support costs were $7.8 million, an increase of $2.8 million or 55.3%. The growth in Sprint wireless subscribers was the primary driver for this increase. Advertising expense was $4.3 million, an increase of $1.5 million or 55.8%. This change was primarily due to the stepped-up and ongoing marketing efforts to support the PCS operations in the Quad State market and particularly the Central Penn market. PCS sales staff expenses were $2.7 million, an increase of $0.7 million or 32.7%. The increase was principally due to the full year operations of the three retail locations and adding additional sales staff.

The Company experienced significant bad debt losses in its PCS operations related to the Sprint Clear PaySM program. The program was initially targeted at customers in sub-prime credit classes and did not require a deposit upon activation of service. As a result of default rates that exceeded projections, the Company experienced a substantial increase in bad debt expense, which rose from $1.2 million in 2001 to $4.4 million in 2002. The reinstatement of deposit requirements in April 2002 caused some moderation in bad debt expense by the end of the year. Total PCS bad debt expense for 2002 was $3.7 million. Of the total, $0.5 million of this expense is associated with several large telecommunications customers who filed bankruptcies in 2002.

Operating income grew to $9.3 million, an increase of $2.9 million or 45.4%. Revenue growth, primarily in the PCS operation, was greater than the increase in operating expense, and the overall operating margin was 10.0%, compared to 9.4% in 2001. The elevated bad debt expense in the PCS and telephone operations had a dampening effect on the operating margin improvement.

Other income (expense) is comprised of non-operating income and expenses, interest expense and gain or loss on investments. Collectively, the net impact of these items to pre-tax income was an expense of $14.3 million for 2002, compared to income of $9.1 million from 2001. The largest component was the loss on investments that is discussed below.

Interest expense was $4.2 million, an increase of $0.1 million or 1.4%. The Company's average debt outstanding was approximately the same during 2002 as compared to the previous year.

Net losses on investments were $10.0 million, compared to a gain of $12.9 million from 2001. Results in 2002 include the sale of the VeriSign, Inc. stock for a loss of $9.0 million compared to a gain recorded on the VeriSign stock of $12.7 million in 2001.

Non-operating income was a loss of $0.1 million, a decrease of $0.3 million, primarily due to losses recorded for the Company's portfolio of investments, offset by an increase in patronage equity earned from CoBank, the Company's primary lender.

Income (loss) from continuing operations before taxes was a $5.0 million loss compared to a profit of $15.5 million in 2001, a decrease of $20.5 million. Gains and losses on external investments contributed $21.7 million to this change from 2002 to 2001.

The Company recognized an income tax benefit of $2.1 million on continuing operations in 2002, which is an effective tax rate of 42.2% due to the impact of net operating loss carry forwards generated in several states with higher tax rates, offset by the need for a valuation allowance.

Net loss from continuing operations was $2.9 million, a decrease of $12.6 million from 2001. The results are primarily made up of the one-time impact of the losses on the sale of the VeriSign stock and the improvement in operating income.

Income from discontinued operations was $7.4 million after taxes, an increase of $0.7 million or 11%. Increased revenues from use of our cellular network by customers of other wireless providers were the main cause for the increase in net income.

Net income was $4.5 million, a decrease of $11.9 million or 72.4%. The decrease is primarily the result of the $21.7 million decline in investment results due to the impact of the VeriSign gain recorded in 2001, and the loss on the sale of the VeriSign stock in 2002.

Investments in Non-Affiliated Companies

The Company has investments in several available-for-sale securities, which the Company may choose to liquidate from time to time, based on market conditions, capital needs, other investment opportunities, or a combination of any number of these factors. As a result of the uncertainty of these factors, there is also uncertainty as to what the value of the investments may be when they are sold.

The fair value of the Company's available-for-sale securities was $0.2 million at the end of 2003, compared to $0.2 million at the end of 2002. The Company's available-for-sale portfolio at December 31, 2003 is made up of two investments, both of which are within the telecommunications industry. Due to the volatility of the securities markets, particularly in the telecommunications industry, there is uncertainty about the ultimate value the Company will realize with respect to these investments in the future.

The Company participates in emerging technologies by investing in entities that invest in start-up companies. This includes indirect participation through capital venture funds of South Atlantic Venture Fund III, South Atlantic Private Equity IV, Dolphin Communications Parallel Fund, Dolphin Communications Fund II and the Burton Partnership. The Company also participates by direct investment in privately held companies. Currently the Company's only direct investment is in NTC Communications, a provider of voice, video and data connections to off campus housing properties at universities and colleges. For those companies that eventually make public offerings of their securities, it is the intent of the Company to evaluate whether to hold or sell parts or all of each investment on an individual basis. At December 31, 2003, the Company had external investments totaling $7.5 million.

In 2004, the Company anticipates taking advantage of a conversion feature on its Rural Telephone Bank stock. The Company will convert a portion of its holdings into a different class of stock that will pay cash dividends each year. The bank declares a dividend rate that varies, each year. The range of the dividend has been between 4.2% and 5.65% over the last 5 years. The rate in the two most recent years was 4.2%. This transaction is estimated to provide the Company with approximately $0.3 million in dividend income each year, based on the 2003 dividend rate of 4.2% and assuming we had converted the stock at the beginning of 2003.

Financial Condition, Liquidity and Capital Resources

The Company has four principal sources of funds available to meet the financing needs of its operations, capital projects, debt service, investments and potential dividends. These sources include cash flows from operations, cash and cash equivalents, the liquidation of investments and borrowings. Management routinely considers the alternatives available to determine what mix of sources are best suited for the long-term benefit of the Company.

During the 2003 year, with the closing of the sale of the Virginia 10 RSA Limited partnership interest, the Company evaluated its capital requirements, and as a result eliminated its $20.0 million revolving line of credit with CoBank in May 2003. The Company had paid off the outstanding balance in early 2003, and did not borrow on it during the remaining time

the facility was in place. In light of the $27.9 million balance in cash equivalent investments, management determined additional debt capacity is not necessary for the near-term.

The term debt loan agreements with CoBank have three financial covenants. These are measured on a trailing 12-month basis and are calculated on continuing operations. The first of the covenants is the total leverage ratio, which is total debt to operating cash flow. This ratio must remain below 3.5, and as of December 31, 2003 it was 1.2. The second measure is equity to total assets, which must be 35% or higher. At December 31, 2003 the ratio was 57.3%. The third measure is the debt service coverage ratio, which is operating cash flow to scheduled debt service, which must exceed 2.0. At December 31, 2003 this measure was 4.3. Management believes the Company will meet these covenant measures for the coming year. The Company has pledged all of its affiliates capital stock as collateral for the CoBank loans.

The Company's covenants on the RUS/RTB debt require the pledge of all current and future assets of the Telephone subsidiary until the debt is retired.

Another external source of funding is a $0.5 million unsecured, variable rate revolving line of credit with SunTrust Bank. This facility is in place to allow the Company to better manage its daily cash balances. The facility expires May 31, 2004. Management anticipates renewing this facility with SunTrust Bank under similar terms and conditions. At December 31, 2003 there were no balances outstanding under this facility.

Due to make-whole provisions in the Company's debt agreements it is currently uneconomical for the Company to prepay any debt.

The Company is obligated to make future payments under various contracts it has entered into, including amounts pursuant to its various long-term debt facilities, and non-cancelable operating lease agreements for retail space, tower space and cell sites. Expected future minimum contractual cash obligations for the next five years and in the aggregate at December 30, 2003, are as follows:

Payments due by periods

(unaudited) (in thousands)	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt principal	$43,346	$ 4,230	$ 8,898	$ 9,552	$20,666
Interest on long -term debt	15,429	3,019	5,099	3,778	3,533
Operating leases	12,592	3,216	4,616	2,229	2,531
Capital calls on investments	1,790	--	1,790	--	--
Purchase obligations	98	98	--	--	--
Total obligations	$73,255	$10,563	$20,403	$15,559	$26,730

The $5.0 million placed in escrow, as part of the sales agreement on the Virginia 10 RSA limited partnership, should be released after February 28, 2005. There are no known claims that have been filed against the amount in escrow.

The Company spent $12.5 million on capital projects in 2003, or about $7.0 million below what was budgeted for the year. The variance was primarily due to postponing construction of an additional diverse fiber route and the delay of the second phase of renovations on the Shentel Center in Edinburg, Virginia.

The Company has no other off-balance sheet arrangements and has not entered into any transactions involving unconsolidated, limited purpose entities or commodity contracts.

Capital expenditures budgeted for 2004 total approximately $30 million, including approximately $20 million for additional PCS base stations, additional towers, and switch upgrades to enhance the PCS network. Improvements and replacements of approximately $5 million are planned for the telephone operation. The remaining $5 million covers building renovations, vehicles, office equipment, and other miscellaneous capital needs.

The Company anticipates using funds from operations, to the extent they are available to fund the capital expenditures and the payment of debt and interest. Due to lower than expected tax expenses in 2003, the Company will apply the tax receivable to the 2004-year tax liability. It is anticipated by no later than second quarter of 2004, additional federal tax payments will be due based on anticipated profits expected to be generated in the operation.

Management anticipates its operations will generate similar operating cash flows in 2004, compared to those of continuing operations in 2003, although there are events outside the control of the Company that could have an adverse impact on cash flows from operations. The events that could adversely impact operating cash flow results include, but are not limited to; changes in overall economic conditions, regulatory requirements, changes in technologies, availability of labor resources and capital, and other conditions. The PCS subsidiary's operations are dependent upon Sprint's ability to execute certain functions such as billing, customer care, and collections; their ability to develop and implement successful marketing programs and new products and services; and their ability to effectively and economically manage other operating activities under the Company's agreements with Sprint. Additionally, the Company's ability to attract and maintain a sufficient customer base is critical to maintaining a positive cash flow from operations. These items individually and/or collectively could impact the Company's results.

The Company expects to generate adequate cash to meet its short-term and long-term cash needs, including working capital requirements, capital projects and debt payments, and to fund potential dividend payments from cash on hand, operating cash flow, and amounts expected to be available under the Company's existing financing facilities and its anticipated financing facilities discussed above. The Company may, at its election, liquidate some of its investments to generate additional cash for its capital needs as market conditions allow.

Recently Issued Accounting Standards

In December 2003, the FASB issued FASB Interpretation No. 46 (revised December 2003),"Consolidation of Variable Interest Entities," which addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through means other than voting rights and accordingly should consolidate the entity. FIN 46R replaces FASB Interpretation No. 46, "Consolidation of Variable Interest Entities," (VIE), which was issued in January 2003. The Company will be required to apply FIN 46R to variable interests in VIEs created after December 31, 2003. For variable interests in VIEs created before January 1, 2004, the Interpretation will be applied beginning on January 1, 2005, except it must be applied in the fourth quarter of 2003 for any VIE's that are considered to be special purpose entities. For any VIEs that must be consolidated under FIN 46R that were created before January 1, 2004, the assets, liabilities and non-controlling interests of the VIE initially would be measured at their carrying amounts with any difference between the net amount added to the balance sheet and any previously recognized interest being recognized as the cumulative effect of an accounting change. If determining the carrying amounts is not practicable, fair value at the date FIN 46R first applies may be used to measure the assets, liabilities and non-controlling interest of the VIE. The Company is evaluating the impact of applying FIN 46R to existing VIEs in which it has variable interests and does not believe the application will have a material impact on the Company's consolidated financial statements.

In May 2003, the Financial Accounting Standards Board ("FASB") issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Liabilities and Equity," which was effective at the beginning of the first interim period beginning after June 15, 2003. This Statement establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. The Statement also includes required disclosures for financial instruments within its scope. For the Company, the Statement was effective for instruments entered into or modified after May 31, 2003 and otherwise will be effective as of January 1, 2004, except for mandatorily redeemable financial instruments. For certain mandatorily redeemable financial instruments, the Statement will be effective for the Company on January 1, 2005. The effective date has been deferred indefinitely for certain other types of mandatorily redeemable financial instruments. The Company currently does not have any financial instruments that are within the scope of this Statement.

In December 2003, the Financial Accounting Standards Board issued FASB Statement No. 132(R). Statement No. 132(R) is a revision of Statement No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS 132(R) is effective for financial statements with fiscal years ending after December 15, 2003. SFAS 132(R) requires additional disclosures including information describing the types of plan assets, investment strategy, measurement date(s), plan obligations, cash flows, and components of net periodic benefit cost recognized during interim periods. The objectives of the revisions are to provide qualitative information about the items in the financial statements, quantitative information about items recognized or disclosed in the financial statements, information that enables users of financial statements to assess the effect that pension plans and other postretirement benefit plans have on entities' results of operations, and information to facilitate assessments of future earnings and cash flows. The Company has adopted this statement effective December 31, 2003 with disclosures included in Note 9.

RISKS

The Company is one of eleven PCS Affiliates of Sprint, and accordingly, is impacted by decisions and requirements adopted by Sprint in regard to its wireless operation. Management continually reviews its relationship with Sprint as new developments and requirements are added. Note 7 to the accompanying consolidated financial statements contains a detailed description of the significant contractual relationship.

The Company is dependent on Sprint for the reporting of a significant majority of PCS revenues, particularly travel and service revenue. Controls and processes are continually refined, so the Company can monitor, review, test, and validate information being reported to the Company by Sprint. It is the Company's policy to estimate and reflect the information supplied by Sprint in the financial statements in the respective periods. Corrections, if any, are made no earlier than the period in which the parties agree to the corrections and as noted in these financial statements, there are several dispute settlements, true-ups of estimates and corrections which are recorded in the period the issue has been resolved. The Company is at risk for reporting errors that may be made by Sprint.

The net balance of PCS travel revenue and expense could change significantly due to changes in service plan offerings, changes in the travel settlement rate, changes in travel habits by the subscribers in the Company's market areas or other Sprint subscribers and numerous other factors beyond the Company's control. The Company is continuing to monitor the financial strength of the other PCS Affiliates of Sprint, as to their ability to maintain their segment of the Sprint network may impact the ability of the Company to add new subscribers. Two other Sprint PCS Affiliates are currently operating under bankruptcy protection.

Wireless Local Number Portability (WLNP) permits a subscriber to change wireless service providers in the same market area while retaining their existing telephone number. This Federal Communications Commission mandate was effective November 24, 2003 in the 100 largest metropolitan areas and will be effective in all areas of the United States on May 24, 2004. Although the initial impact of WLNP appears to be insignificant, there may be a significant future impact to the Company's operation. As a result of WLNP, portions of the PCS subscriber base may migrate to other wireless providers, thereby contributing to increased churn. Alternatively, the implementation of WLNP may allow the Company to attract additional subscribers from other wireless providers.

The Company has limited control over the service plans and marketing promotions offered to Sprint customers in the competitive wireless telecommunications industry. Sprint controls the marketing plans, advertising message and market promotions offered in the Company's market area. As a result, the plans and promotions offered may have a material adverse effect on the Company's results of operations.

The Company relies on Sprint for the development of new products and services to remain competitive in the wireless industry. Examples of these services are text messaging, video, and push to talk walkie-talkie features. If these services do not work properly or if Sprint should not continue to develop new competitive products, the results could have a material adverse impact on the results of the Company.

The Company is required to participate in national and regional third party distribution programs formulated and negotiated by Sprint. Sprint has entered into reseller agreements which may impact the Company. These distribution and reseller programs may have an adverse effect on the results of the Company.

The Company's PCS network is part of Sprint's nationwide wireless network. The network is owned and operated by Sprint and its Affiliates. The financial viability of Sprint and its Affiliates is critical to the success of operating and marketing Sprint PCS. If financial difficulties are experienced by Sprint or any Affiliate, it could have an adverse impact on the Company's results.

The current competitive nature of the wireless industry may prompt major wireless providers to strive for financial improvements through industry consolidation. Such consolidation could include Sprint. It is not clear to what extent consolidation may occur or which companies will be involved, but certain consolidation transactions may have an adverse impact on the operating results and valuation of the Company's wireless operations.

The Company's access revenue may be adversely impacted by legislative or regulatory actions that decrease access rates or exempt certain traffic from paying access to the Company's regulated telephone network. The Federal Communications Commission is currently reviewing the issue of Voice Over Internet Protocol (VOIP) as it relates to access charges. An unfavorable finding may have an adverse effect on the Company's telephone operations.

There has been a trend for incumbent local exchange carriers to see a decrease in access lines due to the effect of wireless and wireline competition, a slow down in the economy, and the elimination of a second line dedicated to dial up Internet as customers migrate to broadband connections. Although the Company has not seen a material reduction in its number of access lines to date, it experienced line decreases in each of the last two quarters. There is a significant risk that this trend could have a material adverse effect on the Company's telephone operations in the future.

On May 24, 2004, Local Number Portability (LNP) will be required in the Company's local wireline service area. The Company's customers will be able to retain their existing wireline phone number and use it to obtain service from a competing wireline or wireless provider in the service area. At this time, the Company cannot estimate the potential impact on its telephone operations. If a significant number of customers disconnect the Company's service, it will have an adverse impact on the Company's telephone operating results.

The Company's revenue from fiber leases may be adversely impacted by further erosion in demand or in price competition for these facilities. There is also the potential for additional bankruptcies of the Company's customers. The Company monitors each of its fiber lease customers closely to minimize the risk related to this business.

The Company operates the cable television system in Shenandoah County, Virginia. The Company has seen increased competition from satellite providers that are larger and have cost advantages over the Company in the procurement of programming. The continued success of the satellite television providers may have an adverse impact on the Company's cable television results.

The Company currently has a 12-month, $1.2 million contract with the Virginia Department of Transportation (VDOT) to provide 511 Travel services in the I-81 corridor of Virginia. This contract expires in February 2005. VDOT has recently requested a proposal for a three-year contract with two two-year extensions to extend 511 services to the entire state. Although the Company plans to submit a proposal for the new VDOT contract, there is no certainty that the Company will be selected to provide these services after the end of its current contract.

The Company may not be able to utilize all of its net operating loss carry forwards for taxes in certain states before they expire, resulting in the Company writing off some of its deferred tax assets and impacting its cash position.

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to management including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, December 31, 2003 (the "Evaluation Date"), we carried out an evaluation, under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Chief Financial Officer of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the Evaluation Date.

Under our agreements with Sprint, Sprint provides us with billing, collections, customer care, certain network operations and other back office services. As a result, Sprint remits to the Company approximately 61% of the Company's total revenues. In addition, approximately 42% of the expenses reflected in the Company's consolidated financial statements relate to charges by or through Sprint for expenses such as billing, collections and customer care, roaming expense, long-distance, and travel. Due to this relationship, the Company necessarily relies on Sprint to provide accurate, timely and sufficient data and information to properly record our revenues, expenses and accounts receivable, which underlie a substantial portion of our periodic financial statements and other financial disclosures.

Information provided by Sprint includes reports regarding the subscriber accounts receivable in our markets. Sprint provides us monthly accounts receivable, billing and cash receipts information on a market level, rather than a subscriber level. We review these various reports to identify discrepancies or errors. However, under our agreements with Sprint, we are entitled to only a portion of the receipts, net of items such as taxes, government surcharges, certain allocable write-offs and the 8% of revenue retained by Sprint. Because of our reliance on Sprint for financial information, we must depend on Sprint to design adequate internal controls with respect to the processes established to provide this data and information to the Company and Sprint's other network partners. To address this issue, Sprint engages its

independent auditors to perform a periodic evaluation of these controls and to provide a "Report on Controls Placed in Operation and Tests of Operating Effectiveness for Affiliates" under guidance provided in Statement of Auditing Standards No. 70 ("SAS 70 reports"). The report is provided to us annually and covers a twelve-month period from October 1, 2002 to September 30, 2003. This report did not indicate there were issues which would adversely impact the information used to support the recording of the revenues and expenses provided by Sprint related to our relationship with them.

We believe the processes we have put into place over the course of the year have steadily improved our ability to identify material errors in Sprint financial information on a timely basis. As a result of the improved processes and procedures we are continuing to develop and define, the Company is committed to monitor and evaluate the effectiveness of its improvements in controls related to information provided by Sprint and to continue to improve these processes.

In preparation for the requirements imposed under Section 404 of the Sarbanes-Oxley Act of 2002, we have retained an outside consulting firm to assist us in reviewing and documenting our internal control processes.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's market risks relate primarily to changes in interest rates on instruments held for other than trading purposes. Our interest rate risk involves three components, although only one is of any significance at this time. The first component is outstanding debt with variable rates. As of December 31, 2003, the Company's variable rate debt balance was zero. The Company has a variable rate line of credit totaling $0.5 million with SunTrust Banks. The Company's remaining debt has fixed rates through its maturity. A 10.0% decline in interest rates would increase the fair value of the fixed rate debt by approximately $1.1 million, while the estimated current fair value of the fixed rate debt is approximately $42.6 million.

The second component of interest rate risk is temporary excess cash, primarily invested in overnight repurchase agreements and short-term certificates of deposit and money market funds. The Company currently has approximately $27.9 million of cash equivalents in money market funds, which are earning rates of approximately 1% per year. The cash is currently in short-term investment vehicles that have limited interest rate risk. Management continues to evaluate the most beneficial use of these funds.

The third component of interest rate risk is marked increases in interest rates which may adversely impact the rate at which the Company may borrow funds for growth in the future. Although this risk is real, it is not significant at this time as the Company has adequate cash for operations, payment of debt and near-term capital projects.

Management does not view market risk as having a significant impact on the Company's results of operations, although future results could be adversely impacted if interest rates were to escalate markedly and the company required external financing. Since the Company does not currently have significant investments in publicly traded stock, currently there is limited risk related to the Company's available for sale securities. General economic conditions impacted by regulatory changes, competition or other external influences may play a higher risk to the Company's overall results.

As of December 31, 2003, the Company has $7.3 million invested in privately held companies directly or through investments with portfolio managers. Most of the companies are early stage and significant increases in interest rates could have an adverse impact on their results, ability to raise capital and viability. The Company's market risk is limited to the funds previously invested and an additional $1.8 million committed under contracts the Company has signed with portfolio managers.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements listed in Item 15 are filed as part of this report and appear on pages F-2 through F-34

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A. CONTROLS AND PROCEDURES

Our management, with the participation of our President and Chief Executive Officer, who is our principal executive officer, and our Executive Vice President and Chief Financial Officer, who is our principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2003. Based upon that evaluation, the President and Chief Executive Officer and the Executive Vice President have concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to Shenandoah Telecommunications Company, including its consolidated subsidiaries, required to be included in this report and the other reports that we file or submit under the Securities Exchange Act of 1934.

During the fourth fiscal quarter, there have been no changes in our internal control over financial reporting that have materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT EXECUTIVE OFFICERS

The following table presents information about our executive officers who, other than Christopher E. French, are not directors.

Name	Title	Age	Date in Position
Christopher E. French	President	46	April 1988
Earle A. MacKenzie	Executive Vice President, Chief Financial Officer and Treasurer	51	June 2003
David E. Ferguson	Vice President of Customer Services	58	November 1982
David K. MacDonald	Vice President of Operations	50	May 1998
Laurence F. Paxton	Vice President of Information Technology and Secretary	51	June 2003
William L. Pirtle	Vice President of Sales	44	October 2003

Before joining the Company, Mr. MacKenzie served from May 1999 to November 2002 as President of Broadslate Networks, Inc., a start-up data services provider. Previously, from June 1998 to May 1999, he was a consultant to several venture capital firms.

Prior to becoming Vice President of Information Technology, Mr. Paxton had served as the Company's Vice President of Finance since June 1991.

Prior to becoming Vice President of Sales, Mr. Pirtle had served as the Company's Vice President of Personal Communications Services since November 1996.

Other information responsive to this Item 10 is incorporated herein by reference to the Company's definitive proxy statement for its 2004 Annual Meeting of Shareholders.

ITEM 11. EXECUTIVE COMPENSATION

Information responsive to this Item 11 is incorporated herein by reference to the Company's definitive proxy statement for its 2004 Annual Meeting of Shareholders.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information responsive to this Item 12 is incorporated herein by reference to the Company's definitive proxy statement for its 2004 Annual Meeting of Shareholders.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information responsive to this Item 13 is incorporated herein by reference to the Company's definitive proxy statement for its 2004 Annual Meeting of Shareholders.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information responsive to this Item 14 is incorporated herein by reference to the Company's definitive proxy statement for its 2004 Annual Meeting of Shareholders.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)(1) The following consolidated financial statements of the Company appear on pages F-2 through F-34 of this report and are incorporated by reference in Part II, Item 8:

Report of Independent Auditors

Consolidated Financial Statements

Consolidated Balance Sheets as of December 31, 2003, 2002 and 2001

Consolidated Statements of Income for the three years ended December 31, 2003

Consolidated Statements of Shareholders' Equity and Comprehensive Income for the three years ended December 31, 2003

Consolidated Statements of Cash Flows for the three years ended December 31, 2003

Notes to Consolidated Financial Statements

(a)(2) All schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(a)(3) The following exhibits are either filed with this Form 10K or incorporated herein by reference. Our Securities Exchange Act file number is 000-09881.

Exhibit Number	Exhibit Description
3.1	Amended and Restated Articles of Incorporation of Shenandoah Telecommunications Company filed as Exhibit 4.2 to the Company's Registration Statement on Form S-8 (No. 333-21733) and incorporated herein by reference.
*3.2	Shenandoah Telecommunications Company Bylaws, as amended.
10.1	Shenandoah Telecommunications Company Stock Incentive Plan filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 (No. 333-21733) and incorporated herein by reference.
10.2	Shenandoah Telecommunications Company Dividend Reinvestment Plan filed as Exhibit 4.4 to the Company's Registration Statement on Form S-3D (No. 333-74297) and incorporated herein by reference.
*10.3	Settlement Agreement and Mutual Release dated as of January 30, 2004 by and among Sprint Spectrum L.P., Sprint Communications Company L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P. and Shenandoah Personal Communications Company and Shenandoah Telecommunications Company, dated January 30, 2004.
*10.4	Sprint PCS Management Agreement dated as of November 5, 1999 by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.
*10.5	Sprint PCS Services Agreement dated as of November 5, 1999 by and between Sprint Spectrum L.P. and Shenandoah Personal Communications Company.
*10.6	Sprint Trademark and Service Mark License Agreement dated as of November 5, 1999 by and between Sprint Communications Company, L.P. and Shenandoah Personal Communications Company.
*10.7	Sprint Spectrum Trademark and Service Mark License Agreement dated as of November 5, 1999 by and between Sprint Spectrum L.P. and Shenandoah Personal Communications Company.
*10.8	Addendum I to Sprint PCS Management Agreement by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.
*10.9	Asset Purchase Agreement dated November 5, 1999 by and among Sprint Spectrum L.P., Sprint Spectrum Equipment Company, L. P., Sprint Spectrum Realty Company, L.P., and Shenandoah Personal Communications Company, serving as Exhibit A to Addendum I to the Sprint PCS Management Agreement and as Exhibit 2.6 to the Sprint PCS Management Agreement.
*10.10	Addendum II dated August 31, 2000 to Sprint PCS Management Agreement by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.

*10.11 Addendum III dated September 26, 2001 to Sprint PCS Management Agreement by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.

*10.12 Addendum IV dated May 22, 2003 to Sprint PCS Management Agreement by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.

*10.13 Addendum V dated January 30, 2004 to Sprint PCS Management Agreement by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.

*10.14 Executive Supplemental Retirement Plan.

*21 List of Subsidiaries.

*23.1 Consent of KPMG LLP, Independent Accountants.

*31.1 Certification of President and Chief Executive Officer of Shenandoah Telecommunications Company pursuant to Rule 13a-14(a)under the Securities Exchange Act of 1934.

*31.2 Certification of Executive Vice President and Chief Financial Officer of Shenandoah Telecommunications Company pursuant to Rule 13a-14(a)under the Securities Exchange Act of 1934.

*32 Certifications pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. ss.1350.

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* Filed herewith.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K (Continued)

(b). Reports on Form 8-K

There was one Form 8-K filed for the three months ended December 31, 2003, as set forth below:

Filing Date of Report	Item Reported
October 22, 2003	Item 9 (press release announcing third quarter results and an increase in the annual dividend and two for one stock split)

SIGNATURES

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SHENANDOAH TELECOMMUNICATIONS COMPANY

March 8, 2004

By: /s/ CHRISTOPHER E. FRENCH
Christopher E. French, President
(Duly Authorized Officer)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/CHRISTOPHER E. FRENCH March 8, 2004 Christopher E. French	President & Chief Executive Officer, Director (Principal Executive Officer)
/s/EARLE A. MACKENZIE March 8, 2004 Earle A. MacKenzie	Executive Vice President & Treasurer (Principal Financial Officer and Principal Accounting Officer)
/s/DOUGLAS C. ARTHUR March 8, 2004 Douglas C. Arthur	Director
/s/NOEL M. BORDEN March 8, 2004 Noel M. Borden	Director
/s/DICK D. BOWMAN March 8, 2004 Dick D. Bowman	Director
/s/KEN L BURCH March 8, 2004 Ken L. Burch	Director
/s/GROVER M. HOLLER, JR. March 8, 2004 Grover M. Holler, Jr.	Director
/s/HAROLD MORRISON, JR. March 8, 2004 Harold Morrison, Jr.	Director
/s/ZANE NEFF March 8, 2004 Zane Neff	Director
/s/JAMES E. ZERKEL II March 8, 2004 James E. Zerkel II	Director

SHENANDOAH TELECOMMUNICATIONS COMPANY
AND SUBSIDIARIES

Index to the Consolidated 2003 Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shenandoah Telecommunications Company:

We have audited the accompanying consolidated balance sheets of Shenandoah Telecommunications Company and subsidiaries (the Company), as of December 31, 2003, 2002, and 2001, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Shenandoah Telecommunication Company and subsidiaries as of December 31, 2003, 2002 and 2001, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1 to the consolidated financial statements, the Company changed its method of accounting for goodwill in 2002. As further discussed in note 1 to the consolidated financial statements, the Company changed its method of accounting for asset retirement obligations in 2003.

/s/ KPMG LLP

Richmond, Virginia
February 6, 2004

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2003, 2002 and 2001
in thousands

ASSETS (Note 5)	2003	2002	2001
Current Assets			
Cash and cash equivalents	$ 28,696	$ 2,209	$ 2,037
Accounts receivable, net (Notes 1 and 8)	6,488	7,536	5,739
Income taxes receivable	1,526	12	1,205
Materials and supplies	2,062	1,787	2,934
Prepaid expenses and other	1,669	2,205	1,146
Deferred income taxes (Note 6)	522	1,197	575
Assets held for sale (Note 2)	--	5,548	2,973
Total current assets	40,963	20,494	16,609
Securities and Investments (Notes 3 and 8)			
Available-for-sale securities	199	151	12,025
Other investments	7,268	7,272	6,438
Total securities and investments	7,467	7,423	18,463
Property, Plant and Equipment			
Plant in service (Note 4)	197,431	184,069	154,345
Plant under construction	2,261	5,209	14,960
	199,692	189,278	169,305
Less accumulated depreciation	72,006	57,126	44,473
Net property, plant and equipment	127,686	132,152	124,832
Other Assets			
Assets held for sale (Note 2)	--	--	3,272
Cost in excess of net assets of business acquired	5,105	5,105	5,105
Deferred charges and other assets (Notes 1 and 2)	5,999	667	1,452
	11,104	5,772	9,829
Less accumulated amortization	1,856	1,837	2,361
Net other assets	9,248	3,935	7,468
Total assets	$185,364	$164,004	$167,372

See accompanying notes to consolidated financial statements.

(Continued)

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2003, 2002 and 2001
in thousands

LIABILITIES AND SHAREHOLDERS' EQUITY	2003	2002	2001
Current Liabilities			
Current maturities of long-term debt (Note 5)	$ 4,230	$ 4,482	$ 4,387
Revolving line of credit (Note 5)	--	3,503	6,200
Accounts payable (Note 7)	4,729	5,003	5,128
Advanced billings and customer deposits	3,326	3,538	2,652
Accrued compensation	1,015	1,268	1,084
Other current liabilities	2,496	1,564	1,455
Current liabilities held for sale (Note 2)	--	542	735
Total current liabilities	15,796	19,900	21,641
Long-term debt, less current maturities (Note 5)	39,116	47,561	52,049
Other Liabilities			
Deferred income taxes (Note 6)	20,819	15,859	14,977
Pension and other (Note 9)	3,425	2,441	2,265
Total other liabilities	24,244	18,300	17,242
Minority Interests in discontinued operations (Note 2)	--	1,666	1,838
Commitments and Contingencies (Notes 2,3,5,6,7,9,12, and 13)			
Shareholders' Equity (Notes 5 and 10)			
Common stock, no par value, authorized 16,000 shares; issued and outstanding 7,593 shares in 2003, 7,552 shares in 2002, and 7,530 shares in 2001	5,733	5,246	4,950
Retained earnings	100,449	71,335	69,610
Accumulated other comprehensive income (loss) (Note 3)	26	(4)	42
Total shareholders' equity	106,208	76,577	74,602
Total liabilities and shareholders' equity	$185,364	$ 164,004	$167,372

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
Years Ended December 31, 2003, 2002 and 2001
in thousands, except per share amounts

	2003	2002	2001
Operating revenues:			
Wireless (Notes 7 and 8)	$ 69,872	$ 57,867	$ 36,133
Wireline	29,022	28,755	27,486
Other	6,967	6,352	5,103
Total operating revenues	105,861	92,974	68,722
Operating expenses:			
Cost of goods and services (Note 7)	10,943	10,502	7,410
Network operating costs (Note 8)	33,630	32,512	26,756
Depreciation and amortization	16,631	14,482	11,263
Selling, general and administrative (Note 7)	26,029	26,140	16,869
Total operating expenses	87,233	83,636	62,298
Operating income	18,628	9,338	6,424
Other income (expense):			
Interest expense	(3,510)	(4,195)	(4,127)
Net gain (loss) on investments (Note 3)	(443)	(10,004)	12,943
Non-operating income (expense), net	390	(141)	265
	(3,563)	(14,340)	9,081
Income (loss) before income taxes, cumulative effect of a change in accounting and discontinued operations	15,065	(5,002)	15,505
Income tax provision (benefit) (Note 6)	5,304	(2,109)	5,811
Income (loss) from continuing operations	9,761	(2,893)	9,694
Discontinued operations, net of income taxes (Note 2)	22,389	7,412	6,678
Cumulative effect of a change in accounting, net of income taxes (Note 1)	(76)	--	--
Net income	$ 32,074	$ 4,519	$ 16,372
Income (loss) per share:			
Basic Net income (loss) per share:			
Continuing operations	$ 1.29	$ (0.38)	$ 1.29
Discontinued operations	2.95	0.98	0.89
Cumulative effect of a change in accounting, net of income taxes	(0.01)	--	--
	$ 4.23	$ 0.60	$ 2.18
Weighted average shares outstanding, basic	7,577	7,542	7,523
Diluted Net income (loss) per share:			
Continuing operations	$ 1.28	$ (0.38)	$ 1.28
Discontinued operations	2.94	0.98	0.88
Cumulative effect of a change in accounting, net	(0.01)	--	--
	$ 4.22	$ 0.60	$ 2.17
Weighted average shares, diluted	7,608	7,542	7,549

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
AND COMPREHENSIVE INCOME
Years Ended December 31, 2003, 2002 and 2001
in thousands, except per share amounts

	Shares	Common Stock	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total
Balance, January 1, 2001	7,518	$4,817	$ 55,873	$ 5,645	$ 66,335
Comprehensive income:					
Net income	--	--	16,372	--	16,372
Net unrealized change in securities available-for-sale, net of tax of $3,482	--	--	--	(5,603)	(5,603)
Total comprehensive income					10,769
Dividends declared ($0.35 per share)	--	--	(2,635)	--	(2,635)
Common stock issued through exercise of incentive stock options	12	133	--	--	133
Balance, December 31, 2001	7,530	4,950	69,610	42	74,602
Comprehensive income:	--	--	4,519	--	4,519
Net income					
Net unrealized change in securities available-for-sale, net of tax of $29	--	--	--	(46)	(46)
Total comprehensive income					4,473
Dividends declared ($0.37 per share)	--	--	(2,794)	--	(2,794)
Common stock issued through exercise of incentive stock options and stock grants	22	296	--	--	296
Balance, December 31, 2002	7,552	$5,246	$ 71,335	$ (4)	$ 76,577
Comprehensive income					
Net income			32,074		32,074
Net unrealized change in securities available-for-sale, net of tax of $(18)				30	30
Total comprehensive income					32,104
Dividends declared ($0.39 per share)	--	--	(2,960)		(2,960)
Common stock issued through exercise of incentive stock options	41	487	--	--	487
Balance, December 31, 2003	7,593	$5,733	$ 100,449	$ 26	$ 106,208

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2003, 2002 and 2001
in thousands

	2003	2002	2001
Cash Flows from Operating Activities			
Income (loss) from continuing operations	$ 9,761	$ (2,893)	$ 9,694
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	16,612	14,476	10,540
Amortization	19	6	723
Deferred income taxes	5,664	289	8,666
Loss on disposal of assets	348	739	506
Net (gain) loss on disposal of investments	3	9,034	(14,162)
Net (gain) loss from patronage and equity investments	52	393	789
Other	403	443	987
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	1,069	(1,797)	(864)
Materials and supplies	(275)	1,147	(307)
Increase (decrease) in:			
Accounts payable	(275)	1,067	(3,968)
Other prepaids, deferrals and accruals	(2,778)	120	(2,263)
Net cash provided by operating activities	30,599	23,024	10,341
Cash Flows From Investing Activities			
Purchase and construction of plant and equipment, net of retirements	(12,476)	(22,612)	(27,972)
Purchase of investment securities	(796)	(1,775)	(1,250)
Proceeds from sale of equipment	109	77	482
Proceeds from sale of radio spectrum license	--	--	1,133
Proceeds from investment activities (Note 3)	714	3,301	5,842
Net cash used in investing activities	(12,449)	(21,009)	(21,765)

(Continued)

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2003, 2002 and 2001
in thousands

	2003	2002	2001
Cash Flows From Financing Activities			
Proceeds from issuance of long-term debt	$ --	$ --	$ 24,641
Principal payments on long-term debt	(8,697)	(4,393)	(23,692)
Net proceeds from (payments of) lines of credit	(3,503)	(2,697)	6,200
Debt issuance costs	--	--	(175)
Dividends paid	(2,960)	(2,794)	(2,635)
Proceeds from exercise of incentive stock options	487	296	133
Net cash provided by (used in) financing activities	(14,673)	(9,588)	4,472
Net cash used in continuing operations	3,477	(7,573)	(6,952)
Net cash provided by discontinued operations	23,010	7,745	6,444
Net increase (decrease) in cash and cash equivalents	26,487	172	(508)
Cash and cash equivalents:			
Beginning	2,209	2,037	2,545
Ending	$ 28,696	$ 2,209	$ 2,037
Supplemental Disclosures of Cash Flow Information			
Cash payments for:			
Interest, net of capitalized interest of $26 in 2003; $93 in 2002, and $134 in 2001	$ 3,577	$ 4,274	$ 4,217
Income taxes	$ 15,569	$ 1,045	$ 506

Non-cash transactions:

During 2002, the Company issued 4,654 shares of Company stock to employees valued at $0.1 million in recognition of the Company's 100th year anniversary.

In December 2001, the Company received 310,158 shares of VeriSign Inc. common stock in exchange for 333,504 shares of Illuminet Holdings, Inc. stock as a result of the merger of the two entities.

The Company completed the sale of its GSM network equipment in January 2001, for approximately $6.5 million of which approximately $4.9 million was escrowed as part of a like-kind exchange transaction. The escrowed funds were disbursed as new equipment was received during the first six months of 2001.

See accompanying notes to consolidated financial statements.

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Description of business: Shenandoah Telecommunications Company and subsidiaries (the Company) provides telephone service, wireless personal communications service (PCS) under the Sprint brand name, cable television, unregulated communications equipment sales and services, Internet access, and paging services. In addition, the Company leases towers and operates and maintains an interstate fiber optic network. The Company's operations are located in the four state region surrounding the Northern Shenandoah Valley of Virginia. Pursuant to a management agreement with Sprint Communications Company and its related parties (collectively, "Sprint"), the Company is the exclusive PCS Affiliate of Sprint providing wireless mobility communications network products and services in the geographic area extending from Altoona, Harrisburg and York, Pennsylvania, south through Western Maryland, and the panhandle of West Virginia, to Harrisonburg, Virginia. The Company is licensed to use the Sprint brand name in this territory, and operates its network under the Sprint radio spectrum license (Note 7). A summary of the Company's significant accounting policies follows:

Stock split: All share and per share information reflect the two for one stock split announced in October 2003, to shareholders of record as of the close of business on January 30, 2004. The additional shares were distributed on February 20, 2004. The effective date of the split is February 23, 2004. All previously reported share and per share data included herein are retroactively adjusted to reflect the split.

Principles of consolidation: The consolidated financial statements include the accounts of all wholly owned subsidiaries and other entities where effective control is exercised. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of estimates: Management of the Company has made a number of estimates and assumptions related to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Management reviews its estimates, including those related to recoverability and useful lives of assets as well as liabilities for income taxes and pension benefits. Changes in facts and circumstances may result in revised estimates and actual results could differ from those reported estimates.

Cash and cash equivalents: The Company considers all temporary cash investments purchased with a maturity of three months or less to be cash equivalents. The Company places its temporary cash investments with high credit quality financial institutions. At times, these investments may be in excess of FDIC insurance limits. Cash and cash equivalents were $28.7million, $2.2 million, and $2.0 million at December 31, 2003, 2002 and 2001, respectively.

Accounts receivable: Accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The Company determines the allowance based on historical write-off experience and by industry and national economic data. The Company reviews its allowance for doubtful accounts monthly. Past due balances meeting specific criteria are reviewed individually for collectibility. All other balances are reviewed on a pooled basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Accounts receivable are concentrated among customers within the Company's geographic service area and large telecommunications companies. The Company's allowance for uncollectable receivables related to continuing operations was $477 thousand, $914 thousand and $650 thousand at December 31, 2003, 2002 and 2001, respectively.

Securities and investments: The classifications of debt and equity securities are determined by management at the date individual investments are acquired. The appropriateness of such classification is continually reassessed. The Company monitors the fair value of all investments, and based on factors such as market conditions, financial information and industry conditions, the Company will reflect impairments in values as is warranted. The classification of those securities and the related accounting policies are as follows:

Available-for-Sale Securities: Debt and equity securities classified as available-for-sale consist of securities which the Company intends to hold for an indefinite period of time, but not necessarily to maturity. Any decision to sell a security classified as available-for-sale would be based on various factors, including changes in

market conditions, liquidity needs and similar criteria. Available-for-sale securities are recorded at fair value as determined by quoted market prices. Unrealized holding gains and losses, net of the related tax effect, are excluded from earnings and are reported as a separate component of other comprehensive income until realized. Realized gains and losses are determined on a specific identification basis. A decline in the market value of any available-for-sale security below cost that is deemed to be other than temporary results in a reduction in the carrying amount to fair value. The impairment is charged to earnings and a new cost basis for the security is established.

Investments Carried at Cost: Investments in common stock in which the Company does not have a significant ownership (less than 20%) and for which there is no ready market, are carried at cost. Information regarding investments carried at cost is reviewed continuously for evidence of impairment in value. Impairments are charged to earnings and a new cost basis for the investment is established.

Equity Method Investments: Investments in partnerships and unconsolidated corporations where the Company's ownership is 20% or more, or where the Company otherwise has the ability to exercise significant influence, are reported under the equity method. Under this method, the Company's equity in earnings or losses of investees is reflected in earnings. Distributions received reduce the carrying value of these investments. The Company recognizes a loss when there is a decline in value of the investment which is other than a temporary decline.

Materials and supplies: New and reusable materials are carried in inventory at the lower of average cost or market value. Inventory held for sale, such as telephones and accessories, are carried at the lower of average cost or market value. Non-reusable material is carried at estimated salvage value.

Property, plant and equipment: Property, plant and equipment is stated at cost. The Company capitalizes all costs associated with the purchase, deployment and installation of property, plant and equipment, including interest on major capital projects during the period of their construction. Expenditures, including those on leased assets, which extend the useful life or increase its utility, are capitalized. Maintenance expense is recognized when repairs are performed. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Depreciation expense for continuing operations was approximately 8.7%, 8.6% and 8.3% of average depreciable assets for the years 2003, 2002 and 2001, respectively. Depreciation lives are assigned to assets based on their estimated useful lives in conjunction with industry and regulatory guidelines, where applicable. Such lives, while similar, may exceed the lives that would have been used if the Company did not operate certain segments of the business in a regulated environment. The Company takes technology changes into consideration as it assigns the estimated useful lives, and monitors the remaining useful lives of asset groups to reasonably match the remaining economic life with the useful life and makes adjustments when necessary.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 requires the Company to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that result from acquisition, construction, development and/or normal use of the assets. The Company also records a corresponding asset, which is depreciated over the life of the asset. Subsequent to the initial measurement of the asset retirement obligation, the obligation will be adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The Company adopted SFAS No. 143 on January 1, 2003. The impact of the adoption of SFAS No. 143 was the recording of a capitalized asset retirement obligation of $158 thousand, the related accumulated depreciation of $32 thousand, the present value of the future removal obligation of $249 thousand, and the cumulative effect of the accounting change of $76 thousand after taxes recorded on the consolidated statements of income.

The Company recorded the retirement obligation on towers owned where there is a legal obligation to remove the tower at the time the Company discontinues its use. The obligation was estimated based on the size of the tower. The Company's cost to remove the towers is amortized over the life of the tower. The pro forma liability on January 1, 2002 would have been $236 thousand, and was $249 thousand on December 31, 2002. On December 30, 2003, the liability was $300 thousand. The current year expense for the accretion and depreciation related to the adoption of SFAS No.143 is approximately $20 thousand before taxes.

Cost in excess of net assets of business acquired: In June 2001, the Financial Accounting Standards Board (FASB) issued Statements of Financial Accounting Standards (SFAS) No.142, "Goodwill and Other Intangible Assets," which

Note 1. Summary of Significant Accounting Policies (Continued)

eliminates amortization of goodwill and intangible assets that have indefinite useful lives and requires annual tests of impairment of those assets. SFAS No. 142 also provides specific guidance about how to determine and measure goodwill and intangible asset impairments, and requires additional disclosures of information about goodwill and other intangible assets. The provisions of SFAS No. 142 were required to be applied starting with fiscal years beginning after December 15, 2001 and applied to all goodwill and other intangible assets recognized in financial statements at that date. In connection with SFAS No. 142 transitional goodwill impairment evaluation, the Statement required the Company to perform an assessment of whether there is an indication that goodwill is impaired as of the date of adoption. To accomplish this, the Company identified its reporting units and determined the carrying value of each unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of January 1, 2002.

Goodwill represents the excess of purchase price over fair value of tangible and identifiable intangible net assets acquired. Prior to adoption of SFAS No. 142, goodwill was amortized on a straight-line basis over the expected periods to be benefited, which was 15 years for the Company. SFAS No. 142 required a transitional goodwill impairment evaluation beginning January 1, 2002. Subsequent to adoption, amortization of goodwill ceased, and the goodwill balance is reviewed annually for impairment. No impairment of goodwill was required to be recorded in 2003 and 2002. With the implementation of SFAS No. 142, there was no goodwill amortization charged to operations in 2003 or 2002, while amortization expense was $360 thousand in 2001.

The following table reconciles previously reported net income as if the provisions of SFAS No. 142 were in effect for the years ended prior to 2002.

	2003	2002	2001
	(in thousands)		
Reported net income	$32,074	$4,519	$ 16,372
Add back goodwill amortization	--	--	360
Deduct income tax benefit	--	--	(137)
Adjusted net income	$32,074	$4,519	$ 16,595

Retirement plans: The Company maintains a noncontributory defined benefit plan covering substantially all employees. Pension benefits are based primarily on the employee's compensation and years of service. The Company's policy is to fund the maximum allowable contribution calculated under federal income tax regulations. During 2003, the Company adopted an Executive Supplemental Retirement Plan for selected employees. This is an unfunded plan and is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees. The Company also maintains a defined contribution plan under which substantially all employees may defer a portion of their earnings on a pretax basis, up to the allowable federal maximum. The Company may make matching and discretionary contributions to this plan. Neither of the funded retirement plans holds Company stock in the respective portfolios.

Income taxes: Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company evaluates the recoverability of tax assets generated on a state-by-state basis from net operating losses apportioned to that state. Management uses a more likely than not threshold to make that determination and has established a valuation allowance against the deferred tax assets, in case they may not be recoverable.

Revenue recognition: The Company recognizes revenue when pervasive evidence of an arrangement exists, services have been rendered or products have been delivered, the price to the buyer is fixed and determinable and collectibility is reasonably assured. Revenues are recognized by the Company based on the various types of transactions generating the revenue. For equipment sales, revenue is recognized when the sales transaction is complete. For services, revenue is recognized as the services are performed.

Note 1. Summary of Significant Accounting Policies (Continued)

Beginning in 2000, coinciding with the inception of activation fees in its PCS segment, nonrefundable PCS activation fees and the portion of the activation costs deemed to be direct costs of acquiring new customers (primarily activation costs and credit analysis costs) were deferred and recognized ratably over the estimated life of the customer relationship of 30 months in accordance with the Securities and Exchange Commission's Staff Accounting Bulletin 101, (SAB No.101). Effective July 1, 2003, the Company adopted Emerging Issues Task Force ("EITF") No. 00-21, "Accounting for Revenue Arrangements with Multiple Element Deliverables." The EITF guidance addresses how to account for arrangements that may involve multiple revenue-generating activities, i.e., the delivery or performance of multiple products, services, and/or rights to use assets. In applying this guidance, separate contracts with the same party, entered into at or near the same time, will be presumed to be a bundled transaction, and the consideration will be measured and allocated to the separate units based on their relative fair values. The adoption of EITF 00-21 has required evaluation of each arrangement entered into by the Company for each sales channel. The Company will continue to monitor arrangements with its sales channels to determine if any changes in revenue recognition would need to be made in the future. The adoption of EITF 00-21 has resulted in substantially all of the activation fee revenue generated from Company-owned retail stores and associated direct costs being recognized at the time the related wireless handset is sold and is classified as equipment revenue and cost of equipment, respectively. Upon adoption of EITF 00-21, previously deferred revenues and costs will continue to be amortized over the remaining estimated life of a subscriber, not to exceed 30 months. Revenue and costs for activations at other retail locations will continue to be deferred and amortized over their estimated lives as prescribed by SAB 101. The adoption of EITF 00-21 had the effect of increasing equipment revenue by $68 thousand and increasing costs of activation by $23 thousand in 2003, which otherwise would have been deferred and amortized. The amounts of deferred revenue under SAB101 at December 31, 2003, 2002 and 2001 were $1.2 million, $1.5 million and $1.2 million, respectively. The deferred costs at December 31, 2003, 2002 and 2001 were $0.4 million, $0.7 million and $0.7 million, respectively.

The Company records its PCS service revenue net of the 8% of collected revenue that is paid to Sprint. Under the management agreement with Sprint, through December 31, 2003 Sprint is entitled to retain 8% of all collected service revenue from subscribers whose service home is in the Company's territory and 8% of the collected roaming revenue generated by non-Sprint wireless subscribers who use the Company's network. With the adoption of the new Amended Agreement, the Company will record its service revenue and receive payment from Sprint based on billed revenue, net of 8% of billed revenue retained by Sprint, customer credits, and allocated write-offs.

Stock Option Plan: To account for its fixed plan stock options, the Company applies the intrinsic value-based method of accounting prescribed by Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations including Financial Accounting Standards Board (FASB) Interpretation No. 44, "Accounting for Certain Transactions involving Stock Compensation," an interpretation of APB Opinion No. 25 issued in March 2000. Under this method, compensation expense is recorded on the date of the grant only if the current market price of the underlying stock exceeded the exercise price. SFAS No. 123, "Accounting for Stock-Based Compensation," established accounting and disclosure requirements using a fair value-based method of accounting for stock-based employee compensation plans. As allowed by SFAS No. 123, the Company has elected to continue to apply the intrinsic value-based method of accounting described above, and has adopted the disclosure requirements of SFAS No. 123, as amended by SFAS No. 148, "Accounting for Stock-Based Compensation--Transition and Disclosure--an amendment of FASB Statement No. 123."

Grants of options under the Plan are accounted for following the APB Opinion No. 25 and related interpretations. Accordingly, no compensation expense has been recognized under the Plan. Had compensation expense been recorded, based on fair values of the awards at the grant date (the method prescribed in SFAS No. 123), reported net income and earnings per share would have been reduced to the pro forma amounts shown in the following table:

	2003	2002	2001
Net Income	(in thousands, except per share amounts)		
As reported	$32,074	$4,519	$16,372
Pro forma	31,889	4,307	16,115
Earnings per share, basic and diluted			
As reported, basic	$ 4.23	$ 0.60	$ 2.18
As reported, diluted	4.22	0.60	2.17
Pro forma, basic	4.21	0.57	2.14
Pro forma, diluted	4.19	0.57	2.13

Note 1. Summary of Significant Accounting Policies (Continued)

Earnings per share: Basic income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during the year. Diluted income (loss) per share is computed by dividing the income (loss) by the sum of the weighted average number of common shares outstanding and potential dilutive common shares determined using the treasury stock method. Because the Company reported a net loss from continuing operations in 2002, the diluted income (loss) per share is the same as basic income (loss) per share since including any potentially dilutive securities would be antidilutive to the net loss per share from continuing operations. In 2003 and 2001, all options were dilutive. There were no adjustments to net income (loss) in the computation of diluted earnings per share for any of the years presented. The following tables show the computation of basic and diluted earnings per share for 2003, 2002 and 2001:

	2003	2002	2001
Basic income (loss) per share	(in thousands, except per share amounts)		
Net income (loss) from continuing operations	$ 9,761	$(2,893)	$ 9,694
Weighted average shares outstanding	7,577	7,542	7,523
Basic income (loss) per share - continuing operations	$ 1.29	$ (0.38)	$ 1.29
Effect of stock options outstanding:			
Weighted average shares outstanding	7,577	7,542	7,522
Assumed exercise, at the strike price at the beginning of year	172	--	104
Assumed repurchase of options under treasury stock method	(141)	--	(78)
Diluted weighted average shares	7,608	7,542	7,549
Diluted income (loss) per share - continuing operations	$ 1.28	$ (0.38)	$ 1.28

Recently Issued Accounting Standards:

In December 2003, the FASB issued FASB Interpretation No. 46 (revised December 2003),"Consolidation of Variable Interest Entities," which addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through means other than voting rights and accordingly should consolidate the entity. FIN 46R replaces FASB Interpretation No. 46, "Consolidation of Variable Interest Entities," (VIE), which was issued in January 2003. The Company will be required to apply FIN 46R to variable interests in VIEs created after December 31, 2003. For variable interests in VIEs created before January 1, 2004, the Interpretation will be applied beginning on January 1, 2005, except it must be applied in the fourth quarter of 2003 for any VIE's that are considered to be special purpose entities. For any VIEs that must be consolidated under FIN 46R that were created before January 1, 2004, the assets, liabilities and non-controlling interests of the VIE initially would be measured at their carrying amounts with any difference between the net amount added to the balance sheet and any previously recognized interest being recognized as the cumulative effect of an accounting change. If determining the carrying amounts is not practicable, fair value at the date FIN 46R first applies may be used to measure the assets, liabilities and non-controlling interest of the VIE. The Company is evaluating the impact of applying FIN 46R to existing VIEs in which it has variable interests and does not believe the application will have a material impact on the Company's consolidated financial statements.

In May 2003, the Financial Accounting Standards Board ("FASB") issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of Liabilities and Equity," which was effective at the beginning of the first interim period beginning after June 15, 2003. This Statement establishes standards for the classification and measurement of certain financial instruments with characteristics of both liabilities and equity. The Statement also includes required disclosures for financial instruments within its scope. For the Company, the Statement was effective for instruments entered into or modified after May 31, 2003 and otherwise will be effective as of January 1, 2004, except for mandatorily redeemable financial instruments. For certain mandatorily redeemable financial instruments, the Statement will be effective for the Company on January 1, 2005. The effective date has been deferred indefinitely for certain other types of mandatorily redeemable financial instruments. The Company currently does not have any financial instruments that are within the scope of this Statement.

In December 2003, the Financial Accounting Standards Board issued FASB Statement No. 132(R). Statement No. 132(R) is a revision of Statement No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." SFAS 132(R) is effective for financial statements with fiscal years ending after December 15, 2003. SFAS 132(R) requires additional disclosures including information

describing the types of plan assets, investment strategy, measurement date(s), plan obligations, cash flows, and components of net periodic benefit cost recognized during

Note 1. Summary of Significant Accounting Policies (Continued)

interim periods. The objectives of the revisions are to provide qualitative information about the items in the financial statements, quantitative information about items recognized or disclosed in the financial statements, information that enables users of financial statements to assess the effect that pension plans and other postretirement benefit plans have on entities' results of operations, and information to facilitate assessments of future earnings and cash flows. The Company has adopted this statement effective December 31, 2003 with disclosures included in Note 9.

Reclassifications: Certain amounts reported in the 2002 and 2001 financial statements have been reclassified to conform with the 2003 presentation, with no effect on net income or shareholders' equity.

Note 2. Discontinued Operations

In November 2002, the Company entered into an agreement to sell its 66% General Partner interest in the Virginia 10 RSA Limited Partnership (cellular operation) to Verizon Wireless for $37.0 million. The closing of the sale took place at the close of business on February 28, 2003. The total proceeds received were $38.7 million, including $5.0 million held in escrow, and a $1.7 million adjustment for estimated working capital at the time of closing. There was a post closing adjustment based on the actual working capital balance as of the closing date, which resulted in a $39 thousand charge for the Company. The $5.0 million escrow was established for any contingencies and indemnification issues that may arise during the two-year post-closing period and is included in deferred charges and other assets in the 2003 consolidated balance sheet. The Company's gain on the transaction was approximately $35 million. Post closing, the Company provided transition services to Verizon for a period of approximately three months, with compensation for those services being approximately $40 thousand per month during the transition period.

The assets and liabilities attributable to the cellular operation have been classified as held for sale in the consolidated balance sheets and consist of the following at December 31, 2002 and 2001:

	2002	2001
Assets	(in thousands)	
Accounts receivable	$2,608	$2,759
Other current assets	309	214
Property, plant and equipment, (net)	2,631	3,272
Total assets	$5,548	$6,245
Liabilities and minority interest		
Accounts payable and accrued expenses	$ 381	$ 499
Deferred revenue and deposits	161	236
Minority interest	1,666	1,838
Total liabilities and minority interest	$2,208	$2,573

The operations of the cellular partnership including the minority interest have been reclassified as discontinued operations, net of taxes in the consolidated statements of income for all periods presented. Operating results and the sale of the discontinued operations are summarized as follows:

(in thousands)	2003	2002	2001
Revenues	$ 3,056	$ 20,895	$ 20,012
Operating expenses	453	3,618	4,674
Other income	--	3	16
Income before minority interest and taxes	2,603	17,280	15,354
Minority interests	(773)	(5,200)	(4,526)
Sale of partnership interest	34,973	--	--
Income taxes	(14,414)	(4,668)	(4,150)
Net income from discontinued operations	$ 22,389	$ 7,412	$ 6,678

Note 3. Securities and Investments

The Company has three classifications of investments; available for sale securities, investments carried at cost, and equity method investments. See Note 1 for specific definitions of each classification of investment. The following tables present the investments of the Company for the three-year period ended December 31, 2003:

Available-for-sale securities at December 31 consist of the following:

	Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
		(in thousands)		
2003				
Deutsche Telekom, AG	$ 85	$ 64	$ --	$ 149
Other	73	--	23	50
	$ 158	$ 64	$ 23	$ 199
2002				
Deutsche Telekom, AG	$ 85	$ 20	$ --	$ 105
Other	73	--	27	46
	$ 158	$ 20	$ 27	$ 151
2001				
VeriSign, Inc.	$11,798	$ --	$ --	$11,798
Deutsche Telekom, AG	85	10	--	95
Other	74	58	--	132
	$11,957	$ 68	$ --	$12,025

During 2001, the Company liquidated its holdings of Loral Space and Communications, LTD and ITC^DeltaCom, Inc. for proceeds of $0.2 million and a realized loss of $1.4 million. Additionally, the Company sold 130,000 shares of Illuminet Holdings, Inc. (Illuminet) for proceeds of $5.3 million and a realized gain of $5.0 million. In September 2001, Illuminet notified the Company that VeriSign, Inc. (VeriSign) made an offer to acquire Illuminet. The Company received VeriSign stock valued at $13.2 million, for the Illuminet investment, and based on the fair value of the new asset received, recorded a realized gain of $12.7 million in 2001 on the transaction through net gain on investments in the other income (expense) section of the income statement. Subsequent to the close of the transaction, the VeriSign stock declined in value and the Company recognized an impairment of $1.5 million, as management viewed the decline to be other than temporary.

In 2002, the Company liquidated its holdings of VeriSign, Inc, for proceeds of $2.8 million and a realized loss of $9.0 million. The VeriSign stock was valued at $38 per share at December 31, 2001, and declined over the ensuing months to approximately $6 per share in early July 2002. The Company liquidated all of its holdings in the stock early in the third quarter 2002. The Company's original investment in VeriSign's predecessor companies was approximately $1.0 million. Total proceeds from all sales of stock in VeriSign and its predecessor companies were $8.1 million, or more than eight times the original investment.

There were no gross realized gains on available-for-sale securities included in income in 2003 or 2002, while there were $17.7 million for 2001. Gross realized losses included in income in 2003, 2002 and 2001 were $3 thousand, $9.0 million and $3.0 million, respectively.

Changes in the unrealized gains (losses) on available-for-sale securities during the years ended December 31, 2003, 2002 and 2001 reported as a separate component of shareholders' equity are as follows:

	2003	2002	2001
Available-for-sale securities:		(in thousands)	
Beginning Balance	$ (7)	$ 68	$ 9,153
Unrealized holding gains (losses) during the year, net	48	(75)	5,615
Reclassification of recognized (gains) during the year, net	--	--	(14,700)
	41	(7)	68
Deferred tax effect related to net unrealized gains	15	(3)	26
Ending Balance	$ 26	$ (4)	$ 42

As of December 31, other investments, comprised of equity securities, which do not have readily determinable fair values, consist of the following:

	2003	2002	2001
Cost method:		(in thousands)	
Rural Telephone Bank	$ 796	$ 796	$ 796
NECA Services, Inc.	500	500	500
CoBank	1,321	1,126	768
NTC Communications (equity method in 2003 and 2002)	--	--	500
Other	182	241	254
	2,799	2,663	2,818
Equity method:			
South Atlantic Venture Fund III L.P.	89	263	393
South Atlantic Private Equity Fund IV L.P.	541	707	891
Dolphin Communications Parallel Fund, L.P.	184	273	441
Dolphin Communications Fund II, L.P.	1,290	1,024	518
Burton Partnership	1,149	988	970
NTC Communications (cost method in 2001)	971	1,089	--
Virginia Independent Telephone Alliance	228	248	400
ValleyNet	17	17	7
	4,469	4,609	3,620
Total investments	$ 7,268	$ 7,272	$ 6,438

The Company's investment in CoBank increased $195 thousand in 2003 and $358 thousand in 2002, due to the ongoing patronage earned from the outstanding investment and loan balances the Company has with CoBank. For 2003 and 2002, the Company's allocated portions of losses, recorded on the investment in NTC were $118 thousand and $171 thousand, respectfully.

In 2003, the Company received distributions from its equity investments totaling $0.5 million in cash and invested $0.7 million in two equity investments, Dolphin Communications Parallel Fund, LP and Dolphin Communications Fund II, LP. These two investments recorded losses of approximately $0.4 million for the 2003 year. The Company recorded a loss from the Virginia Independent Telephone Alliance investment of $19 thousand, for 2003. The Company recorded a gain from the ValleyNet partnership of $84 thousand and received distributions of $84 thousand. Other equity investments lost an additional $0.4 million for 2003.

The Company was committed to invest an additional $1.8 million at December 31, 2003 in various equity method investees pursuant to capital calls from the fund managers. It is not practical to estimate the fair value of the other investments due to their limited market and restrictive nature of their transferability.

The Company's ownership interests in Virginia Independent Telephone Alliance and ValleyNet are approximately 22% and 20%, respectively. The Company purchases services from Virginia Independent Telephone Alliance and ValleyNet at rates comparable with other customers. The Company's ownership in NTC Communications is

Note 3. Securities and Investments (Continued)

approximately 18%. Other equity method investees are investment limited partnerships which are approximately 2% owned each.

Note 4. Plant in Service

Plant in service consists of the following at December 31:

	Estimated Useful Lives	2003	2002	2001
		(in thousands)		
Land		$ 802	$ 792	$ 775
Buildings and structures	15 - 40 years	30,956	28,949	20,375
Cable and wire	15 - 50 years	51,041	49,495	45,188
Equipment and software	3 - 16.6 years	114,632	104,833	88,007
		$197,431	$184,069	$154,345

Note 5. Long-Term Debt and Revolving Lines of Credit

Total debt consists of the following at December 31:

		Weighted Average Interest Rate	2003	2002	2001
			(in thousands)		
Rural Telephone Bank (RTB)	Fixed	6.02%	$ 5,599	$10,645	$11,428
Rural Utilities Service (RUS)	Fixed	5.00%	149	159	224
CoBank (term loan)	Fixed	7.57%	37,398	41,039	44,584
RUS Development Loan		Interest free	200	200	200
			43,346	52,043	56,436
Current maturities			4,230	4,482	4,387
Total long-term debt			$39,116	$47,561	$52,049
CoBank 1-year revolver	Variable	2.79% - 5.03%	$ --	$ 3,200	$ 6,200
SunTrust Bank revolver	Variable	2.05% - 2.53%	$ --	$ 303	$ --

The RTB loans are payable $67 thousand monthly including interest. RUS loans are payable $4 thousand quarterly, including interest. The RUS and RTB loan facilities have maturities through 2019. The CoBank term facility requires monthly payments of $550 thousand, including interest. The final maturity of the CoBank facility is 2013.

The CoBank revolver was a $20.0 million facility, which the Company cancelled in May 2003 due to the receipt of the cash proceeds from the sale of the Virginia 10 RSA partnership interest.

The $2.5 million SunTrust Banks revolver was cancelled in May 2003. It was replaced in August 2003 with a SunTrust Bank Revolver facility of $0.5 million, which the Company uses to fund short-term liquidity variations due to the timing of customer receipts and vendor payments for services. This facility matures May 31, 2004, and is priced at the 30-day LIBOR rate plus 1.25%. The Company has not borrowed on this facility.

Substantially all of the Company's assets serve as collateral for the long-term debt. The Company's outstanding long-term CoBank debt is $37.4 million, all of which is at fixed rates ranging from approximately 6% to 8%. The stated rate excludes patronage credits that are received from CoBank. These patronage credits are a distribution of CoBank's profits, as it is a cooperative and is required to distribute its profits to its members. During the first quarter of 2003, the Company received patronage credits of approximately 60 basis points on its outstanding CoBank debt balance. The Company accrued a similar amount in the current year, in anticipation of the early 2004 distribution of the credits by CoBank. Repayment of the CoBank long-term debt facilities requires monthly payments on the debt through September 2013. The Company is required to meet financial covenants measured at the end of each quarter, based on a trailing 12-month basis and are calculated on continuing operations. At December 31, 2003, the covenant calculations

Note 5. Long-Term Debt and Revolving Lines of Credit (Continued)

were as follows. The ratio of total debt to operating cash flow, which must be 3.5 or lower, was 1.2. The equity to total assets ratio, which must be 35% or higher, was 57.3%. The ratio of operating cash flow to scheduled debt service, which must exceed 2.0, was 4.29. The Company was in compliance with all other covenants related to its debt agreements at December 31, 2003.

The aggregate maturities of long-term debt for each of the five years subsequent to December 31, 2003 are as follows:

Year	Amount
	(in thousands)
2004	$ 4,230
2005	4,372
2006	4,526
2007	4,688
2008	4,864
Later years	20,666
	$43,346

The estimated fair value of fixed rate debt instruments as of December 31, 2003 and 2002 was $42.6 million and $51.1 million, respectively, determined by discounting the future cash flows of each instrument at rates offered for similar debt instruments of comparable maturities as of the respective year-end dates.

All other financial instruments presented on the consolidated balance sheets approximate fair value. They include cash and cash equivalents, receivables, investments, payables, and accrued liabilities.

Note 6. Income Taxes

Total income taxes for the years ended December 31, 2003, 2002 and 2001 were allocated as follows:

	2003	2002	2001
	(in thousands)		
Income tax provision (benefit) from continuing operations	$ 5,304	$(2,109)	$ 5,811
Income taxes on discontinued operations	14,414	4,668	4,150
Income tax from cumulative effect of an accounting change	(47)	--	--
Accumulated other comprehensive income for unrealized holding gains (losses) on equity securities	18	(29)	(3,482)
	$ 19,689	$ 2,530	$ 6,479

The Company and its subsidiaries file income tax returns in several jurisdictions. The provision for the federal and state income taxes attributable to income (loss) from continuing operations consists of the following components:

	Years Ended December 31,		
	2003	2002	2001
	(in thousands)		
Current provision (benefit)			
Federal taxes	$ 762	$(2,076)	$(2,382)
State taxes	147	(212)	(514)
Total current provision (benefit)	909	(2,288)	(2,896)
Deferred provision			
Federal taxes	4,091	592	7,330
State taxes	304	(413)	1,377
Total deferred provision	4,395	179	8,707
Income tax provision (benefit)	$ 5,304	$(2,109)	$ 5,811

Note 6. Income Taxes (Continued)

A reconciliation of income taxes determined by applying the Federal and state tax rates to income (loss) from continuing operations is as follows:

	Years Ended December 31,		
	2003	2002	2001
	(in thousands)		
Computed "expected" tax expense	$ 5,122	$ (1,701)	$ 5,271
State income taxes, net of federal tax effect	298	(460)	575
Other, net	(116)	52	(35)
Income tax provision (benefit)	$ 5,304	$ (2,109)	$ 5,811

Net deferred tax assets and liabilities consist of the following at December 31:

	2003	2002	2001
Deferred tax assets:	(in thousands)		
Allowance for doubtful accounts	$ 192	$ 370	$ 247
Accrued compensation costs	--	181	149
State net operating loss carryforwards, net of federal tax	1,569	1,425	--
Recognized investment losses including impairments	--	593	--
Deferred revenues	304	338	179
AMT credits	--	285	--
Accrued pension costs	476	395	397
Other, net	81	23	--
Total gross deferred tax assets	2,622	3,610	972
Less valuation allowance	(864)	(704)	--
Net deferred tax assets	1,758	2,906	972
Deferred tax liabilities:			
Plant-in-service	20,058	17,568	11,313
Escrowed gain on sale of discontinued operations	1,859	--	--
Unrealized gain on investments	15	--	26
Gain on investments, net	123	--	4,035
Total gross deferred tax liabilities	22,055	17,568	15,374
Net deferred tax liabilities	$ 20,297	$ 14,662	$ 14,402

In assessing the ability to realize deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon generating future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods which the deferred tax assets are deductible, management believes it more likely than not that the Company will realize the benefits of the deductible differences that are not reserved by the valuation allowance, which increased by $160 thousand, to $864 thousand in 2003, from $704 thousand in 2002. The Company has generated net operating loss (NOL) carry forwards of approximately $25.9 million from its PCS operations in several states. The carry forwards expire at varying dates beginning in 2005.

Note 7. Significant Contractual Relationship

In 1999, the Company executed a Management Agreement (the Agreement) with Sprint whereby the Company committed to construct and operate a PCS network using CDMA air interface technology, replacing an earlier PCS network based on GSM technology. Under the Agreement, the Company is the exclusive PCS Affiliate of Sprint providing wireless mobility communications network products and services in its territory which extends from Altoona, York and Harrisburg, Pennsylvania, and south along the Interstate 81 corridor through Western Maryland, the

Note 7. Significant Contractual Relationship (Continued)

panhandle of West Virginia, to Harrisonburg, Virginia. The Company is authorized to use the Sprint brand name in its territory, and operate its network under the Sprint radio spectrum license. As an exclusive PCS Affiliate of Sprint, the Company has the exclusive right to build, own and maintain its portion of Sprint's nationwide PCS network, in the aforementioned areas, to Sprint's specifications. The initial term of the Agreement is for 20 years and is automatically renewable for three 10-year options, unless terminated by either party under provisions outlined in the Agreement.

Under the Sprint agreements, Sprint provides the Company significant support services such as customer service, billing, collections, long distance, national network operations support, inventory logistics support, use of the Sprint brand names, national advertising, national distribution and product development. Additionally, the Company derives substantial travel revenue and incurs substantial travel expenses when Sprint and Sprint's PCS Affiliate partners' subscribers incur minutes of use in the Company's territory and when the Company's subscribers incur minutes of use in Sprint and Sprint's PCS Affiliate partners' territories. These transactions are recorded as travel revenue, network operating cost and travel cost, cost of equipment and selling and marketing expense in the Company's consolidated statements of income. Cost of service related to access to the nationwide network, including travel transactions and long distance expenses, are recorded in network operating costs. The costs of services such as billing, collections and customer service are included in selling, general and administrative costs. Cost of equipment transactions between the Company and Sprint relate to inventory purchased and subsidized costs of handsets. These costs also include transactions related to subsidized costs on handsets and commissions paid to Sprint for sales of handsets through Sprint's national distribution programs.

Historically, Sprint determined monthly service charges at the beginning of each calendar year. Sprint calculated the costs to provide these services for its network partners and required a final settlement against the charges actually paid. If the costs to provide these services were less than the amounts paid by the Sprint's network partners, Sprint issued a credit for these amounts. If the costs to provide the services were more that the amounts paid by Sprint's network partners, Sprint charged the network partners for these amounts. For the years presented, the Company recorded the actual costs, after the adjustments, which were recorded for these services provided by Sprint.

The wireless market is characterized by significant risks as a result of rapid changes in technology, increasing competition and the cost associated with the build-out and enhancement of Sprint's nationwide digital wireless network. Sprint provides back-office and other services including travel clearing-house functions to the Company. In the past, there was no prescribed formula defined in the agreements with Sprint for the calculation of the fee charged to the Company for these services. Sprint adjusted these fees at least annually. This situation changed with the execution of an amendment to the Agreement which occurred on January 31, 2004, retroactive to January 1, 2004 (the Amended Agreement). The Amended Agreement provides greater certainty to the Company for certain future expenses and revenues during the term of the agreement and simplifies the methods used to settle revenue and expenses between the Company and Sprint. The Company's PCS subsidiary is dependent upon Sprint's ability to execute certain functions such as billing, customer care, collections and other operating activities under the Company's agreements with Sprint. Due to the high degree of integration within many of the Sprint systems, and the Company's dependency on these systems, in many cases it would be difficult for the Company to perform these services in-house or to outsource the services to another provider. If Sprint was unable to perform any such service, the change could result in increased operating expenses and have an adverse impact on the Company's operating results and cash flow. Additionally, the Company's ability to attract and maintain a sufficient customer base is critical to generating positive cash flow from operations and ultimately profitability for its PCS operation. Changes in technology, increased competition, or economic conditions in the wireless industry or the economy in general, individually and/or collectively, could have an adverse effect on the Company's financial position and results of operations.

Through December 31, 2003, the Agreement provided that Sprint retains 8% of all collected service revenue from subscribers with their service home in the Company's territory, and 8% of the roaming revenue generated by non-Sprint wireless subscribers who use the Company's network. With the adoption of the new Amended Agreement, the Company will record its service revenue and receive payment from Sprint based on billed revenue, net of the 8% of billed revenue retained by Sprint, customer credits and allocated writeoffs.

The Company receives and pays travel fees for inter-market usage of the network by Sprint wireless subscribers not homed in a market in which they may use the service. Sprint and its PCS Affiliates pay the Company for the use of its network by their wireless subscribers, while the Company pays Sprint and its PCS Affiliates reciprocal fees for Company subscribers using other segments of the network not operated by the Company. The rates paid on inter-market travel were reduced during 2001. The inter-market travel rate was $0.20 per minute from inception of the Sprint agreement through April 30, 2001, $0.15 per minute from May 1, 2001 through September 30, 2001, and $0.12

Note 7. Significant Contractual Relationship (Continued)

per minute from October 1, 2001 through December 31, 2001. The rate was further reduced to $0.10 per minute as of January 1, 2002. The $0.10 rate was in effect for the full year of 2002. The travel rate for 2003 was $0.058 per minute and will remain at this rate through December 31, 2006.

As part of the Amended Agreement signed January 30, 2004, the Company and Sprint resolved several outstanding issues. The result of the resolution of these disputes was a favorable adjustment to operating income of $0.7 million for the settlement of a dispute related to inter-market travel revenue generated by certain other Affiliate subscribers traveling in the Company's market, and a reduction to previously billed disputed software maintenance fees from a re-allocation of the fees from Sprint on a per subscriber basis versus the prior allocation which was on a per switch basis.

The Sprint Agreements require the Company to maintain certain minimum network performance standards and to meet other performance requirements. The Company was in compliance in all-material respects with these requirements as of December 31, 2003.

Going forward, the adoption of the Amended Agreement will allow the Company to better project the fees it will pay to Sprint for its cash cost per user (CCPU) per month related to certain billing, customer services and other service costs, and certain defined costs per gross add (CPGA). The CCPU charge from Sprint is fixed at $7.70 per subscriber through the end of 2006, and certain defined CPGA are the lower of $25.00 or 6.3% of Sprint's published CPGA figure.

Note 8. Related Party Transactions

ValleyNet, an equity method investee of the Company, resells capacity on the Company's fiber network under an operating lease agreement. Facility lease revenue from ValleyNet was approximately $3.1 million, $3.5 million and $4.1 million in 2003, 2002 and 2001, respectively. At December 31, 2003, 2002 and 2001, the Company had accounts receivable from ValleyNet of approximately $0.4 million, $0.4 million and $0.4 million, respectively. The Company's PCS operating subsidiary leases capacity through ValleyNet fiber facilities. Payment for usage of these facilities was $0.8 million in 2003, and $1.2 million in 2002 and 2001.

Virginia Independent Telephone Alliance, (VITAL), another equity method investee of the Company, provides SS7 signaling services to the Company. These transactions are recorded as expense on the Company's books and were less than $30 thousand in each of the 2003, 2002 and 2001.

Note 9. Retirement Plans

The Company maintains a noncontributory defined benefit pension plan and a separate defined contribution plan. The following table presents the defined benefit plan's funded status and amounts recognized in the Company's consolidated balance sheets.

	2003	2002	2001
	(in thousands)		
Change in benefit obligation:			
Benefit obligation, beginning	$ 9,585	$ 8,538	$ 6,847
Service cost	486	420	313
Interest cost	615	591	507
Actuarial (gain) loss	1,211	252	1,054
Benefits paid	(247)	(216)	(183)
Benefit obligation, ending	11,650	9,585	8,538
Change in plan assets:			
Fair value of plan assets, beginning	6,705	7,375	8,081
Actual return on plan assets	948	(794)	(523)
Benefits paid	(247)	(216)	(183)

Contributions made	447	340	--
Fair value of plan assets, ending	7,853	6,705	7,375
Funded status	(3,797)	(2,880)	(1,163)
Unrecognized net (gain) loss	2,229	1,505	(124)
Unrecognized prior service cost	252	283	315
Unrecognized net transition asset	(9)	(38)	(67)
Accrued benefit cost	$ (1,325)	$(1,130)	$(1,039)

Components of net periodic benefit costs:			
Service cost	$ 486	$ 420	$ 313
Interest cost	615	591	507
Expected return on plan assets	(494)	(582)	(640)
Amortization of prior service costs	31	31	31
Amortization of net gain	32	--	(102)
Amortization of net transition asset	(29)	(29)	(29)
Net periodic benefit cost	$ 641	$ 431	$ 80

The accumulated benefit obligation for the qualified retirement plan was $7,872, $6,551 and $5,399 at December 31, 2003, 2002 and 2001, respectively.

Weighted average assumptions used by the Company in the determination of benefit obligations at December 31, 2003, 2002 and 2001 were as follows:

	2003	2002	2001
Discount rate	6.00%	6.50%	7.00%
Rate of increase in compensation levels	4.50%	4.50%	5.00%

Weighted average assumptions used by the Company in the determination of net pension cost for the years ended December 31, 2003, 2002, and 2001 were as follows:

	2003	2002	2001
Discount Rate	6.50%	7.00%	7.50%
Rate of increase in compensation level	4.50%	5.00%	5.00%
Expected long-term rate of return on plan assets	7.50%	8.00%	8.00%

The Company's pension plan asset allocations based on market value at December 31, 2003 and 2002, by asset category were as follows:

Asset Category	2003	2002
Equity securities	69.8%	62.9%
Debt securities	26.6%	32.2%
Cash and cash equivalents	3.6%	4.9%
	100.0%	100.0%

Investment Policy

The investment policy of the Company's Pension Plan is for assets to be invested in a manner consistent with the fiduciary standards of ERISA. More specifically, the investment focus is to preserve capital which includes inflationary protection as well as protection of the principal amounts contributed to the Plan. Of lesser importance is the consistency of growth, which will tend to minimize the annual fluctuations in the normal cost. It is anticipated that growth of the fund will result from both capital appreciation and the re-investment of current income.

Note 9. Retirement Plans (Continued)

Contributions

The Company expects to contribute $0.5 million to the noncontributory defined benefit plan in 2004, and contributed $0.4 million in 2003, and $0.3 million in 2002.

The Company's matching contributions to the defined contribution plan were approximately $228 thousand, $210 thousand and $182 thousand for the years ended December 31, 2003, 2002 and 2001, respectively.

In May 2003, the Company adopted an unfunded nonqualified supplemental executive retirement plan for named executives. The plan was established to provide retirement benefits in addition to those provided under the Retirement Plan that covers all employees. The following table presents the actuarial information for the plan.

	2003
Change in benefit obligation:	(in thousands)
Benefit obligation, beginning	$ --
Service cost	22
Interest cost	23
Actuarial loss	278
Plan adoption	546
Benefit obligation, ending	869
Funded status	(869)
Unrecognized net loss	278
Additional minimum liability	(380)
Intangible asset	380
Unrecognized prior service cost	521
Accrued benefit cost	(70)
Components of net periodic benefit costs:	
Service cost	$ 22
Interest cost	23
Amortization of prior service costs	25
Net periodic benefit cost	$ 70

Assumptions used by the Company in the determination of the Supplemental Retirement Plan information consisted of the following at December 31, 2003:

	2003
Discount rate	6.00%
Rate of increase in compensation levels	4.50%

Note 10. Stock Incentive Plan

The Company has a shareholder approved Company Stock Incentive Plan (the "Plan"), providing for the grant of incentive compensation to essentially all employees in the form of stock options. The Plan authorizes grants of options to purchase up to 480,000 shares of common stock over a ten-year period beginning in 1996. The option price for all grants has been at the current market price at the time of the grant. The grants have generally provided that one-half of the options exercisable on each of the first and second anniversaries of the date of grant, with the options expiring five years after they are granted. In 2003, the Company issued grants where the options are vested over a five-year period beginning on the third anniversary date of the grant of the options. The participant may exercise 20% of the total grant after each anniversary date through the eighth year, with the options expiring after ten years.

Note 10. Stock Incentive Plan (Continued)

The fair value of each grant is estimated at the grant date using the Black-Scholes option-pricing model with the following weighted average assumptions:

	2003	2002	2001
Dividend rate	1.68% to 2.35%	1.52%	1.78%
Risk-free interest rate	3.00% to 3.18%	4.24%	4.31%
Expected lives of options	5 to 10 years	5 years	5 years
Price volatility	38.83% to 51.02%	30.03%	38.29%

A summary of the status of the Plan at December 31, 2003, 2002 and 2001 and changes during the years ended on those dates is as follows:

	Shares	Weighted Average Grant Price Per Share	Fair Value Per Share
Outstanding January 1, 2001	117,122	$12.50	
Granted	39,938	15.79	$5.51
Cancelled	(6,580)	14.86	
Exercised	(12,426)	10.72	
Outstanding December 31, 2001	138,054	13.51	
Granted	47,646	17.59	4.08
Cancelled	(19,758)	13.95	
Exercised	(16,238)	11.27	
Outstanding December 31, 2002	149,704	14.99	
Granted	75,396	18.89	4.24 to 11.37
Cancelled	(11,892)	16.62	
Exercised	(40,988)	11.89	
Outstanding December 31, 2003	172,220		

There were 85,670, 91,658 and 83,114 shares exercisable at December 31, 2003, 2002 and 2001, at weighted average exercise prices per share of, $15.94, $13.70, and $11.71, respectively. During 2002, the Company issued 4,654 shares of Company stock to employees valued at $100 thousand in recognition of the Company's 100th year anniversary. The following table summarizes information about stock options outstanding at December 31, 2003:

	Exercise Prices	Shares Outstanding	Option Life Remaining	Shares Exercisable
1999	$ 9.97	9,700	1 year	9,700
2000	17.19	25,900	2 years	25,900
2001	15.79	31,626	3 years	31,626
2002	17.59	36,888	4 years	18,444
2003	17.98-22.01	68,106	5 to 10 years	--

Note 11. Major Customers

The Company has one major customer and relationship that is a significant source of revenue. In 2003, as during the past number of years, the Company's relationship with Sprint continued to increase, due to growth in the PCS business segment. Approximately 61.2% of total revenues in 2003 were generated by or through Sprint and its customers using the Company's portion of Sprint's nationwide PCS network. This was compared to 57.6% in 2002, and 47.1% of total revenue in 2001. No other customer relationship on a stand-alone basis generates more than 2.5% of the Company's total revenue for 2003, 2002 and 2001.

Note 12. Shareholder Rights

The Board of Directors adopted a Shareholder Rights Plan in 1998, whereby, under certain circumstances, holders of each right (granted in 1998 at one right per share of outstanding stock) will be entitled to purchase $80 worth of the Company's common stock for $40. The rights are neither exercisable nor traded separately from the Company's common stock. The rights are only exercisable if a person or group becomes or attempts to become, the beneficial owner of 15% or more of the Company's common stock. Under the terms of the Plan, such a person or group is not entitled to the benefits of the rights.

Note 13. Lease Commitments

The Company leases land, buildings and tower space under various non-cancelable agreements, which expire between 2004 and 2043 and require various minimum annual rental payments. The leases generally contain certain renewal options for periods ranging from 5 to 20 years.

Future minimum lease payments under non-cancelable operating leases with initial variable lease terms in excess of one year as of December 31, 2003 are as follows:

Year Ending	Amount
	(in thousands)
2004	$ 3,216
2005	2,544
2006	2,072
2007	1,327
2008	902
2009 and beyond	2,531
	$12,592

The Company's total rent expense from continuing operations for each of the previous three years was $4.4 million in 2003, $3.4 million in 2002, and $2.4 million in 2001.

As lessor, the Company has leased buildings, tower space and telecommunications equipment to other entities under various non-cancelable agreements, which require various minimum annual payments. The total minimum rental receipts at December 31, 2003 are as follows:

Year Ending	Amount
	(in thousands)
2004	$ 2,988
2005	2,759
2006	1,563
2007	1,126
2008	448
2009 and beyond	448
	$ 9,332

Note 14. Segment Reporting

The Company, as a holding company with various operating subsidiaries, has identified ten reporting segments based on the products and services each provides. Each segment is managed and evaluated separately because of differing technologies and marketing strategies.

The reporting segments and the nature of their activities are as follows:

Shenandoah Telecommunications Company (Holding)	Holding company, which invests in both affiliated and non-affiliated companies.
Shenandoah Telephone Company (Telephone)	Provides both regulated and unregulated telephone services and leases fiber optic facilities primarily throughout the Northern Shenandoah Valley.
Shenandoah Cable Television Company (CATV)	Provides cable television service in Shenandoah County.
ShenTel Service Company (ShenTel)	Provides Internet access to a multi-state region surrounding the Northern Shenandoah Valley, hosts Travel 511 for Virginia, and sells and services telecommunication equipment.
Shenandoah Valley Leasing Company (Leasing)	Finances purchases of telecommunications equipment to customers of other segments.
Shenandoah Mobile Company (Mobile)	Provides tower rental space in the Company's PCS markets and paging services throughout the Northern Shenandoah Valley.
Shenandoah Long Distance Company (Long Distance)	Provides long distance services.
Shenandoah Network Company (Network)	Leases interstate fiber optic facilities.
ShenTel Communications Company (Shen Comm)	Provides DSL services as a CLEC operation.
Shenandoah Personal Communications Company (PCS)	As a PCS Affiliate of Sprint, provides digital wireless service to a portion of a four-state area covering the region from Harrisburg, York and Altoona, Pennsylvania, to Harrisonburg, Virginia.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Each segment accounts for inter-segment sales and transfers as if the sales or transfers were to outside parties.

Income (loss) recognized from equity method nonaffiliated investees by segment is as follows:

Year	Holding	Telephone	Consolidated Totals
	(in thousands)		
2003	$ (441)	$ 65	$ (376)
2002	(822)	45	(777)
2001	(1,218)	104	(1,114)

Note 14. Segment Reporting (Continued)

Selected financial data for each segment is as follows:

	Holding	Telco	CATV	ShenTel	Leasing
Operating revenues - external:			(in thousands)		
2003	$ --	$ 22,729	$ 4,433	$ 6,897	$ 14
2002	--	22,461	4,358	6,312	20
2001	--	21,599	3,810	5,078	25
Operating revenues - internal:					
2003	$ --	$ 3,062	$ 24	$ 307	$ --
2002	--	2,888	5	349	--
2001	--	2,532	2	362	--
Depreciation and amortization:					
2003	$ 196	$ 4,279	$ 777	$ 410	$ --
2002	196	3,798	718	414	--
2001	196	3,609	1,354	472	--
Operating income (loss):					
2003	$ (726)	$ 11,927	$ 890	$ 1,469	$ 4
2002	(555)	11,908	1,145	776	11
2001	(504)	12,321	54	168	10
Non-operating income less expenses:					
2003	$ 4,275	$ (151)	$ (31)	$ 9	$ 1
2002	4,966	(474)	(23)	(93)	1
2001	3,804	646	(184)	(36)	1
Interest expense:					
2003	$ 3,070	$ 443	$ 514	$ 171	$ --
2002	3,540	662	583	165	--
2001	2,664	1,428	690	237	--
Income tax expense (benefit) from continuing operations:					
2003	$ 29	$ 4,268	$ 146	$ 501	$ 2
2002	(3,363)	3,237	198	191	5
2001	5,117	4,373	(312)	(32)	4
Income (loss) from continuing operations:					
2003	$ 7	$ 7,064	$ 200	$ 805	$ 3
2002	(5,771)	7,536	341	327	8
2001	8,463	7,167	(509)	(73)	7
Income from discontinued operations, net of taxes:					
2003	$ --	$ 12	$ --	$ --	$ --
2002	--	72	2	--	--
2001	--	72	2	--	--
Net income (loss) including cumulative effect					
2003	$ 7	$ 7,076	$ 200	$ 805	$ 3
2002	(5,771)	7,608	343	327	8
2001	8,463	7,239	(507)	(73)	7
Total assets:					
2003	$ 141,658	$ 57,533	$ 10,340	$ 6,721	$188
2002	112,765	59,554	10,961	6,255	187
2001	114,280	56,090	11,480	5,373	254

Note 14. Segment Reporting (Continued)

	Mobile	Long Distance	Network	Shen Comm
Operating revenues - external:				
2003	$ 2,840	$ 1,116	$ 744	$ 56
2002	2,399	1,101	835	20
2001	2,112	1,114	963	--
Operating revenues - internal:				
2003	$ 1,238	$ 228	$ 151	$ --
2002	1,661	643	110	--
2001	535	679	109	--
Depreciation and amortization:				
2003	$ 599	$ --	$ 124	$ --
2002	581	--	158	--
2001	527	--	114	--
Operating income (loss):				
2003	$ 1,347	$ 407	$ 624	$ (23)
2002	1,224	695	641	(49)
2001	(65)	585	823	--
Non-operating income less expenses:				
2003	$ (13)	$ 4	$ 4	$ 1
2002	5	4	10	8
2001	92	2	--	--
Interest expense:				
2003	$ 26	$ --	$ --	$ --
2002	6	--	--	--
2001	87	--	--	--
Income tax expense (benefit) from continuing operations:				
2003	$ 377	$ 157	$ 242	$ (7)
2002	790	259	249	(15)
2001	(514)	223	313	--
Income (loss) from continuing operations:				
2003	$ 724	$ 255	$ 386	$ (14)
2002	(734)	441	401	(26)
2001	(746)	364	511	--
Income from discontinued operations, net of taxes:				
2003	$ 22,389	$ --	$ --	$ --
2002	7,468	--	--	--
2001	6,734	--	--	--
Net income (loss) including cumulative effect				
2003	$ 23,037	$ 255	$ 386	$ (14)
2002	6,734	441	401	(26)
2001	5,988	364	511	--
Total assets:				
2003	$ 18,396	$ 808	$ 1557	$ 78
2002	17,482	343	1,084	115
2001	17,981	176	1,109	100

Note 14. Segment Reporting (Continued)

	PCS	Combined Totals	Eliminating Entries	Consolidated Totals
Operating revenues - external:				
2003	$ 67,032	$ 105,861	$ --	$ 105,861
2002	55,468	92,974	--	92,974
2001	34,021	68,722	--	68,722
Operating revenues - internal:				
2003	$ 1	$ 5,011	$ (5,011)	$ --
2002	--	5,656	(5,656)	--
2001	--	4,219	(4,219)	--
Depreciation and amortization:				
2003	$ 10,246	$ 16,631	$ --	$ 16,631
2002	8,617	14,482	--	14,482
2001	4,991	11,263	--	11,263
Operating income (loss):				
2003	$ 2,916	$ 18,835	$ (207)	$ 18,628
2002	(5,294)	10,502	(1,164)	9,338
2001	(5,769)	7,620	(1,196)	6,424
Non-operating income less expenses:				
2003	$ (76)	$ 4,023	$ (3,633)	$ 390
2002	(91)	4,313	(4,454)	(141)
2001	50	4,391	(4,110)	265
Interest expense:				
2003	$ 2,920	$ 7,144	$ (3,634)	$ 3,510
2002	3,693	8,649	(4,454)	4,195
2001	3,131	8,237	(4,110)	4,127
Income tax expense (benefit) from continuing operations:				
2003	$ (411)	$ 5,304	$ --	$ 5,304
2002	(3,660)	(2,109)	--	(2,109)
2001	(3,361)	5,811	--	5,811
Income (loss) from continuing operations:				
2003	$ 331	$ 9,761	$ --	$ 9,761
2002	(5,416)	(2,893)	--	(2,893)
2001	(5,490)	9,694	--	9,694
Income from discontinued operations, net of taxes:				
2003	$ --	$ 22,401	$ (12)	$ 22,389
2002	--	7,542	(130)	7,412
2001	--	6,808	(130)	6,678
Net income (loss) including cumulative effect				
2003	$ 331	$ 32,086	$ (12)	$ 32,074
2002	(5,416)	4,649	(130)	4,519
2001	(5,490)	16,502	(130)	16,372
Total assets:				
2003	$ 68,773	$ 306,052	$(120,688)	$ 185,364
2002	71,256	280,002	(115,998)	164,004
2001	62,661	269,504	(102,132)	167,372

Note 15. Quarterly Results (unaudited)

The following table shows selected quarterly results for the Company.
(in thousands except for per share data)

For the year ended December 31, 2003	First	Second	Third	Fourth	Total
Revenues	$ 24,947	$ 24,844	$ 27,582	$ 28,488	$ 105,861
Operating income	4,150	2,402	4,976	7,100	18,628
Income from Continuing operations	1,931	1,044	2,717	4,069	9,761
Income from discontinued operations, net of taxes	22,628	--	(23)	(216)	22,389
Cumulative effect of change in accounting	(76)	--	--	--	(76)
Net income (a)	$ 24,483	$ 1,044	$ 2,694	$ 3,853	$ 32,074
Income (loss) per share - Continuing operations-diluted	0.26	0.14	0.36	0.53	1.28
Discontinued operations -diluted	2.98	--	--	(0.03)	2.94
Cumulative effect of change in accounting - diluted	(0.01)	--	--	--	(0.01)
Net income per share - basic	$ 3.24	$ 0.14	$ 0.36	$ 0.51	$ 4.23
Net income per share - diluted	3.23	0.14	0.35	0.50	4.22

For the year ended December 31, 2002	First	Second	Third	Fourth	Total
Revenues	$ 20,697	$ 22,186	$ 24,631	$ 25,460	$ 92,974
Operating income	2,316	2,617	2,371	2,034	9,338
Income (loss) from Continuing operations	370	(3,984)	383	338	(2,893)
Income from Discontinued operations, net of taxes	1,786	1,870	1,841	1,915	7,412
Net income (b)	$ 2,156	$ (2,114)	$ 2,224	$ 2,253	$ 4,519
Income (loss) per share - Continuing operations -diluted	$ 0.05	$ (0.53)	$ 0.05	$ 0.04	$ (0.38)
Discontinued operations -diluted	0.24	0.25	0.24	0.25	0.98
Net income per share - basic	$ 0.29	$ (0.28)	$ 0.29	$ 0.30	$ 0.60
Net income per share - diluted	0.29	(0.28)	0.29	0.30	0.60

(a) Fourth quarter results of 2003 include favorable adjustments to revenue and expenses totaling $2.5 million, related to true-ups of management's estimates and settlements of disputes with Sprint and a $0.4 million benefit related to a change in vacation benefit accrual for employees.

(b) Second quarter results of 2002 include the loss of $4.9 million, net of tax effects on the other than temporary write-down of the VeriSign stock.

Per share earnings may not add to the full year values as each per share calculation stands on its own.

Exhibits Index

Exhibit Number	Exhibit Description
3.1	Amended and Restated Articles of Incorporation of Shenandoah Telecommunications Company filed as Exhibit 4.2 to the Company's Registration Statement on Form S-8 (No. 333-21733) and incorporated herein by reference.
*3.2	Shenandoah Telecommunications Company Bylaws as amended.
10.1	Shenandoah Telecommunications Company Stock Incentive Plan filed as Exhibit 4.1 to the Company's Registration Statement on Form S-8 (No. 333-21733) and incorporated herein by reference.
10.2	Shenandoah Telecommunications Company Dividend Reinvestment Plan filed as Exhibit 4.4 to the Company's Registration Statement on Form S-3D (No. 333-74297) and incorporated herein by reference.
*10.3	Settlement Agreement and Mutual Release dated as of January 30, 2004 by and among Sprint Spectrum L.P., Sprint Communications Company L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P. and Shenandoah Personal Communications Company and Shenandoah Telecommunications Company, dated January 30, 2004.
*10.4	Sprint PCS Management Agreement dated as of November 5, 1999 by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.
*10.5	Sprint PCS Services Agreement dated as of November 5, 1999 by and between Sprint Spectrum L.P. and Shenandoah Personal Communications Company.
*10.6	Sprint Trademark and Service Mark License Agreement dated as of November 5, 1999 by and between Sprint Communications Company, L.P. and Shenandoah Personal Communications Company.
*10.7	Sprint Spectrum Trademark and Service Mark License Agreement dated as of November 5, 1999 by and between Sprint Spectrum L.P. and Shenandoah Personal Communications Company.
*10.8	Addendum I to Sprint PCS Management Agreement by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.
*10.9	Asset Purchase Agreement dated November 5, 1999 by and among Sprint Spectrum L.P., Sprint Spectrum Equipment Company, L. P., Sprint Spectrum Realty Company, L.P., and Shenandoah Personal Communications Company, serving as Exhibit A to Addendum I to the Sprint PCS Management Agreement and as Exhibit 2.6 to the Sprint PCS Management Agreement.
*10.10	Addendum II dated August 31, 2000 to Sprint PCS Management Agreement by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.

*10.11	Addendum III dated September 26, 2001 to Sprint PCS Management Agreement by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.
*10.12	Addendum IV dated May 22, 2003 to Sprint PCS Management Agreement by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.
*10.13	Addendum V dated January 30, 2004 to Sprint PCS Management Agreement by and among Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., and Shenandoah Personal Communications Company.
*10.14	Executive Supplemental Retirement Plan.
*21	List of Subsidiaries.
*23.1	Consent of KPMG LLP, Independent Accountants.
*31.1	Certification of President and Chief Executive Officer of Shenandoah Telecommunications Company pursuant to Rule 13a-14(a)under the Securities Exchange Act of 1934.
*31.2	Certification of Executive Vice President and Chief Financial Officer of Shenandoah Telecommunications Company pursuant to Rule 13a-14(a)under the Securities Exchange Act of 1934.
*32	Certifications pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. ss.1350.

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* Filed herewith.

EXHIBIT 3.2

Amended 11-2003

SHENANDOAH TELECOMMUNICATIONS COMPANY
Edinburg, Virginia

BYLAWS

ARTICLE I

MEETINGS OF SHAREHOLDERS

SECTION 1. Places of Meetings - All meetings of the shareholders shall be held at the principal office of the company in Edinburg, Virginia, or at such other place or places in Shenandoah County, Virginia, as may from time to time, be fixed by the Board of Directors.

SECTION 2. Annual Meetings - Subject to the ability of the Board of Directors to postpone a meeting under Virginia law, the annual meeting of shareholders shall be held on the first Tuesday after the third Monday in April of each year, or such other date and time as may be fixed by the Board of Directors and stated in the notice of meeting. The annual meeting shall be held for the purpose of electing directors and for the transaction of only such other business as is properly brought before the meeting in accordance with these Bylaws. To be properly brought before an annual meeting, business must be: (a) specified in the notice of annual meeting (or any supplement thereto) given by or at the direction of the Board of Directors; (b) otherwise properly brought before the annual meeting by or at the direction of the Board of Directors; or (c) otherwise properly brought before the annual meeting by a shareholder. In addition to any other applicable requirements for business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of the Company. To be timely, a shareholder's notice must be delivered or mailed to and received at the principal executive offices of the Company not less than one hundred twenty (120) days before the meeting. A shareholder's notice to the Secretary shall set forth as to each matter the shareholder proposes to bring before the annual meeting: (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting; (b) the name and record address of the shareholder proposing such business; (c) the class, series and number of shares of the Company's stock that are beneficially owned by the shareholder proposing such business; and (d) any material interest of the shareholder in such business. Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section; provided, however, that nothing in this Section shall be deemed to preclude discussion by any shareholder of any business properly brought before the annual meeting. In the event that a shareholder attempts to bring business before an annual meeting without complying with the provisions of this Section, the chairman of the meeting shall declare to the shareholders present at the meeting that the business was not properly brought before the meeting in accordance with the foregoing procedures, and such business shall not be transacted.

SECTION 3. Special Meetings - Special meetings of the shareholders may be called at any time by the Chairman of the Board or by a majority of the Board of Directors. At a special meeting of shareholders, no business shall be transacted and no corporate action shall be taken other than that stated in the notice of the meeting.

SECTION 4. Notice of Meetings - Written notice stating the place, day and hour of a shareholders' meeting and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than fifty days before the date of the meeting, except as hereinafter provided, either personally or by mail, by or at the direction of the president, the secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, addressed to the shareholder at his address as it appears on the stock transfer books of the corporation, with postage thereon prepaid. Notice of a shareholders' meeting to act on an amendment of the Articles of Incorporation or on a plan of merger or consolidation shall be given in the manner provided above, not less than twenty-five nor more than fifty days before the date of the meeting.

SECTION 5. Quorum - Any number of shareholders together holding at least a majority of the shares of the capital stock of the company entitled to vote in respect to the business to be transacted, who shall be present in person or represented by proxy at any meeting duly called, shall constitute a quorum for the transaction of business, except where by law a greater interest is required. If less than a quorum shall be in attendance at the time for which a meeting shall have been called, the meeting may be adjourned from time to time by a majority of the shareholders present or represented by proxy without notice other than by announcement at the meeting until a quorum shall attend. When a quorum is present at any meeting, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter

shall be the act of the shareholders, unless the question is one upon which by express provision of law a larger or different vote is required, in which case such expressed provision shall govern and control the decision of such question, except that in the election of directors those receiving the greater numbers of votes shall be deemed elected even though not receiving a majority.

SECTION 6. Voting - At any meeting of the shareholders each common shareholder shall have one vote, in person or by proxy, for each share of common stock standing in his or her name on the books of the company at the time of such meeting or on any date fixed by the Board of Directors not exceeding thirty days prior to the meeting.

SECTION 7. Waiver of Notice - Any shareholder may waive and shall be treated as having waived the notice hereinabove in this article required, either by signing a written waiver of such notice or by attending such meeting in person or by proxy. A waiver of notice in writing, whether signed before or after the time stated therein, shall be equivalent to the giving of such notice.

ARTICLE II

DIRECTORS

SECTION 1. Powers - The property, affairs and business of the company shall be managed by the Board of Directors, and except as otherwise expressly provided by law or by the charter, as amended, or by these Bylaws all of the powers of the company shall be vested in said Board. The Board of Directors shall have power to determine what constitutes net earnings, profit and surplus, respectively, what amount shall be reserved for working capital and for any other purposes, and what amount shall be declared as dividends, and such determination by the Board of Directors shall be final and conclusive.

SECTION 2. Number and Qualification - The Board of Directors shall be nine in number. Such number may be increased or decreased by amendment to this section of the Bylaws. Directors need not be shareholders. No person shall be a member of the Board of Directors after the end of the term of such member's class (as provided in Article VI of the Articles of Incorporation of the Corporation) in which such member reaches the age of 72.

SECTION 3. Election of Directors - At each annual meeting of shareholders (or any meeting held in lieu of the annual meeting for that purpose) the successors to the class of directors whose term shall then expire shall be elected to hold office for a term expiring at the third proceeding annual meeting and until their successors shall be elected and qualified.

SECTION 4. Meetings of Directors - Meetings of the Board of Directors shall be held at places within or without the Commonwealth of Virginia and at times fixed by resolution of the Board, or upon call of the Chairman of the Board or president; and the secretary or officer performing his duties shall give at least two (2) days' notice by telegraph, telephone, letter, or in person of all meetings of the directors, provided that notice need not be given of regular meetings held at time and places fixed by resolution of the Board. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting. Meetings may be held at any time without notice if all of the directors are present, or if those not present waive notice in writing either before or after the meeting. The secretary or officer performing his duties shall call special meetings of the Board whenever requested in writing to do so by two or more directors, such request to specify the object of the meeting. Directors may be allowed, by resolution of the Board, a reasonable fee and expenses for attendance at all meetings.

SECTION 5. Quorum - A quorum at any meeting shall consist of a majority of the entire membership of the Board. A majority of such quorum shall decide any question which may come before the meeting.

SECTION 6. Chairman and Vice Chairman of the Board - The Chairman of the Board shall preside over the meetings of the Board of Directors and of the shareholders at which he shall be present and shall in general oversee all of the business and affairs of the Board of Directors. In the absence of the Chairman of the Board, the Vice Chairman of the Board shall preside at such meetings at which he shall be present. The Chairman of the Board and the Vice Chairman of the Board shall be appointed by a majority of the Board of Directors and shall serve in such capacities until a successor is designated or until his earlier resignation, removal from office, death or incapacity. The positions of

Chairman of the Board and Vice Chairman of the Board shall not be officer positions of the company.

ARTICLE III

EXECUTIVE COMMITTEE

SECTION 1. Designation of Committee - The Board of Directors may, whenever it sees fit, by a majority vote of the whole Board, designate an Executive Committee which shall consist of at least three directors, one of whom shall be the Chairman of the Board. The members of the Executive Committee shall serve until their successors are designated by the Board of Directors or until removed or until the Executive Committee is dissolved by the Board of Directors. All vacancies which may occur in the Executive Committee shall be filled by the Board of Directors. The Board of Directors shall have the power at any time to change the membership of or to dissolve the Executive Committee.

SECTION 2. General Powers - The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all of the authority of the Board of Directors, except to approve an amendment of the articles of incorporation, a plan of merger or consolidation, a plan of exchange under which the corporation would be acquired, the sale, lease or exchange, or the mortgage or pledge for a consideration other than money, of all, or substantially all, the property and assets of the corporation otherwise than in the usual and regular course of its business, the voluntary dissolution proceedings. The Executive Committee shall report at the next regular or special meeting of the Board of Directors all action which the Executive Committee may have taken since the last regular or special meeting of the Board of Directors.

SECTION 3. Meetings of the Executive Committee - Meetings of the Executive Committee shall be held at such places and at such times fixed by resolution of the Committee, or upon call of the chairman of the Committee. Due notice shall be given by letter, telegraph, telephone, or in person, of all meetings of the Executive Committee, provided that notice need not be given of regular meetings held at times and places fixed by resolution of the committee and that meetings may be held at any time without notice if all of the members of the committee are present or if those not present waive notice either before or after the meeting. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Executive Committee need be specified in the notice or waiver of notice of such meeting. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. Members of this committee may be allowed, by resolution of the Board, a reasonable fee and expenses for attending Executive Committee meetings without regard to any compensation received by them as officers, directors or employees of the company.

ARTICLE IV

OFFICERS

SECTION 1. Election - The officers of the company shall consist of a president, , a vice president of Finance, a secretary, a treasurer, and such other officers as may be elected as provided in Section 3 of this Article, and shall be elected by the Board of Directors after its election by the shareholders; and a meeting may be held without notice for this purpose immediately after the annual meeting of the shareholders and at the same place.

SECTION 2. Removal of Officers - All officers and agents elected or appointed by the Board of Directors may be removed at the pleasure of the Board, and directors may fix the compensation of all officers and agents of the company. All vacancies may be filled at any meeting of the Board of Directors.

SECTION 3. Other Officers - Other officers, including one or more vice presidents, one or more assistant secretaries and assistant treasurers, may from time to time be elected by the Board of Directors, and shall hold office for such term as may be designated by the said Board of Directors.

SECTION 4. Eligibility of Officers - No person shall be an officer of the company after the end of the calendar year in which he reaches the age of 72.

SECTION 5. Vacancies - If the office of any officer or agent, one or more, becomes vacant by reason of death, resignation, removal, disqualification or otherwise, the directors at the time in office, if a quorum, may by a majority vote, choose a successor or successors who shall hold office for the unexpired term.

SECTION 6. Duties - The officers of the company shall have such duties as generally pertain to their offices, respectively, as well as such powers and duties as are hereinafter provided and as from time to time shall be conferred by the Board of Directors. The Board of Directors may require any officer to give such bond for the faithful performance of his duties as it may see fit.

SECTION 7. Duties of the President - In the absence of the Chairman of the Board and the Vice Chairman of the Board, the president shall preside at all meetings of the Board of Directors and shareholders. He shall be the chief executive officer to whom all other officers shall report. He shall have the overall supervision of the affairs of the company, including the day-to-day responsibilities for the operation of the company and have direct charge of the employees thereof and such other duties as may be delegated to him by the Board of Directors or the Executive Committee. Presidents of all subsidiaries of the company shall report to the president of the company.

SECTION 8. Duties of the Vice President of Finance - The vice president of Finance shall coordinate the financial and accounting affairs of the company and its subsidiaries and shall assist the treasurer in carrying out his duties. The president or vice president of Finance, unless some other person is thereunto specifically authorized by the vote of the Board of Directors, shall sign certificates of stock, bonds, deeds, and contracts of the company.

SECTION 9. Duties of the Secretary - The secretary shall give notices of meetings of shareholders, of the Board of Directors and of the Executive Committee, if there be one, as required by law and these Bylaws; shall record the proceedings at such meetings; shall keep or supervise the keeping of records of the ownership of shares of common stock; shall have custody of the Corporate seal and all deeds, leases and contracts to which the company is a party; and, on behalf of the company, shall make reports as from time to time are required by law, except tax returns; and shall have power, together with the president or a vice president, to sign certificates of stock, bonds, deeds and contracts of the company. In his absence an assistant secretary or a secretary pro tempore shall perform his duties.

SECTION 10. Duties of the Treasurer - The treasurer shall be the chief financial officer and shall have custody of all securities held by the company and of all funds which may come into his hands. He shall keep appropriate records and accounts of all moneys of the company received or disbursed and shall deposit all moneys and securities in the name of and to the credit of the company in such banks and depositories as the directors shall from time to time designate. He may endorse for deposit for collection all checks, notes, et cetera, payable to the company or its order, may accept drafts on behalf of the company, and, together with the president or a vice president, may sign certificates of stock. He shall also file or supervise the filing of all tax returns required by law.

All checks, drafts, bonds (unless signed by the secretary or an assistant secretary), notes or other obligations for the payment of money shall be signed by the treasurer or an assistant treasurer (except as the Board of Directors shall otherwise specifically order) and, with the exception of checks for the payment of not exceeding $100, shall also be signed or countersigned as condition to their validity by the president, a vice president, or such other officer or agent as the directors by resolution shall direct. Checks for the total amount of any payroll may be drawn in accordance with the foregoing provisions and deposited in a special fund. Checks upon this fund may be drawn by such person as the treasurer shall designate and need not be countersigned.

The treasurer may affix his signature to coupons on any bonds of the company by any form or facsimile, whether engraved, printed, lithographed or otherwise.

SECTION 12. Other Duties of Officers - Any officer of the company shall have, in addition to the duties prescribed herein and by law, such other duties as from time to time shall be prescribed by the Board of Directors or the president.

ARTICLE V

CAPITAL STOCK

SECTION 1. Certificates - Certificates of capital stock shall be in such form as prescribed by the Board of Directors and shall bear the seal of the company and the signature of at least two officers designated by the Board of Directors to sign such certificates.

Transfer agents and/or registrars for the stock of the company may be appointed by the Board of Directors and may be required to countersign stock certificates.

In the event that any officer whose signature shall have been used on a stock certificate shall for any reason cease to be an officer of the company and such certificate shall not then have been delivered by the company, the Board of Directors may nevertheless adopt such certificate, and it may then be issued and delivered as though such person had not ceased to be an officer of the company.

SECTION 2. Lost, Destroyed and Mutilated Certificates - Holders of the stock of the company shall immediately notify the company of any loss, destruction or mutilation of the certificate therefor; and the Board of Directors may in its discretion cause one or more new certificates for the same number of shares in the aggregate to be issued to such shareholder upon the surrender of the mutilated certificate or upon satisfactory proof of such loss or destruction, and the deposit of a bond in such form and amount and with corporate surety.

SECTION 3. Transfer of Stock - The stock of the company shall be transferable or assignable only on the books of the company by the holders in person or by attorney on surrender of the certificate for such shares duly endorsed and, if sought to be transferred by attorney, accompanied by a written power of attorney to have the same transferred on the books of the company. The company will recognize, however, the exclusive rights of the person registered on its books as the owner of shares to receive dividends and to vote as such owner, subject to the provision of the amended and restated charter with regard to the present issued and outstanding stock. It shall be the duty of each shareholder to notify the company of his post office address.

SECTION 4. Transfer Books - The transfer books of the company shall be closed by order of the Board of Directors for not exceeding fifty days next preceding any shareholders' meeting or the date for payment of any dividend or the date for the allotment of rights, or the date when any change or exchange of capital stock shall go into effect, as a record date for the determination of the shareholders entitled to notice of and to vote at any such meeting or entitled to receive payment of any such dividend, or any such allotment of rights, or to exercise the rights in respect to any such change or exchange of capital stock, and in such cases only shareholders on record on the date so fixed shall be entitled to such notice of and to vote at such meeting or to receive payment of such dividends, or allotment of rights, or exercise such rights, as the case may be, and notwithstanding any transfer of any stock on the books of the company after such record dates fixed as aforesaid.

ARTICLE VI

MISCELLANEOUS PROVISIONS

SECTION 1. Seal - The seal of the company shall bear the words, "Shenandoah Telecommunications Company Seal," with such device or devices as the Board of Directors may determine, an impression of which is affixed to this section of the Bylaws.

SECTION 2. Fiscal Year - The fiscal year shall end on the last day in December of each year.

SECTION 3. Examination of Books - The Board of Directors shall, subject to the laws of the Commonwealth of Virginia, have power to determine from time to time whether and to what extent

and under what conditions and limitations the accounts, records and books (except the stock and transfer books) of the company, or any of them, shall be open to the inspection of the shareholders.

The stock and transfer books of the company shall be at all times during business hours open to the inspection of the registered shareholders in person.

SECTION 4. Amendment of Bylaws - The Bylaws may be amended, altered or repealed at any meeting of the Board of Directors by affirmative vote of a majority of all of the directors. The shareholders shall have the power to rescind, alter, amend, or repeal any Bylaws and to enact Bylaws which, if expressly provided, may not be amended, altered or repealed by the Board of Directors.

SECTION 5. Voting of Stock Held - Unless otherwise provided by resolution of the Board of Directors, the president, the vice president, or the secretary may from time to time appoint an attorney or attorneys or agent or agents of this company, in the name and on behalf of this company, to cast the votes which this company may be entitled to cast as a shareholder or otherwise in any other corporation, any of whose stock or securities may be held by this company, at meetings of the holders of the stock or other securities of any other corporations, or to consent in writing to any action by any such other corporations, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed on behalf of this company and under its corporate seal, or otherwise, such written proxies, consents, waivers, or other instruments as may be necessary or proper in the premises; or the president, the vice president, or the secretary himself attend any meeting of the holders of stock or other securities of any such other corporation and thereat vote or exercise any or all other powers of this company as the holder of such stock or other securities of such other corporation.

SECTION 6. Control Share Statute - Article 14.1 of Title 13.1 of the Code of Virginia (Control Share Acquisitions) shall not apply to acquisitions of shares of capital stock of the Company.

EXHIBIT 10.3

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (this "Agreement") is entered into as of January 30, 2004, by and among Sprint Spectrum L.P., a Delaware limited partnership, Sprint Communications Company L.P., a Delaware limited partnership, WirelessCo, L.P., a Delaware limited partnership, APC PCS, LLC, a Delaware limited liability company, PhillieCo, L.P. a Delaware limited partnership (the "Sprint Parties,"), and Shenandoah Personal Communications Company, a Virginia corporation ("Shentel"), and Shenandoah Telecommunications Company, a Virginia corporation, (together with Shentel, the "Shenandoah Parties" and together with the Sprint Parties collectively, the "Parties").

Shentel entered into a Management Agreement, a Services Agreement and two Trademark and Service Mark License Agreements with the Sprint Parties, dated and effective as of November 5, 1999 (each agreement, together with all addenda and amendments, being the "Management Agreement," the "Services Agreement" and two "Trademark and Service Mark License Agreements" and collectively, the "Sprint Agreements").

The Parties (in the singular, "Party") desire to resolve and release claims specified in this Agreement, whether known or unknown, that any Party might have against any of the other Parties that arose on or before the Effective Date of this Agreement, including certain claims that arise out of any actual or claimed actions or inactions of any Party on or before the Effective Date of this Agreement, except as provided in this Agreement. The Parties have agreed to take the actions set forth in this Agreement to avoid the expense and delay inherent in further negotiations and possible litigation concerning their business relationship.

In consideration of the mutual promises set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Addendum. The Parties will execute and deliver an addendum to the Sprint Agreements in the form attached to this Agreement (the "Addendum") contemporaneously with the Parties' execution and delivery of this Agreement.

2. Effective Date. This Agreement becomes effective on (the "Effective Date"):

(a) January 1, 2004, if on or before January 31, 2004, the Parties execute and deliver this Agreement and the Addendum, and Sprint Spectrum receives the settlement payment under Section 3; or

(b) the first calendar day of the first calendar month after the Parties execute and deliver this Agreement and the Addendum, and Sprint Spectrum receives the settlement payment under Section 3, if the any of the events described in subparagraph 2(a) occur after January 31, 2004.

3. Settlement Payment. Shentel, on behalf of itself and the other Shenandoah Parties will pay Sprint Spectrum L.P., on its own behalf and on behalf of the other Sprint Parties $562,434. The payment will be made via wire transfer to the account designated by Sprint Spectrum L.P.

4. General Releases.

(a) Sprint Release of the Shenandoah Parties. Except as provided in Section 5, each of the Sprint Parties releases and forever discharges the Shenandoah Parties and their respective officers, directors, shareholders, partners, members, subsidiaries, employees, agents and representatives (the "Shenandoah Released Parties") from all liabilities, claims, attorneys' fees, damages, injuries, causes of action, and losses of any kind that any of the Sprint Parties ever had, now has, may assert or may in the future claim to have against any of the Shenandoah Released Parties by reason of any act, failure to act, cause or matter occurring or existing on or before the date of this Agreement, concerning or related to the Sprint Agreements ("Sprint's Claims"). For avoidance of doubt but not for purposes of limitation, this provision releases and forever discharges each of the Shenandoah Released Parties of and from any and all liabilities, claims, attorneys' fees, damages, injuries, causes of action, and losses of any kind that any of the Sprint Parties ever had, now has, may assert or may in the future claim to have against any of the Shenandoah Released Parties with respect to any of the matters set forth on Exhibit A to this Agreement, and waives any and all rights that any of the Sprint Parties may have with respect to those matters ("Sprint's Specific Claims").

(b) Shenandoah Release of the Sprint Parties. Except as provided in Section 5, each of the Shenandoah Parties releases and forever discharges the Sprint Parties and their respective officers, directors, shareholders, partners, members, subsidiaries, employees, agents and representatives (the "Sprint Released Parties") from all liabilities, claims, attorneys' fees, damages, injuries, causes of action, and losses of any kind that any of the Shenandoah Parties ever had, now has, may assert or may in the

future claim to have against any of the Sprint Released Parties by reason of any act, failure to act, cause or matter occurring or existing on or before the date of this Agreement concerning or related to the Sprint Agreements ("Shenandoah's Claims" and together with Sprint's Claims, the "Claims"). For avoidance of doubt but not for purposes of limitation, this provision releases and forever discharges each of the Sprint Released Parties of and from any and all liabilities, claims, attorneys' fees, damages, injuries, causes of action, and losses of any kind that any of the Shenandoah Parties ever had, now has, may assert or may in the future claim to have against any of the Sprint Released Parties with respect to any of the matters set forth on Exhibit A to this Agreement, and waives any and all rights that any of the Shenandoah Parties may have with respect to those matters ("Shenandoah's Specific Claims" and together with Sprint's Specific Claims, the "Specific Claims").

(c) Complete Release. Except as provided in Sections 5 and 13(a), this Agreement constitutes the complete compromise, settlement, accord and satisfaction of all of the Claims with no reservation of any rights or claims, whether stated or implied.

5. Exceptions to Released Claims.

(a) Right to Collect Business Activity Amounts. The Parties are releasing their right to collect any amounts for fees, credits and business activity arising under any of the Sprint Agreements before the Effective Date (the "Business Activity Amounts") only with respect to the Specific Claims (as defined in Section 4). For the avoidance of doubt, the provisions in the Management Agreement, as amended by the Addendum, regarding the limitations on invoicing and payment obligations apply to Business Activity Amounts that accrued before the Effective Date. The Parties may bill, collect and settle the Business Activity Amounts that accrue before the Effective Date and that are not Specific Claims in accordance with the terms of the Sprint Agreements (without giving effect to the Addendum) and in accordance with past practice, notwithstanding the releases set forth in Section 4. For the purpose of clarification, business activities, including the reconciliation of PCFID, are not released unless listed on Exhibit A.

(b) Terminating and Originating Access Fees. The Shentel Parties have refunded to the Sprint Parties certain amounts that the Sprint Parties paid to the Shentel Parties for access fees. The Addendum provides for a new section 10.4.3 to the Management Agreement that sets forth the Parties' rights and obligations respecting access fees. The Parties do not release each other under this Agreement for their respective Claims to those amounts or to any other amounts to which they are entitled under the Management Agreement (after giving effect to the Addendum that becomes effective as of the Effective Date) for access fees.

(c) High Travel Subscribers. The Parties have discussed, in general and specifically as it relates to all Shentel markets, Shentel's concerns regarding high travel subscribers that use wireless services predominantly outside the Service Area. The Parties will continue to assess the relative imbalance in economics caused by high travel subscribers and might agree to define appropriate adjustments by March 31, 2004. This Section 5(c) does not imply that the Sprint Parties are under any obligation to make changes to their current views and policies regarding travel, nor does it imply that the Shentel Parties waive any rights or claims related to these subscribers not waived in this Agreement.

(d) Future Claims. Nothing in this Agreement constitutes a release by any Party of claims arising after the date of this Agreement, including without limitation future claims arising under the Management Agreement after giving effect to the Addendum that becomes effective as of the Effective Date.

(e) Indemnification. This Agreement does not waive the parties' rights and responsibilities under section 13 of the Management Agreement with respect to indemnification for claims brought by third parties arising prior to the date of this Agreement.

(f) Most Favored Nation. This Agreement does not waive any of Shentel's rights under the new section 1.10 of the Management Agreement, even if the changes to

an Other Manager's Management Agreement are in settlement of that Other Manager's claims that are similar to claims that Shentel is releasing under this Agreement.

6. Representations and Warranties. Each of the Parties represents and warrants to the other Parties that:

(a) it has not commenced any action or proceeding against any other Party concerning any of the Claims or Specific Claims, before any agency or other governmental authority, at law, in equity, in arbitration, or otherwise;

(b) no promise, inducement or agreement not expressed in this Agreement or the Addendum has been made;

(c) it has the full right, power and authority to enter into this Agreement, and to perform according to the terms of this Agreement;

(d) the Party is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization;

(e) neither the execution, delivery and performance of this Agreement, nor the consummation by the Party of the transactions contemplated by this Agreement, will conflict with, violate or result in a breach of:

(i) any law, regulation, order, writ, injunction, decree, determination or award of any governmental authority or any arbitrator, applicable to the Party, or

(ii) any of the terms, conditions or provisions of the certificate of limited partnership or certificate or articles of incorporation or bylaws (or other governing documents) of the Party, or

(iii) any material agreement of the Party, or

(iv) any material instrument to which the Party is or may be bound or to which any of its material properties or assets is subject;

(f) it has obtained all necessary consents and approvals required to enter into this Agreement;

(g) there are no actions, suits, proceedings or investigations pending or, to the knowledge of the Party, threatened against or affecting the Party or any of its properties, assets or businesses in any court or before or by any governmental agency that could, if adversely determined, reasonably be expected to have a material adverse effect on the Party's ability to perform its obligations under this Agreement and the Addendum;

(h) it has negotiated the terms of this Agreement, and this Agreement is the result of arms-length negotiations between the Parties and their respective attorneys; and

(i) it has not assigned or otherwise transferred any interest in any of the Claims or Specific Claims.

7. Covenant Not To Sue or Assist Third Parties. No Party will (a) commence or in any manner seek relief against another Party through any suit or proceeding arising, based upon, or relating to any of the Claims or Specific Claims, or (b) become a party to any suit or proceeding arising from or in connection with an attempt by or on behalf of any third party to enforce or collect an amount based on a Claim or Specific Claim. Nor will any Party assist the efforts of any third party attempting to enforce or collect an amount based on a Claim or Specific Claim, unless required to do so by a court of competent jurisdiction.

8. Contract. The Parties understand that the terms in this Agreement are binding contractual commitments and not mere recitals, and that the Parties are not relying upon any statement or representation made by any Party released, any such Party's agents or attorneys, or any other person, concerning the nature, extent or duration of any injuries or damages, or concerning any other thing or matter, but are relying solely and exclusively upon their own knowledge, belief and judgment.

9. Indemnification. The Sprint Parties and the Shenandoah Parties will indemnify, hold harmless and defend each other against all claims, demands, judgments, causes of action, losses, costs, damages, penalties, fines, taxes, expenses or liabilities, including reasonable attorneys' fees and costs of defense, brought against or incurred by them, arising from or in connection with an attempt by or on behalf of any third party to enforce or collect an amount based on a Claim or Specific Claim.

10. Expenses. The Parties will pay their own expenses and attorneys' fees incurred in connection with the negotiation and execution of this Agreement and the Addendum.

11. Additional Facts. The Parties are aware that they may after the date of this Agreement discover claims or facts in addition to or different from those they now know or believe to be true with respect to Claims and Specific Claims. Nevertheless, except as set forth in section 5 hereof, it is the intention of the Parties to fully, finally and forever settle and release all such claims, including claims for damages and losses that are presently unknown or unanticipated. In furtherance of this intention, the releases given in this Agreement are and will remain in effect as full and complete mutual releases of Claims and Specific Claims, except as set forth in section 5 hereof, notwithstanding the discovery or existence of any additional or different facts relative to them. Each Party assumes the risk of any mistake in executing this Agreement and furnishing the releases set forth in this Agreement. Without limiting the generality of the foregoing, each Party waives and relinquishes any right or benefit that such Party has or may have under any provision of statutory or non-statutory law that may provide that a release does not extend to claims that a person does not know or suspect to exist at the time of execution of the release that, if known, would or may have materially affected the decision to give the release.

12. Waivers. No waiver by a Party of any breach of or default under this Agreement will be deemed to be a waiver of any other breach or default of any kind or nature of this Agreement. No acceptance of payment or performance by a Party after any such breach or

default will be deemed to be a waiver of any breach or default of this Agreement, whether or not such Party knows of such breach or default at the time it accepts such payment or performance. No failure or delay on the part of a Party to exercise any right it may have will prevent the exercise of that right by that Party at any time the other Party continues to be in default, and no such failure or delay will operate as a waiver of any default.

13. Enforcement of Agreement; Injunctive Relief.

(a) The releases given in this Agreement do not include a release of any liabilities, claims, damages, injuries or losses that may arise under this Agreement.

(b) Each Party acknowledges and agrees that in the event of any breach of this Agreement, the non-breaching Party or Parties may be irreparably harmed and may not be made whole by monetary damages. Accordingly, the Parties, in addition to any other remedy to which they may be entitled, will be entitled to seek injunctive or other equitable relief in any court of competent jurisdiction to the extent permitted by applicable law.

(c) Each Party waives, to the fullest extent permitted by law, the right to trial by jury in any legal proceeding arising out of or relating to the enforcement of this Agreement.

(d) The prevailing Party will be entitled to recover from the opposing Party its expenses (including reasonable attorneys' fees and costs) incurred in connection with any claim, action or lawsuit brought to enforce this Agreement.

14. Assignment. No Party may assign any of its rights under this Agreement or delegate its duties under it to any person or entity not a Party unless it obtains the prior written consent of the other Parties to this Agreement, which consent may be withheld at such other Party's absolute discretion.

15. Limitation on Rights of Others. Nothing in this Agreement, whether express or implied, will be construed to give any person other than the Parties any legal or equitable right, remedy or claim under or in respect of this Agreement.

16. Confidentiality. The terms and provisions of this Agreement are confidential and proprietary to the Sprint Parties and to the Shenandoah Parties and are subject to the terms of Section 12.2 of the applicable Management Agreement between the Parties.

17. Other Provisions.

(a) Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement will be governed by and construed under Kansas law, without giving effect to any choice of law or conflict of law rules or provisions (whether of Kansas or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than Kansas.

(b) Jurisdiction.

(i) Each Party irrevocably and unconditionally submits to the nonexclusive jurisdiction of (A) any Kansas state court located in the County of Johnson or (B) the United States District Court for the District of Kansas, and any appellate court from any such court, in any suit, action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment relating to this Agreement. With respect to such suit, action or proceeding, each Party irrevocably waives, to the fullest extent permitted by law, the right to object that such court does not have jurisdiction over such party.

(ii) Each Party irrevocably and unconditionally waives, to the fullest extent it may legally do so, any objection that it may now or later have to the venue of any suit, action or proceeding arising out of or relating to this Agreement in a Kansas state court located in the County of Johnson or the United States District Court for the District of Kansas. Each Party irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court.

(c) Entire Agreement; Binding Effect. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter it covers and supersedes all prior agreements, negotiations, representations and discussions between the Parties with respect to the subject matter it covers. This Agreement is binding on and inures to the benefit of the Parties and their respective successors and assigns.

(d) Construction. The Parties participated in the negotiation and drafting of this Agreement. If any ambiguity or question of intent or interpretation arises, the Parties intend that (i) this Agreement be construed as if they had drafted it together, and (ii) no presumption or burden of proof arises favoring or disfavoring any Party by virtue of its role in drafting any provision of this Agreement. All pronouns and any variations of pronouns used in this Agreement refer to the masculine, feminine or neuter, singular or plural as the identity of the person or persons require.

(e) Severability. Every provision of this Agreement is intended to be severable. If any term or provision of this Agreement is illegal, invalid or unenforceable for any reason whatsoever, that term or provision will be enforced to the maximum extent permissible so as to effect the intent of the Parties, and such illegality, invalidity or unenforceability will not affect the validity, legality or enforceability of the remainder of this Agreement.

(f) Amendment. Any amendment to this Agreement must be in a written document signed by the Parties and must state the intent of the Parties to amend this Agreement.

(g) No Admission of Liability. It is expressly understood and agreed that this Agreement is a compromise of disputed claims and that execution of, making of payments under, and performing of obligations under this Agreement are not to be construed as an admission of liability on the part of any Party.

(h) Counterparts. This Agreement may be signed in counterpart or duplicate copy and by facsimile signature, and any signed counterpart, duplicate or facsimile copy is the equivalent to a signed original for all purposes.

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EACH PARTY HAS COMPLETELY READ THE TERMS OF THIS AGREEMENT, FULLY UNDERSTANDS THEM AND VOLUNTARILY ACCEPTS THEM FOR THE PURPOSE OF MAKING FULL AND FINAL COMPROMISE, ADJUSTMENT AND SETTLEMENT OF ALL CLAIMS, DISPUTED OR OTHERWISE, IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT

The Parties have executed this Agreement on the date first above written.

SPRINT SPECTRUM L.P.

By: /S/ David B. Bottoms

Name: David B. Bottoms
Title: V.P., Alliances

WIRELESSCO, L.P.

By: /S/ David B. Bottoms

Name: David B. Bottoms
Title: V.P., Alliances

APC PCS, LLC

By: /S/ David B. Bottoms

Name: David B. Bottoms
Title: V.P., Alliances

PHILLIECO, L.P.

By: /S/ David B. Bottoms

Name: David B. Bottoms
Title: V.P., Alliances

SPRINT COMMUNICATIONS COMPANY L.P.

By: /S/ Thomas E. Murphy

Name: Thomas E. Murphy
Title: Sr. V.P., Communications and Brand Management

SHENANDOAH PERSONAL
COMMUNICATIONS COMPANY

By: /S/ Christopher E. French

    Name: Christopher E. French
    Title: President

SHENANDOAH TELECOMMUNICATIONS
COMPANY

By: /S/ Christopher E. French

    Name: Christopher E. French
    Title: President

EXHIBIT A

I. Claims that are being released in connection with the settlement payment under this Agreement:

- All claims in connection with the following 3G Service Bureau invoiced fees:
  - AFS-012945
  - AFS-013057
  - AFS-013207
  - AFS-013344
  - AFS-013440
  - AFS-013528
  - AFS-013573
  - AFS-013738
  - AFS-013888
  - AFS-014016
  - AFS-014153
  - AFS-014395
  - AFS-014646
  - AFS-014763
  - AFS-014955
  - AFS-015100
  - AFS-015383
- All claims in connection with the following disputed software license invoiced fees:
  - AFS-013383
  - AFS-014448
  - AFS-015068
  - AFS-015511
- All claims in connection with the following invoices for recovery of finance charges:
  - FC-19970
- All claims in connection with the PRL dispute listed under Issue ID 10886.
- All claims in connection with the Accounts Receivable Reconciliation dispute listed under Issue ID 10888.
- All claims in connection with the Documentation of Settlement/Miscellaneous Invoices dispute concerning access verification and local interconnection revenues and costs under Issue ID 10889.

II. Claims that have been previously settled:

- All claims in connection with the Travel Settlements with Other Affiliates dispute listed under Issue ID 10887 settled on May 22, 2003.

EXHIBIT 10.4

SPRINT PCS MANAGEMENT AGREEMENT

This SPRINT PCS MANAGEMENT AGREEMENT is made as of November 5, 1999, between Sprint Spectrum L.P., a Delaware limited partnership, WirelessCo, L.P., a Delaware limited partnership, APC PCS, LLC, a Delaware limited liability company, PhillieCo, L.P., a Delaware limited partnership, and Shenandoah Personal Communications Company, a Virginia corporation (but not any Related Party) ("Manager"). The definitions for this agreement are set forth on the "Schedule of Definitions".

RECITALS

A. Sprint Spectrum L.P., a Delaware limited partnership, WirelessCo, L.P., a Delaware limited partnership, SprintCom, Inc., a Kansas corporation, American PCS Communications, LLC, a Delaware limited liability company, APC PCS, LLC, a Delaware limited liability company, PhillieCo Partners I, L.P., a Delaware limited partnership, PhillieCo, L.P., a Delaware limited partnership, Cox Communications PCS, L.P., a Delaware limited partnership, and Cox PCS License, L.L.C., a Delaware limited liability company, hold and exercise, directly or indirectly, control over licenses to operate wireless services networks.

B. The entity or entities named in Recital A that execute this agreement hold, directly or indirectly, the Licenses for the areas identified on the Service Area Exhibit and are referred to in this agreement as "Sprint PCS." Because this agreement addresses the rights and obligations of each license holder with respect to each of its Licenses, each reference in this agreement to "Sprint PCS" refers to the entity that owns, directly or indirectly, the License referred to in that particular instance or application of the provision of this agreement. If Sprint Spectrum does not own the License, it will provide on behalf of Sprint PCS most or all of the services required under this agreement to be provided by Sprint PCS.

C. The Sprint PCS business was established to use the Sprint PCS Network, a nationwide wireless services network, to offer seamless, integrated voice and data services using wireless technology. The Sprint PCS Network offers the services to customers under the Brands.

D. This agreement, therefore, includes provisions defining Manager's obligations with respect to:

- The design, construction and management of the Service Area Network;
- Offering and promoting products and services designated by Sprint PCS as the Sprint PCS Products and Services of the Sprint PCS Network;
- Adherence to Program Requirements established by Sprint PCS to ensure seamless interoperability throughout the Sprint PCS Network and uniform and consistent quality of product and service offerings;
- Adherence to Customer Service Program Requirements established by Sprint PCS to ensure consistency in interactions with customers (including billing, customer care, etc.); and
- Adherence to Program Requirements relating to the marketing, promotion and distribution of Sprint PCS Products and Services.

E. The Sprint PCS Network is expanding with the assistance of "managers" (companies such as Manager that manage Service Area Networks that offer Sprint PCS Products and Services under a license owned by Sprint PCS or one of the entities named in Recital A) and "affiliates" (companies that manage Service Area Networks that offer Sprint PCS Products and Services under a license owned by the affiliate).

F. Manager wishes to enter into this agreement to help construct, operate, manage and maintain for Sprint PCS a portion of the Sprint PCS Network in the Service Area. Sprint PCS has determined that permitting Manager to manage a portion of the Sprint PCS Network in accordance with the terms of this agreement will facilitate Sprint PCS' expansion of fully digital, wireless coverage under the License and will enhance the wireless service for customers of Sprint PCS.

G. All managers of a portion of the business of Sprint PCS, including Manager, must construct facilities and operate in accordance with Program Requirements established by Sprint PCS with respect to certain aspects of the development and offering of wireless products and services and the presentation of the products and services to customers, to establish and operate the Sprint PCS Network successfully by providing seamless, integrated voice and data services, using wireless technology.

AGREEMENT

In consideration of the recitals and mutual covenants and agreements contained in this agreement, the sufficiency of which are hereby acknowledged, the parties, intending to be bound, agree as follows:

1. MANAGER

1.1 Hiring of Manager. Sprint PCS hires Manager:

(a) to construct and manage the Service Area Network in compliance with the License and in accordance with the terms of this agreement;

(b) to distribute continuously during the Term the Sprint PCS Products and

Services and to establish distribution channels in the Service Area;

(c) to conduct continually during the Term advertising and promotion activities in the Service Area (including mutual decisions to "go dark", with respect to advertising and promotion activities, for reasonable periods of time); and

(d) to manage that portion of the customer base of Sprint PCS that has the NPA-NXXs assigned to the Service Area Network.

Sprint PCS has the right to unfettered access to the Service Area Network to be constructed by Manager under this agreement. The fee to be paid to Manager by Sprint PCS under Section 10 is for all obligations of Manager under this agreement.

1.2 Program Requirements. Manager must adhere to the Program Requirements established by Sprint PCS and as modified from time to time, to ensure uniform and consistent operation of all wireless systems within the Sprint PCS Network and to present the Sprint PCS Products and Services to customers in a uniform and consistent manner under the Brands.

1.3 Vendor Purchase Agreements. Manager may participate in discounted volume-based pricing on wireless-related products and services and in the warranties Sprint PCS receives from its vendors, as is commercially reasonable and to the extent permitted by applicable procurement agreements (e.g., agreements related to network infrastructure equipment, subscriber equipment, interconnection, and collocation). Sprint PCS will use commercially reasonable efforts to obtain for managers the same price Sprint PCS receives from vendors; this does not prohibit Sprint PCS from entering into procurement agreements that do not provide managers with the Sprint PCS prices.

Manager must purchase subscriber and infrastructure equipment from a Sprint PCS approved list of products, which will include a selection from a variety of manufacturers. Where required, the products must include proprietary software developed by the manufacturers for Sprint PCS or by Sprint PCS to allow seamless interoperability in the Sprint PCS Network. Sprint PCS or the vendor may require Manager to execute a separate license agreement for the software prior to Manager's use of the software.

Manager may only make purchases under this Section 1.3 for items to be used exclusively in the Service Area (e.g., Manager may not purchase base stations under a Sprint PCS contract for use in a system not affiliated with Sprint PCS).

1.4 Interconnection. If Manager desires to interconnect a portion of the Service Area Network with another carrier and Sprint PCS can interconnect with that carrier at a lower rate, then to the extent permitted by applicable laws, tariffs and contracts, Sprint PCS may arrange for the interconnection under its agreements with the carrier and if it does so, Sprint PCS will bill the interconnection fees to Manager.

1.5 Seamlessness. Manager will design and operate its systems, platforms, products and services in the Service Area and the Service Area Network so as to

seamlessly interface them into the Sprint PCS Network.

1.6 Forecasting. Manager and Sprint PCS will work cooperatively to generate mutually acceptable forecasts of important business metrics including traffic volumes, handset sales, subscribers and Collected Revenues for the Sprint PCS Products and Services. The forecasts are for planning purposes only and do not constitute Manager's obligation to meet the quantities forecast.

1.7 Financing. The construction and operation of the Service Area Network requires a substantial financial commitment by Manager. The manner in which Manager will finance the build-out of the Service Area Network and provide the necessary working capital to operate the business is described in detail on Exhibit 1.7. Manager will allow Sprint PCS an opportunity to review before filing any registration statement or prospectus or any amendment or supplement thereto before distributing any offering memorandum or amendment or supplement thereto, and agrees not to file or distribute any such document if Sprint PCS reasonably objects in writing on a timely basis to any portion of the document that refers to Sprint PCS, its Related Parties, their respective businesses, this agreement or the Services Agreement.

1.8 Ethical Conduct and Related Covenants. Each party must perform its obligations under this agreement in a diligent, legal, ethical, and professional manner.

2. BUILD-OUT OF NETWORK

2.1 Build-out Plan. Manager will build-out the Service Area Network in the Service Area in accordance with a Build-out Plan. Sprint PCS and Manager will jointly develop each Build-out Plan, except the initial Build-out Plan and any modifications, additions or expansions of the Build-out Plan will be subject to prior written approval by Sprint PCS. Manager will report to Sprint PCS its performance regarding the critical milestones included in the Build-out Plan on a periodic basis as mutually agreed to by the parties, but no less frequently than quarterly. The Build-out Plan and the Service Area Network as built must comply with Sprint PCS Program Requirements and federal and local regulatory requirements.

Sprint PCS approves the Build-out Plan in effect as of the date of this agreement, which Build-out Plan is attached as Exhibit 2.1. Each new or amended Build-out Plan will also become part of Exhibit 2.1.

2.2 Compliance with Regulatory Rules. During the build-out of the Service Area Network, Sprint PCS authorizes Manager to make all filings with regulatory authorities regarding the build-out, including filings with the Federal Aviation Administration, environmental authorities, and historical districts. Manager may further delegate its duty under this Section 2.2 to a qualified site acquisition company. Manager must ensure that a copy of every filing is given to Sprint PCS. Manager must ensure that Sprint PCS is notified in writing of any contact by a regulatory agency including the FCC with Manager or Manager's site acquisition company regarding any filing. Sprint PCS has the right to direct any proceeding, inquiry, dispute, appeal or other activity with a regulatory or judicial authority regarding any filing made on behalf

of Sprint PCS. Manager will amend, modify, withdraw, refile and otherwise change any filing as Sprint PCS requires. Notwithstanding the preceding sentences in this Section 2.2, and in conjunction with Section 16, Sprint PCS is solely responsible for making any and all filings with the FCC regarding the build-out. Manager will notify Sprint PCS of any activity, event or condition related to the build-out that might require an FCC filing.

2.3 Exclusivity of Service Area. Manager will be the only person or entity that is a manager or operator for Sprint PCS with respect to the Service Area and neither Sprint PCS nor any of its Related Parties will own, operate, build or manage another wireless mobility communications network in the Service Area so long as this agreement remains in full force and effect and there is no Event of Termination that has occurred giving Sprint PCS the right to terminate this agreement, except that:

(a) Sprint PCS may cause Sprint PCS Products and Services to be sold in the Service Area through the Sprint PCS National Accounts Program Requirements and Sprint PCS National or Regional Distribution Program Requirements;

(b) A reseller of Sprint PCS Products and Services may sell its products and services in the Service Area so long as such resale is not contrary to the terms and conditions of this agreement; and

(c) Sprint PCS and its Related Parties may engage in the activities described in Sections 2.4(a) and 2.4(b) with Manager in the geographic areas within the Service Area in which Sprint PCS or any of its Related Parties owns an incumbent local exchange carrier as of the date of this agreement.

2.4 Restriction. In geographic areas within the Service Area in which Sprint PCS or any of its Related Parties owns an incumbent local exchange carrier as of the date of this agreement, Manager must not offer any Sprint PCS Products or Services specifically designed for the competitive local exchange market ("fixed wireless local loop"), except that:

(a) Manager may designate the local exchange carrier that is a Related Party of Sprint PCS to be the exclusive distributor of the fixed wireless local loop product in the territory served by the local exchange carrier, even if a portion of its territory is within the Service Area; or

(b) Manager may sell the fixed wireless local loop product under the terms and conditions specified by Sprint PCS (e.g., including designation by Sprint PCS of an exclusive distribution agent for the territory).

This restriction exists with respect to a particular geographic area only so long as Sprint PCS or its Related Party owns such incumbent local exchange carrier.

Nothing in this Section 2.4 prohibits Manager from offering Sprint PCS Products and Services primarily designed for mobile functionality. The restricted markets as of the date of this agreement are set forth on Exhibit 2.4.

2.5 Coverage Enhancement. Sprint PCS and Manager agree that maintaining a high standard of customer satisfaction regarding network capacity and footprint is a required element of the manager and affiliate programs. Sprint PCS intends to expand network coverage to build all cells that cover at least 5,000 pops and all interstate and major highways in the areas not operated by Manager or Other Managers. Accordingly, Manager agrees to build-out New Coverage when directed by Sprint PCS as set forth in this Section 2.5. Sprint PCS agrees not to require any New Coverage build-out during the first two years of this Agreement, nor any New Coverage that exceeds the capacity and footprint parameters that Sprint PCS has adopted for all of its comparable markets.

Sprint PCS will give to Manager a written notice of any New Coverage within the Service Area that Sprint PCS decides should be built-out. Such notice will include an analysis completed by Sprint PCS demonstrating that such required build-out should be economically advantageous to Manager. Such analysis will be generated in good faith and will be based on then-currently available information, however Sprint PCS makes no warranties or representations regarding the accuracy of, nor will Sprint PCS be bound by, or guarantee the accuracy of, such analysis. Manager must confirm to Sprint PCS within 90 days after receipt of the notice that Manager will build-out the New Coverage and deliver to Sprint PCS with such confirmation Manager's proposed amendment to the Build-out Plan and a description of the manner and timing in which it will finance such build-out.

If Manager confirms, within such 90-day period, its intention to build-out the New Coverage, then Manager and Sprint PCS will diligently finalize an amendment to the Build-out Plan and proceed as set forth in Sections 2.1 and 2.2. The amended Build-out Plan will contain critical milestones that provide Manager a commercially reasonable period in which to construct and implement the New Coverage. In determining what constitutes a "commercially reasonable period" as used in this paragraph, the parties will consider several factors, including local zoning processes and other legal requirements, weather conditions, equipment delivery schedules, the need to arrange additional financing, and other construction already in progress by Manager. Manager will construct and operate the New Coverage in accordance with the terms of this Agreement, and the New Coverage will be included in the Service Area Network for purposes of this agreement.

If Manager fails to confirm, within such 90-day period, its intention to build-out the New Coverage, declines to complete such build-out, or fails to complete such build-out in accordance with the amended Build-out Plan, then an Event of Termination will be deemed to have occurred under Section 11.3.3, Manager will not have a right to cure such breach, and Sprint PCS may exercise its rights and remedies under Section 11.2.2.1.

Notwithstanding the preceding paragraphs in this Section 2.5, the capacity and footprint parameters contained in the amended Build-out Plan will not be required to exceed the parameters adopted by Sprint PCS in building out all of its comparable service areas, unless such build-out relates to an obligation regarding the Service Area Network mandated by law. When necessary for reasons related to new technical standards, new equipment or strategic reasons, Sprint PCS can require Manager to

build-out the New Coverage concurrently with Sprint PCS' build-out, in which case Sprint PCS will reimburse Manager for its costs and expenses if Sprint PCS discontinues its related build-out.

If Sprint PCS requires build-out of New Coverage that will:

(a) cause the Manager to spend an additional amount greater than 5 % of Manager's shareholder's equity or capital account plus Manager's long-term debt (i.e., notes that mature more than one year from the date issued), as reflected on Manager's books; or

(b) cause the long-term operating expenses of Manager on a per unit basis using a 10-year time frame to increase by more than 10% on a net present value basis,

then Manager may give Sprint PCS a written notice requesting Sprint PCS to reconsider the required New Coverage.

The Sprint PCS Vice President or the designee of the Sprint PCS Chief Officer in charge of the group that manages the Sprint PCS relationship with Manager will review Manager's request and render a decision regarding the New Coverage. If after the review and decision by the Vice President or designee, Manager is still dissatisfied, then Manager may ask that the Chief Officer to whom the Vice President or designee reports review the matter. If Sprint PCS still requires Manager to complete the New Coverage following the Chief Officer's review, then if Manager and Sprint PCS fail to agree to an amended Build-out Plan within 15 days after completion of the reconsideration process described above in this paragraph or the end of the 90-day period described in the second paragraph of this Section 2.5, whichever occurs first, then an Event of Termination will be deemed to have occurred under Section 11.3.3, Manager will not have a right to cure such breach, and Sprint PCS may exercise its rights and remedies under Section 11.2.2.1.

2.6 Purchase of Assets by Manager. If Sprint PCS has assets located in the Service Area that Manager could reasonably use in its construction of the Service Area Network and if Sprint PCS is willing to sell such assets, then Manager agrees to purchase from Sprint PCS and Sprint PCS agrees to sell to Manager the assets in accordance with the terms and conditions of the asset purchase agreement attached as Exhibit 2.6.

2.7 Microwave Relocation. Sprint PCS will relocate interfering microwave sources in the spectrum in the Service Area to the extent necessary to permit the Service Area Network to carry the anticipated call volume as set out in the Build-out Plan. If the spectrum cleared is not sufficient to carry the actual call volume then Sprint PCS will clear additional spectrum of its choosing to accommodate the call volume. Sprint PCS may choose to clear spectrum one carrier at a time. The parties will share equally all costs associated with clearing spectrum under this Section 2.7.

2.8 Determination of pops. If any provision in this agreement requires the

determination of pops in a given area, then the pops will be determined using the census block group pop forecast then used by Sprint PCS, except that a different forecast will be used for any FCC filing and in preparing the Build-out Plan if required by the FCC. Sprint PCS presently uses the forecast of Equifax/NDS, but it may choose in its sole discretion to use another service that provides comparable data.

3. PRODUCTS AND SERVICES; IXC SERVICES

3.1 Sprint PCS Products and Services. Manager must offer for sale, promote and support all Sprint PCS Products and Services within the Service Area, unless the parties otherwise agree in advance in writing. Within the Service Area, Manager may only sell, promote and support wireless products and services that are Sprint PCS Products and Services or are other products and services authorized under Section 3.2. The Sprint PCS Products and Services as of the date of this agreement are attached as Exhibit 3.1. Sprint PCS may modify the Sprint PCS Products and Services from time to time in its sole discretion by delivering to Manager a new Exhibit 3.1. If Sprint PCS begins offering nationally a Sprint PCS Product or Service that is a Manager's Product or Service, such Manager's Product or Service will become a Sprint PCS Product or Service under this agreement.

3.2 Other Products and Services. Manager may offer wireless products and services that are not Sprint PCS Products and Services, on the terms Manager determines, if the offer of the additional products and services:

(a) does not violate the obligations of Manager under this agreement;

(b) does not cause distribution channel conflict with or consumer confusion regarding Sprint PCS' regional and national offerings of Sprint PCS Products and Services;

(c) complies with the Trademark License Agreements; and

(d) does not materially impede the development of the Sprint PCS Network.

Manager will not offer any products or services under this Section 3.2 that are confusingly similar to Sprint PCS Products and Services. Manager must request that Sprint PCS determine whether Sprint PCS considers a product or service to be confusingly similar to any Sprint PCS Products and Services by providing advance written notice to Sprint PCS that describes those products and services that could be interpreted to be confusingly similar to Sprint PCS Products and Services. If Sprint PCS fails to provide a response to Manager within 30 days after receiving the notice, then the products and services are deemed to create confusion with the Sprint PCS Products and Services and the request therefore rejected. In rejecting any request Sprint PCS must provide the reasons for the rejection. If the rejection is based on Sprint PCS' failure to respond within 30 days and Manager requests an explanation for the deemed rejection, then Sprint PCS must provide within 30 days the reasons for the rejection.

3.3 Cross-selling with Sprint. Manager and Sprint and Sprint's Related Parties may enter into arrangements to sell Sprint's services, including long distance service (except those long distance services governed by Section 3.4), Internet access, customer premise equipment, prepaid phone cards, and any other services that Sprint or its Related Parties make available from time to time. Sprint's services may be packaged with the Sprint PCS Products and Services.

If Manager chooses to resell the long distance services, Internet access or competitive local telephone services including prepaid phone cards, of third parties (other than Manager's Related Parties), Manager will give Sprint the right of last offer to provide those services on the same terms and conditions as the offer to which Manager is prepared to agree, subject to the terms of any existing agreements Manager was subject to prior to execution of this agreement.

If Sprint sells Sprint PCS Products and Services in the Service Area, Manager will provide such Sprint PCS Products and Services to such customers in accordance with the terms and conditions of the Sprint PCS National or Regional Distribution Program Requirements.

3.4 IXC Services. Manager must purchase from Sprint long distance telephony services for the Sprint PCS Products and Services at wholesale rates. Long distance telephone calls are those calls between the local calling area for the Service Area Network and areas outside the local calling area. The local calling area will be defined by mutual agreement of Sprint PCS and Manager. If the parties cannot agree on the extent of the local calling area they will resolve the matter through the dispute resolution process in Section 14. Any arrangement must have terms at least as favorable to Manager (in all material respects) as those offered by Sprint to any wholesale customer of Sprint in comparable circumstances (taking into consideration volume, traffic patterns, etc.). If Manager is bound by an agreement for these services and the agreement was not made in anticipation of this agreement, then the requirements of this Section 3.4 do not apply during the term of the other agreement. If the other agreement terminates for any reason then the requirements of this Section 3.4 do apply.

3.5 Resale of Products and Services

3.5.1 Mandatory Resale of Products and Services. Sprint PCS is subject to FCC rules that require it to allow its service plans to be resold by a purchaser of the service plan. Sprint PCS will not grant the purchaser of a service plan the right to use any of the support services offered by Sprint PCS, including customer care, billing, collection, and advertising, nor the right to use the Brands. The reseller only has the right to use the service purchased. Consequently, Manager agrees not to interfere with any purchaser of the Sprint PCS Products or Services who resells the service plans in accordance with this agreement and applicable law. Manager will notify purchaser that the purchaser does not have a right to use the Brands or Sprint PCS' support services. In addition, Manager will notify Sprint PCS if it reasonably believes a reseller of retail service plans is using the support services or Brands.

3.5.2 Voluntary Resale of Products and Services. Sprint PCS may choose

to offer a resale product under which resellers will resell Sprint PCS Products and Services under brand names other than the Brands, except Sprint PCS may permit the resellers to use the Brands for limited purposes related to the resale of Sprint PCS Products and Services (e.g., to notify people that the handsets of the resellers will operate on the Sprint PCS Network). The resellers may also provide their own support services (e.g., customer care and billing) or may purchase the support services from Sprint PCS.

If Sprint PCS chooses to offer a voluntary resale product, it will adopt a program that will be a Program Requirement under this agreement and that addresses the manner in which Manager and Other Managers interact with the resellers. Manager must agree to comply with the terms of the program, including its pricing provisions, if Manager wants handsets of subscribers of resellers with NPA-NXXs of Manager to be activated. Usage of telecommunications services while in the Service Area by subscribers of resellers with NPA-NXXs from outside the Service Area will be subject to the pricing provisions of the Sprint PCS Roaming and Inter Service Area Program for roaming and inter service area pricing between Manager and Sprint PCS unless Manager agrees in writing to different pricing.

Except as required under the regulations and rules concerning mandatory resale, Manager may not sell Sprint PCS Products and Services for resale unless Sprint PCS consents to such sales in advance in writing.

3.6 Non-competition. Neither Manager nor any of its Related Parties may offer Sprint PCS Products and Services outside of the Service Area without the prior written approval of Sprint PCS.

Within the Service Area, Manager and Manager's Related Parties may offer, market or promote telecommunications products or services only under the following brands:

(a) products or services with the Brands;

(b) other products and services approved under Section 3.2;

(c) products or services with Manager's brand; or

(d) products or services with the brands of Manager's Related Parties,

except no brand of a significant competitor of Sprint PCS or its Related Parties in the telecommunications business may be used by Manager or Manager's Related Parties on these products and services.

If Manager or any of its Related Parties has licenses to provide broadband personal communication services outside the Service Area, neither Manager nor such Related Party may utilize the spectrum to offer Sprint PCS Products and Services without prior written consent from Sprint PCS. Additionally, when Manager's customers from inside the Service Area travel or roam to other geographic areas, Manager will route

the customers' calls, both incoming and outgoing, according to the Sprint PCS Network Roaming and Inter Service Area Program Requirements, without regard to any wireless networks operated by Manager or its Related Parties. For example, Manager will program the preferred roaming list for handsets sold in the Service Area to match the Sprint PCS preferred roaming list.

3.7 Right of Last Offer. Manager will offer to Sprint the right to make to Manager the last offer to provide backhaul and transport services for call transport for the Service Area Network, if Manager decides to use third parties for backhaul and transport services rather than self-provisioning the services or purchasing the services from Related Parties of Manager. Sprint will have a reasonable time to respond to Manager's request for last offer to provide backhaul and transport pricing and services, which will be no greater than 5 Business Days after receipt of the request for the services and pricing from Manager.

If Manager has an agreement in effect as of the date of this agreement for these services and the agreement was not made in anticipation of this agreement, then the requirements of this Section 3.7 do not apply during the term of the other agreement. If the other agreement terminates for any reason then the requirements of this Section 3.7 do apply.

4. MARKETING AND SALES ACTIVITIES

4.1 Sprint PCS National or Regional Distribution Program Requirements. During the term of this agreement, Manager must participate in any Sprint PCS National or Regional Distribution Program (as in effect from time to time), and will pay or receive compensation for its participation in accordance with the terms and conditions of that program. The Sprint PCS National or Regional Distribution Program Requirements in effect as of the date of this agreement are attached as Exhibit 4.1.

4.1.1 Territorial Limitations on Manager's Distribution Activities. Neither Manager nor any of its Related Parties will market, sell or distribute Sprint PCS Products and Services outside of the Service Area, except:

(a) as otherwise agreed upon by the parties in advance in writing; or

(b) Manager may place advertising in media that has distribution outside of the Service Area, so long as that advertising is intended by Manager to reach primarily potential customers within the Service Area.

4.1.2 Settlement of Equipment Sales. Sprint PCS will establish a settlement policy and process that will be included in the Sprint PCS National or Regional Distribution Program Requirements to:

(a) reconcile sales of subscriber equipment made in the service areas of Sprint PCS or Other Managers of Sprint PCS, that result in activations in the Service Area; and

(b) reconcile sales of subscriber equipment made in the Service Area that result in activations in service areas of Sprint PCS or Other Managers.

In general, the policy will provide that the party in whose service area the subscriber equipment is activated will be responsible for the payment of any subsidy (i.e., the difference between the price paid to the manufacturer and the suggested retail price for direct channels or the difference between the price paid to the manufacturer and the wholesale price for third party retailers) and for other costs associated with the sale, including logistics, inventory carrying costs, direct channel commissions and other retailer compensation.

4.1.3 Use of Third-Party Distributors.

(a) Manager may request that Sprint PCS and a local distributor enter into Sprint PCS' standard distribution agreement regarding the purchase from Sprint PCS of handsets and accessories. Sprint PCS will use commercially reasonable efforts to reach agreement with the local distributor. Sprint PCS may refuse to enter into a distribution agreement with a distributor for any reasonable reason, including that the distributor fails to pass Sprint PCS' then current credit and background checks or the distributor fails to agree to the standard terms of the Sprint PCS distribution agreement. Any local distributor will be subject to the terms of the Trademark License Agreements or their equivalent. Manager will report to Sprint PCS the activities of any local distributor that Manager believes to be in violation of the distribution agreement.

(b) Manager may establish direct local distribution programs in accordance with the Sprint PCS National or Regional Distribution Program Requirements, subject to the terms and conditions of the Trademark License Agreements and the non-competition and other provisions contained in this agreement. If Manager sells Sprint PCS handsets and accessories directly to a local distributor:

(i) Sprint PCS has the right to approve or disapprove a particular distributor,

(ii) Manager is responsible for such distributor's compliance with the terms of the Trademark License Agreements and the other provisions contained in this agreement, and

(iii) Manager must retain the right to terminate the distribution rights of the local distributor when so instructed by Sprint PCS (even if Sprint PCS initially approved or did not exercise its right to review the distributor).

4.2 Sprint PCS National Accounts Program Requirements. During the term of this agreement, Manager must participate in the Sprint PCS National Accounts Program (as in effect from time to time), and will be entitled to compensation for its participation and will be required to pay the expenses of the program in accordance with the terms and conditions of that program. The Sprint PCS National Accounts Program Requirements in effect as of the date of this agreement are attached as Exhibit 4.2.

4.3 Sprint PCS Roaming and Inter Service Area Program Requirements. Manager will participate in the Sprint PCS Roaming and Inter Service Area Program established and implemented by Sprint PCS, including roaming price plans and inter-carrier settlements. The Sprint PCS Roaming and Inter Service Area Program Requirements in effect as of the date of this agreement are attached as Exhibit 4.3.

As part of the Sprint PCS Roaming and Inter Service Area Program Requirements, Sprint PCS will establish a settlement policy and process to equitably distribute between the members making up the Sprint PCS Network (i.e., Sprint PCS, Manager and all Other Managers) the revenues received by one member for services used by its customers when they travel into other members' service areas.

4.4 Pricing. Manager will offer and support all Sprint PCS pricing plans designated for regional or national offerings of Sprint PCS Products and Services (e.g., national inter service area rates, regional home rates, and local price points). The Sprint PCS pricing plans as of the date of this agreement are attached as Exhibit 4.4. Sprint PCS may modify the Sprint PCS pricing plans from time to time in its sole discretion by delivering to Manager a new Exhibit 4.4.

Additionally, with prior approval from Sprint PCS, which approval will not be unreasonably withheld, Manager may establish price plans for Sprint PCS Products and Services that are only offered in its local market, subject to:

(a) the non-competition and other provisions contained in this agreement:

(b) consistency with regional and national pricing plans;

(c) regulatory requirements; and

(d) capability and cost of implementing rate plans in Sprint PCS systems (if used).

Manager must provide advance written notice to Sprint PCS with details of any pricing proposal for Sprint PCS Products or Services in the Service Area. If Sprint PCS fails to. respond to Manager within 10 Business Days after receiving such notice, then the price proposed for those Sprint PCS Products or Services is deemed approved.

At the time Sprint PCS approves a pricing proposal submitted by Manager, Sprint PCS will provide Manager an estimate of the costs and expenses and applicable time frames required for Sprint PCS to implement the proposed pricing plan. Manager agrees to promptly reimburse Sprint PCS for any cost or expense incurred by Sprint PCS to implement such a pricing plan, which will not exceed the amount estimated by Sprint PCS if Manager waited for Sprint PCS' response to Manager's proposal.

4.5 Home Service Area. Sprint PCS and Manager will agree to the initial home service area for each base station in the Service Area Network prior to the date the Service Area Network goes into commercial operation. If the parties cannot agree to the home service area for each base station in the Service Area Network, then the parties will use the dispute resolution process in Section 14 of this agreement to assign each base

station to a home service area.

5. USE OF BRANDS

5.1 Use of Brands.

(a) Manager must enter into the Trademark License Agreements on or before the date of this agreement.

(b) Manager must use the Brands exclusively in the marketing, promotion, advertisement, distribution, lease or sale of any Sprint PCS Products and Services within the Service Area, except Manager may use other brands to the extent permitted by the Trademark License Agreements and not inconsistent with the terms of this agreement.

(c) Neither Manager nor any of its Related Parties may market, promote. advertise, distribute, lease or sell any of the Sprint PCS Products and Services or Manager's Products and Services on a non-branded, "private label" basis or under any brand, trademark, trade name or trade dress other than the Brands, except (i) for sales to resellers required under this agreement, or (ii) as permitted under the Trademark License Agreements.

(d) The provisions of this Section 5.1 do not prohibit Manager from including Sprint PCS Products and Services under the Brands within the Service Area as part of a package with its other products and services that bear a different brand or trademark. The provisions of this Section 5.1 do not apply to the extent that they are inconsistent with applicable law or in conflict with the Trademark License Agreements.

5.2 Conformance to Marketing Communications Guidelines. Manager must conform to the Marketing Communications Guidelines in connection with the marketing, promotion, advertisement, distribution, lease and sale of any of the Sprint PCS Products and Services. The Marketing Communications Guidelines in effect as of the date of this agreement are attached as Exhibit 5.2. Sprint and Sprint Spectrum may amend the Marketing Communications Guidelines from time to time in accordance with the terms of the Trademark License Agreements.

5.3 Joint Marketing With Third Parties.

(a) Manager may engage in various joint marketing activities (e.g., promotions with sports teams and entertainment providers or tournament sponsorships) with third parties in the Service Area from time to time during the term of this agreement with respect to the Sprint PCS Products and Services, except that Manager may engage in the joint marketing activities only if the joint marketing activities:

(i) are conducted in accordance with the terms and conditions of the Trademark License Agreements and the Marketing Communications Guidelines;

(ii) do not violate the terms of this agreement;

(iii) are not likely (as determined by Sprint PCS, in its sole discretion) to cause confusion between the Brands and any other trademark or service mark used in connection with the activities;

(iv) are not likely (as determined by Sprint, in its sole discretion) to cause confusion between the Sprint Brands and any other trademark or service mark used in connection with the activities; and

(v) are not likely (as determined by Sprint PCS, in its sole discretion) to give rise to the perception that the Sprint PCS Products and Services are being advertised, marketed or promoted under any trademark or service mark other than the Brands, except as provided in the Trademark License Agreements. Manager will not engage in any activity that includes co-branding involving use of the Brands (that is, the marketing, promotion, advertisement, distribution, lease or sale of any of the Sprint PCS Products and Services under the Brands and any other trademark or service mark), except as provided in the Trademark License Agreements.

(b) Manager must provide advance written notice to Sprint PCS describing any joint marketing activities that may:

(i) cause confusion between the Brands and any other trademark or service mark used in connection with the proposed activities; or

(ii) give rise to the perception that the Sprint PCS Products and Services are being advertised, marketed or promoted under any trademark or service mark other than the Brands, except as provided in the Trademark License Agreements.

(c) If Sprint PCS fails to provide a response to Manager within 20 days after receiving such notice, then the proposed activities are deemed, as the case may be:

(i) not to create confusion between the Brands and any other trademark or service mark; or

(ii) not to give rise to the perception that Manager's products and services are being advertised, marketed or promoted under any trademark or service mark other than the Brands, except as provided in the Trademark License Agreements.

5.4 Prior Approval of Use of Brands. Manager must obtain advance written approval from Sprint for use of the Sprint Brands to the extent required by the Sprint Trademark and Service Mark License Agreement and from Sprint PCS for use of the Sprint PCS Brands to the extent required by the Sprint Spectrum Trademark and Service Mark License Agreement. Sprint PCS will use commercially reasonable efforts to facilitate any review of Manager's use of the Brands, if Sprint PCS is included in the review process.

5.5 Duration of Use of Brand. Manager is entitled to use the Brands only during the term of the Trademark License Agreements and any transition period during which Manager is authorized to use the Brands following the termination of the

Trademark License Agreements.

6. ADVERTISING AND PROMOTION

6.1 National Advertising and Promotion. Sprint PCS is responsible for (a) all national advertising and promotion of the Sprint PCS Products and Services, including the costs and expenses related to national advertising and promotions, and (b) all advertising and promotion of the Sprint PCS Products and Services in the markets where Sprint PCS operates without the use of an Other Manager.

6.2 In-Territory Advertising and Promotion. Manager must advertise and promote the Sprint PCS Products and Services in the Service Area (and may do so in the areas adjacent to the Service Area so long as Manager intends that such advertising or promotion primarily reach potential customers within the Service Area). Manager must advertise and promote the Sprint PCS Products and Services in accordance with the terms and conditions of this agreement, the Trademark License Agreements and the Marketing Communication Guidelines. Manager is responsible for the costs and expenses incurred by Manager with respect to Manager's advertising and promotion activities in the Service Area.

Manager will be responsible for a portion of the cost of any promotion or advertising done by third party retailers in the Service Area (e.g., Best Buy) in accordance with any cooperative advertising arrangements based on per unit handset sales.

Sprint PCS has the right to use in any promotion or advertising done by Sprint PCS any promotion or advertising materials developed by Manager from time to time with respect to the Sprint PCS Products and Services. Sprint PCS will reimburse Manager for the reproduction costs related to such use.

Sprint PCS will make available to Manager the promotion or advertising materials developed by Sprint PCS from time to time with respect to Sprint PCS Products and Services in current use by Sprint PCS (e.g., radio ads, television ads, design of print ads, design of point of sale materials, retail store concepts and designs, design of collateral). Manager will bear the cost of using such materials (e.g., cost of local radio and television ad placements, cost of printing collateral in quantity, and building out and finishing retail stores).

6.3 Review of Advertising Promotion Campaigns. Sprint PCS and Manager will jointly review the upcoming marketing and promotion campaigns of Manager with respect to Sprint PCS Products and Services (including advertising and promotion expense budgets) and will use good faith efforts to coordinate Manager's campaign with Sprint PCS' campaign to maximize the market results of both parties. Sprint PCS and Manager may engage in cooperative advertising or promotional activities during the term of this agreement as the parties may agree in writing.

6.4 Public Relations. If Manager conducts local public relations efforts, then Manager must conduct the local public relations efforts consistent with the Sprint PCS Communications Policies. The Sprint PCS Communications Policies as of the date of this

agreement are attached as Exhibit 6.4. Sprint PCS may modify the Sprint PCS Communications Policies from time to time by delivering to Manager a new Exhibit 6.4.

7. SPRINT PCS TECHNICAL PROGRAM REQUIREMENTS

7.1 Conformance to Sprint PCS Technical Program Requirements.

(a) Manager must meet or exceed the Sprint PCS Technical Program Requirements established by Sprint PCS from time to time for the Sprint PCS Network. Manager will be deemed to meet the Sprint PCS Technical Program Requirements if:

(i) Manager operates the Service Area Network at a level equal to or better than t lower of the Operational Level of Sprint PCS or the operational level contemplated by the Sprint PCS Technical Program Requirements; or

(ii) Sprint PCS responsible under the Services Agreement to ensure the Service Area Network complies with the Sprint PCS Technical Program Requirements.

(b) Manager must demonstrate to Sprint PCS that Manager has complied with the Sprint PCS Technical Program Requirements prior to connecting the Service Area Network to the rest of the Sprint PCS Network. Once the Service Area Network is connected to the Sprint PCS Network, Manager must continue to comply with the Sprint PCS Technical Program Requirements. Sprint PCS agrees that the Sprint PCS Technical Program Requirements adopted for Manager will be the same Sprint PCS Technical Program Requirements applied by Sprint PCS to the Sprint PCS Network.

7.2 Establishment of Sprint PCS Technical Program Requirements. Sprint PCS has delivered to Manager a copy of the current Sprint PCS Technical Program Requirements, attached as Exhibit 7.2. Sprint PCS drafted the Sprint PCS Technical Program Requirements to ensure a minimum, base-line level of quality for the Sprint PCS Network. The Sprint PCS Technical Program Requirements include standards relating to voice quality, interoperability, consistency (seamlessness) of coverage, RF design parameters, system design, capacity, and call blocking ratio. Sprint PCS has selected code division multiple access as the initial air interface technology for the Sprint PCS Network (subject to change in accordance with Section 9.1).

7.3 Handoff to Adjacent Networks. If technically feasible and commercially reasonable, Manager will operate the Service Area Network in a manner that permits a seamless handoff of a call initiated on the Service Area Network to any adjacent PCS network that is part of the Sprint PCS Network, as specified in the Sprint PCS Technical Program Requirements. Sprint PCS agrees that the terms and conditions for seamless handoffs adopted for the Service Area Network will be the same as the terms Sprint PCS applies to the other parts of the Sprint PCS Network for similar configurations of equipment.

8. SPRINT PCS CUSTOMER SERVICE PROGRAM REQUIREMENTS

8.1 Compliance With Sprint PCS Customer Service Program Requirements. Manager must comply with the Sprint PCS Customer Service Program Requirements in providing the Sprint PCS Products and Services to any customer of Manager, Sprint PCS or any Sprint PCS Related Party. Manager will be deemed to meet the standards if:

(a) Manager operates the Service Area Network at a level equal to or better than the lower of the Operational Level of Sprint PCS or the operational level contemplated by the Program Requirements; or

(b) Manager has delegated to Sprint PCS under the Services Agreement responsibility to ensure the Service Area Network complies with the Sprint PCS Customer Service Standards.

Sprint PCS has delivered to Manager a copy of the Sprint PCS Customer Service Standards, which are attached as Exhibit 8.1.

9. SPRINT PCS PROGRAM REQUIREMENTS

9.1 Program Requirements Generally. This agreement contains numerous references to Sprint PCS National and Regional Distribution Program Requirements, Sprint PCS National Accounts Program Requirements, Sprint PCS Roaming and Inter Service Area Program Requirements, Sprint PCS Technical Program Requirements and Sprint PCS Customer Service Program Requirements. This agreement also provides under Section 3.5.2 for the offering by Sprint PCS of a voluntary resale product through a program, which program, if adopted, will be a Program Requirement under this agreement. Sprint PCS may unilaterally amend from time to time in the manner described in Section 9.2 all Program Requirements mentioned in this agreement. The most current version of the Program Requirements mentioned in the first sentence of this Section 9.1 have been provided to Manager. Manager has reviewed the Program Requirements and adopts them for application in the Service Area.

9.2 Amendments to Program Requirements. Sprint PCS may amend any of the Program Requirements, subject to the following conditions:

(a) The applicable Program Requirements, as amended, will apply equally to Manager, Sprint PCS and each Other Manager, except if Manager and Sprint PCS agree otherwise or if Sprint PCS grants a waiver to Manager. Sprint PCS may grant waivers to Other Managers without affecting Manager's obligation to comply with the Program Requirements;

(b) Each amendment will be reasonably required to fulfill the purposes set forth in Section 1.2 with respect to uniform and consistent operations of the Sprint PCS Network and the presentation of Sprint PCS Products and Services to customers in a uniform and consistent manner;

(c) Each amendment will otherwise be on terms and conditions that are commercially reasonable with respect to the construction, operation and management of the Sprint PCS Network. With respect to any amendment to the Program Requirements, Sprint PCS will provide for reasonable transition periods and, where appropriate, may

provide for grandfathering provisions for existing activities by Manager that were permitted under the applicable Program Requirements before the amendment;

(d) Sprint PCS must give Manager reasonable, written notice of the amendment, but in any event the notice will be given at least 30 days prior to the effective date of the amendment; and

(e) Manager must implement any changes in the Program Requirements within a commercially reasonable period of time unless otherwise consented to by Sprint PCS. Sprint PCS will determine what constitutes a commercially reasonable period of time taking into consideration relevant business factors, including the strategic significance of the changes to the Sprint PCS Network, the relationship of the changes to the yearly marketing cycle, and the financial demands on and capacity generally of Other Managers. Notwithstanding the preceding two sentences, Manager will not be required to implement any change in the Service Area Network or the business of Manager required by an amendment to a Program Requirement until Sprint PCS has implemented the required changes in substantially all of that portion of the Sprint PCS Network that Sprint PCS operates without the use of a manager or affiliate, unless the amendment to the Program Requirement relates to an obligation regarding the Service Area Network mandated by law. When necessary for reasons related to new technical standards, new equipment or strategic reasons, Sprint PCS can require Manager to implement the changes in the Service Area Network or Manager's business concurrently with Sprint PCS, in which case Sprint PCS will reimburse Manager for its costs and expenses if Sprint PCS discontinues the Program Requirement changes prior to implementation.

Sprint PCS may grant Manager appropriate waivers and variances from the requirements of any Program Requirements. Sprint PCS has the right to adopt any Program Requirements that implement any obligation regarding the Service Area Network mandated by law.

Any costs and expenses incurred by Manager in connection with conforming to any change to the Program Requirements during the term of this agreement are the responsibility of Manager.

9.3 Manager's Right to Request Review of Changes. If Sprint PCS announces a change to a Program Requirement that will:

(a) cause the Manager to spend an additional amount greater than 5 % of Manager's shareholder's equity or capital account plus Manager's long-term debt (i.e., notes that mature more than one year from the date issued), as reflected on Manager's books; or

(b) cause the long term operating expenses of Manager on a per unit basis using a 10-year time frame to increase by more than 10% on a net present value basis, then Manager may give Sprint PCS a written notice requesting Sprint PCS to reconsider the change.

The Sprint PCS Vice President or the designee of the Sprint PCS Chief Officer in

charge of the group that manages the Sprint PCS relationship with Manager will review Manager's request and render a decision regarding the change. If after the review and decision by the Vice President or designee, Manager is still dissatisfied, then Manager may ask that the Chief Officer to whom the Vice President or designee reports review the matter. If Sprint PCS still requires Manager to implement the change to the Program Requirement following the Chief Officer's review, then upon Manager's failure to implement the change an Event of Termination will be deemed to have occurred under Section 11.3.3, Manager will not have a right to cure such breach, and Sprint PCS may exercise its rights and remedies under Section 11.6.

9.4 Sprint PCS' Right to Implement Changes. If Manager requests Sprint PCS to reconsider a change to a Program Requirement as permitted under Section 9.3 and Sprint PCS decides it will not require Manager to make the change, Sprint PCS may, but is not required to, implement the change at Sprint PCS' expense, in which event Manager will be required to operate the Service Area Network, as changed, but Sprint PCS will be entitled to any revenue derived from the change.

9.5 Rights of Inspection. Sprint PCS and its authorized agents and representatives may enter upon the premises of any office or facility operated by or for Manager at any time, with reasonable advance notice to Manager if possible, to inspect, monitor and test in a reasonable manner the Service Area Network, including the facilities, equipment, books and records of Manager, to ensure that Manager has complied or is in compliance with all covenants and obligations of Manager under this agreement, including Manager's obligation to conform to the Program Requirements. The inspection, monitoring and testing may not disrupt the operations of the office or facility, nor impede Manager's access to the Service Area Network.

9.6 Manager's Responsibility to Interface with Sprint PCS. Manager will use platforms fully capable of interfacing with the Sprint PCS platforms in operating the Service Area Network and in providing Sprint PCS Products and Services. Manager will pay the expense of making its platforms fully capable of interfacing with Sprint PCS, including paying for the following:

(i) connectivity;

(ii) any changes that Manager requests Sprint PCS to make to Sprint PCS systems to interconnect with Manager's systems that Sprint PCS, in its sole discretion, agrees to make;

(iii) equipment to run Manager's software;

(iv) license fees for Manager's software; and

(v) Manager's upgrades or changes to its platforms.

10. FEES

10.1 Fees and Payments.

10.1.1 Fee Based on Collected Revenues. Sprint PCS will pay to Manager a

weekly fee equal to 92 % of Collected Revenues for the week for all obligations of Manager under this Agreement. The fee will be due on Thursday of the week following the week for which the fee is calculated.

10.1.2 Payment of Universal Service Funds. Sprint PCS and Manager will share any federal and state subsidy funds (e.g., payments by a state of universal service fund subsidies to Sprint PCS or Manager), if any, received by Sprint PCS or Manager for customers who reside in the portion of the Service Area served by the Service Area Network. Manager is entitled to 92 % of any amount received by either party and Sprint PCS is entitled to 8 % of such amounts.

10.1.3 Inter Service Area Fees. Sprint PCS will pay to Manager monthly a fee as set out in the Sprint PCS Roaming and Inter Service Area Program, for each minute of use that a customer of Sprint PCS or one of the Other Managers whose NPA-NXX is not assigned to the Service Area Network uses the Service Area Network. Manager will pay to Sprint PCS a fee, as set out in the Sprint PCS Roaming and Inter Service Area Program, for each minute of use that a customer whose NPA-NXX is assigned to the Service Area Network uses a portion of the Sprint PCS Network other than the Service Area Network. Manager acknowledges that the manner in which the NPA-NXX is utilized could change, which will require a modification in the manner in which the inter service area fees, if any, will be calculated.

10.1.4 Interconnect Fees. Manager will pay to Sprint PCS (or to other carriers as appropriate) monthly the interconnect fees, if any, as provided under Section 1.4.

10.1.5 Outbound Roaming Fees. If not otherwise provided under any Program Requirement:

(a) Sprint PCS will pay to Manager monthly the amount of Outbound Roaming fees that Sprint PCS collects for the month from end users whose NPA-NXX is assigned to the Service Area; and

(b) Manager will pay to Sprint PCS (or to a clearinghouse or other carrier as appropriate) the direct cost of providing the capability for the Outbound Roaming, including any amounts payable to the carrier that handled the roaming call and the clearinghouse operator.

10.1.6 Reimbursements. Manager will pay to or reimburse Sprint PCS for any amounts that Sprint PCS is required to pay to a third party (e.g., a telecommunications carrier) to the extent Sprint PCS already paid such amount to Manager under this Section 10.

10.2 Monthly True Up. Manager will report to Sprint PCS monthly the amount of Collected Revenues received directly by the Manager (e.g., customer mails payment to the business address of Manager rather than to the lockbox or a customer pays a direct sales force representative in cash). Sprint PCS will on a monthly basis true up the fees and payments due under Section 10.1 against the actual payments made by Sprint PCS to Manager. Sprint PCS will provide to Manager a true up report each month showing

the true up and the net amount due from one party to the other, if any. If the weekly payments made to Manager exceed the actual fees and payments due to Manager, then Manager will remit the amount of the overpayment to Sprint PCS within 5 Business Days after receiving the true up report from Sprint PCS. If the weekly payments made to Manager are less than the actual fees and payments due to Manager, then Sprint PCS will remit the shortfall to Manager within 5 Business Days after sending the true up report to Manager.

If a party disputes any amount on the true up report, the disputing party must give the other party written notice of the disputed amount and the reason for the dispute within 90 days after it receives the true up report. The dispute will be resolved through the dispute resolution process in Section 14. The parties must continue to pay to the other party any undisputed amounts owed under this agreement during the dispute resolution process. The dispute of an item does not stay or diminish a party's other rights and remedies under this agreement.

10.3 Taxes. Manager will pay or reimburse Sprint PCS for any sales, use, gross receipts or similar tax, administrative fee, telecommunications fee or surcharge for taxes or fees levied by a governmental authority on the fees and charges payable by Sprint PCS to Manager.

Manager will report all taxable property to the appropriate taxing authority for ad valorem tax purposes. Manager will pay as and when due all taxes, assessments, liens, encumbrances, levies, and other charges against the real estate and personal property owned by Manager or used by Manager in fulfilling its obligations under this agreement.

Manager is responsible for paying all sales, use, or similar taxes on the purchase and use of its equipment, advertising, and other goods or services in connection with this agreement.

10.4 Collected Revenues Definition. "Collected Revenues" means actual payments received by or on behalf of Sprint PCS or Manager for Sprint PCS Products and Services from others, including the customers, whose NPA-NXX is the same as that for the portion of the Service Area served by the Service Area Network. In determining Collected Revenues the following principles will apply.

(a) The following items will be treated as follows:

(i) Collected Revenues do not include revenues from federal and state subsidy funds; they are handled separately as noted in Section 10.1.2;

(ii) Collected Revenues do include any amounts received for the payment of Inbound Roaming charges and interconnect fees when calls are carried on the Service Area Network; and

(iii) Collected Revenues do not include any amounts received with respect to any changes made by Sprint PCS under Section 9.4.

(b) The following items are not Collected Revenues; Sprint PCS is

obligated to remit the amounts received with respect to such items, if any, to Manager, as follows:

(i) inter service area payments will be paid as provided under Section 10.1.3;

(ii) Outbound Roaming and related charges will be paid as provided under Section 10.1.5;

(iii) proceeds from the sale or lease of subscriber equipment and accessories will be paid to Manager, subject to the equipment settlement process in Section 4.1.2;

(iv) proceeds from sales not in the ordinary course of business (e.g., sales of switches, cell sites, computers, vehicles or other fixed assets);

(v) any amounts collected with respect to sales and use taxes, gross receipts taxes, transfer taxes, and similar taxes, administrative fees, telecommunications fees, and surcharges for taxes and fees that are collected by a carrier for the benefit of a governmental authority, subject to Manager's obligation under Section 10.3; and

(vi) Manager will be entitled to 100% of all revenues received by Sprint PCS with respect to sales of Manager's Products and Services.

(c) The following items are not Collected Revenues; neither party is obligated to remit any amounts respecting such items:

(i) reasonable adjustments of a customer's account (e.g., if Sprint PCS or Manager reduces a customer's bill, then the amount of the adjustment is not Collected Revenues); and

(ii) amount of bad debt and fraud associated with customers whose NPA-NXX is assigned to the Service Area (e.g., if Sprint PCS or Manager writes off a customer's bill as a bad debt, there are no Collected Revenues on which a fee is due to Manager).

10.5 Late Payments. Any amount due under this Section 10 that is not paid by one party to the other party in accordance with the terms of this agreement will bear interest at the Default Rate beginning (and including) the 3rd day after the due date until (and including) the date paid.

10.6 Setoff Right If Failure To Pay Amounts Due. If Manager fails to pay any undisputed amount due Sprint PCS or a Related Party of Sprint PCS under this agreement, the Services Agreement, or any other agreement with Sprint PCS or a Related Party of Sprint PCS, then Sprint PCS may setoff against its payments to Manager under this Section 10, the following amounts:

(a) any amount that Manager owes to Sprint PCS or a Related Party of Sprint PCS, including amounts due under the Services Agreement; and

(b) any amount that Sprint PCS reasonably estimates will be due to Sprint PCS for the current month under the Services Agreement (e.g., if under the Services Agreement customer care calls are billed monthly, Sprint PCS can deduct from the weekly payment to Manager an amount Sprint PCS reasonably estimates will be due Sprint PCS on account of such customer care calls under the Services Agreement).

On a monthly basis Sprint PCS will true up the estimated amounts deducted against the actual amounts due Sprint PCS and Sprint PCS' Related Parties. If the estimated amounts deducted by Sprint PCS exceed the actual amounts due to Sprint PCS and Sprint PCS' Related Parties, then Sprint PCS will remit the excess to Manager with the next weekly payment. If the estimated amounts deducted are less than the actual amounts due to Sprint PCS and its Related Parties, then Sprint PCS may continue to setoff the payments to Manager against the amounts due to Sprint PCS and Sprint PCS' Related Parties. This right of setoff is in addition to any other right that Sprint PCS may have under this agreement.

11. TERM; TERMINATION; EFFECT OF TERMINATION

11.1 Initial Term. This agreement commences on the date of execution and, unless terminated earlier in accordance with the provisions of this Section 11, continues for a period of 20 years (the "Initial Term").

11.2 Renewal Terms. Following expiration of the Initial Term, this agreement will automatically renew for 3 successive 10-year renewal periods (for a maximum of 50 years including the Initial Term), unless at least 2 years prior to the commencement of any renewal period either party notifies the other party in writing that it does not wish to renew this agreement.

11.2.1 Non-renewal Rights of Manager. If this agreement will terminate because Sprint PCS gives Manager timely written notice of non-renewal of this agreement, then Manager may exercise its rights under Section 11.2.1.1 or, if applicable, its rights under Section 11.2.1.2.

11.2.1.1 Manager's Put Right. Manager may within 30 days after the date Sprint PCS gives notice of non-renewal put to Sprint PCS all of the Operating Assets. Sprint PCS will pay to Manager for the Operating Assets an amount equal to 80% of the Entire Business Value. The closing of the purchase of the Operating Assets will occur within 20 days after the later of (a) the receipt by Sprint PCS of the written notice of determination of the Entire Business Value provided by the appraisers under Section 11.7 or (b) the receipt of all materials required to be delivered to Sprint PCS under Section 11.8. Upon closing the purchase of the Operating Assets this agreement will be deemed terminated. The exercise of the put, the determination of the Operating Assets, the representations and warranties made by Manager with respect to the Operating Assets and the business, and the process for closing the purchase will be subject to the terms and conditions set forth in Section 11.8.

11.2.1.2 Manager's Purchase Right.

(a) If Sprint PCS owns 20 MHz or more of PCS spectrum in the

Service Area under the License on the date this agreement is executed, then Manager may within 30 days after the date Sprint PCS gives notice of non-renewal declare its intent to purchase the Disaggregated License. Subject to receipt of FCC approval of the necessary disaggregation and partition, Manager may purchase from Sprint PCS the Disaggregated License for an amount equal to the greater of (1) the original cost of the License to Sprint PCS (pro rated on a pops and spectrum basis) plus the microwave relocation costs paid by Sprint PCS or (2) 10% of the Entire Business Value.

(b) Upon closing the purchase of the spectrum this agreement will be deemed terminated. The closing of the purchase of the Disaggregated License will occur within the later of:

(1) 20 days after the receipt by Manager of the written notice of determination of the Entire Business Value by the appraisers under Section 11.7; or

(2) 10 days after the approval of the sale of the Disaggregated License by the FCC.

(c) The exercise of the purchase right, the determination of the geographic extent of the Disaggregated License coverage, the representations and warranties made by Sprint PCS with respect to the Disaggregated License, and the process for closing the purchase will be subject to the terms and conditions set forth in Section 11.8.

(d) After the closing of the purchase Manager will allow:

(1) subscribers of Sprint PCS to roam on Manager's network; and

(2) Sprint PCS to resell Manager's Products and Services.

Manager will charge Sprint PCS a MFN price in either case.

11.2.2 Non-renewal Rights of Sprint PCS. If this agreement will terminate because of any of the following five (5) events, then Sprint PCS may exercise its rights under Section 11.2.2.1 or, if applicable, its rights under Section 11.2.2.2:

(a) Manager gives Sprint PCS timely written notice of non-renewal of this agreement;

(b) both parties give timely written notices of non-renewal;

(c) this agreement expires with neither party giving a written notice of non-renewal;

(d) either party elects to terminate this agreement under Section 11.3.4(a); or

(e) Manager elects to terminate this agreement under Section 11.3.4(b).

11.2.2.1 Sprint PCS' Purchase Right. Sprint PCS may purchase from Manager all of the Operating Assets. Sprint PCS will pay to Manager an amount equal to 80% of the Entire Business Value. The closing of the purchase of the Operating Assets will occur within 20 days after the later of (a) the receipt by Sprint PCS of the written notice of determination of the Entire Business Value provided by the appraisers under Section 11.7 or (b) the receipt of all materials required to be delivered to Sprint PCS under Section 11,.8. Upon closing the purchase of the Operating Assets this agreement will be deemed terminated. The exercise of the purchase right, the determination of the Operating Assets, the representations and warranties made by Manager with respect to the Operating Assets and the business, and the process for closing the purchase will be subject to the terms and conditions set forth in Section 11.8.

11.2.2.2 Sprint PCS' Put Right.

(a) Sprint PCS may, subject to receipt of FCC approval, put to Manager the Disaggregated License for a purchase price equal to the greater of (1) the original cost of the License to Sprint PCS (pro rated on a pops and spectrum basis) plus the microwave relocation costs paid by Sprint PCS or (2) 10% of the Entire Business Value.

(b) Upon closing the purchase of the Disaggregated License this agreement will be deemed terminated. The closing of the purchase of the Disaggregated License will occur within the later of:

(1) 20 days after the receipt by Sprint PCS of the written notice of determination of the Entire Business Value by the appraisers under Section 11.7; or

(2) 10 days after the approval of the sale of the Disaggregated License by the FCC.

(c) The exercise of the put, the determination of the geographic extent of the Disaggregated License coverage, the representations and warranties made by Sprint PCS with respect to the Disaggregated License, and the process for closing the purchase will be subject to the terms and conditions set forth in Section 11.8.

(d) Manager may, within 10 days after it receives notice of Sprint PCS' exercise of its put, advise Sprint PCS of the amount of spectrum (not to exceed 10 MHz) it wishes to purchase. After the purchase Manager will allow:

(1) subscribers of Sprint PCS to roam on Manager's network; and

(2) Sprint PCS to resell Manager's Products and Services.

Manager will charge Sprint PCS a MFN price in either case.

11.2.3 Extended Term Awaiting FCC Approval. If Manager is buying the Disaggregated License as permitted or required under Sections 11.2.1.2 or 11.2.2.2, then the Term of this agreement will extend beyond the original expiration date until the closing of the purchase of the Disaggregated License. The parties agree to exercise their respective commercially reasonable efforts to obtain FCC approval of the transfer of the Disaggregated License.

11.3 Events of Termination. An "Event of Termination" is deemed to occur when a party gives written notice to the other party of the Event of Termination as permitted below:

11.3.1 Termination of License.

(a) At the election of either party this agreement may be terminated at the time the FCC revokes or fails to renew the License. Unless Manager has the right to terminate this agreement under Section 11.3.1(b), neither party has any claim against the other party if the FCC revokes or fails to renew the License, even if circumstances would otherwise permit one party to terminate this agreement based on a different Event of Termination, except that the parties will have the right to pursue claims against each other as permitted under Section 11.4(b).

(b) If the FCC revokes or fails to renew the License because of a breach of this agreement by Sprint PCS, then Manager has the right to terminate this agreement under Section 11.3.3 and not this Section 11.3.1.

11.3.2 Breach of Agreement: Payment of Money Terms. At the election of the non-breaching party this agreement may be terminated upon the failure by the breaching party to pay any amount due under this agreement or any other agreement between the parties or their respective Related Parties, if the breach is not cured within 30 days after the breaching party's receipt of written notice of the nonpayment from the non-breaching party.

11.3.3 Breach of Agreement: Other Terms. At the election of the non-breaching party this agreement may be terminated upon the material breach by the breaching party of any material term contained in this agreement that does not regard the payment of money, if the breach is not cured within 30 days after the breaching party's receipt of written notice of the breach from the non-breaching party, except the cure period will continue for a reasonable period beyond the 30-day period, but will under no circumstances exceed 180 days after the breaching party's receipt of written notice of the breach, if it is unreasonable to cure the breach within the 30-day period, and the breaching party takes action prior to the end of the 30-day period that is reasonably likely to cure the breach and continues to diligently take action necessary to cure the breach.

11.3.4 Regulatory Considerations.

(a) At the election of either party this agreement may be terminated if this agreement violates any applicable law in any material respect where such violation (i) is classified as a felony or (ii) subjects either party to substantial

monetary fines or other substantial damages, except that before causing any termination the parties must use best efforts to modify this agreement, as necessary to cause this agreement (as modified) to comply with applicable law and to preserve to the extent possible the economic arrangements set forth in this agreement.

(b) At the election of Manager this agreement may be terminated if the regulatory action described under 11.3.4(a) is the result of a deemed change of control of the License and the parties are unable to agree upon a satisfactory resolution of the matter with the regulatory authority without a complete termination of this agreement.

11.3.5 Termination of Trademark License Agreements. If either Trademark License Agreement terminates under its terms, then:

(a) Manager may terminate this agreement if the Trademark License Agreement terminated because of a breach of the Trademark License Agreement by Sprint PCS or Sprint; and

(b) Sprint PCS may terminate this agreement if the Trademark License Agreement terminated because of a breach of the Trademark License Agreement by Manager.

11.3.6 Financing Considerations. At the election of Sprint PCS this agreement may be terminated upon the failure of Manager to obtain the financing described in Exhibit 1.7 by the deadline(s) set forth on such Exhibit.

11.3.7 Bankruptcy of a Party. At the election of the non-bankrupt party, this agreement may be terminated upon the occurrence of a Voluntary Bankruptcy or an Involuntary Bankruptcy of the other party.

"Voluntary Bankruptcy" means:

(a) the inability of a party generally to pay its debts as the debts become due, or an admission in writing by a party of its inability to pay its debts generally or a general assignment by a party for the benefit of creditors;

(b) the filing of any petition or answer by a party seeking to adjudicate itself a bankrupt or insolvent, or seeking any liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition for itself or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking, consenting to, or acquiescing in the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for itself or for substantially all of its property; or

(c) any action taken by a party to authorize any of the actions set forth above.

"Involuntary Bankruptcy" means, without the consent or acquiescence of a party:

(a) the entering of an order for relief or approving a petition for relief or reorganization;

(b) any petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or other similar relief under any present or future bankruptcy, insolvency or similar statute, law or regulation;

(c) the filing of any petition against a party, which petition is not dismissed within 90 days; or

(d) without the consent or acquiescence of a party, the entering of an order appointing a trustee, custodian, receiver or liquidator of party or of all or any substantial part of the property of the party, which order is not dismissed within 90 days.

11.4 Effect of an Event of Termination.

(a) Upon the occurrence of an Event of Termination, the party with the right to terminate this agreement or to elect the remedy upon the Event of Termination. as the case may be, may:

(i) in the case of an Event of Termination under Sections 11.3.1(a) or 11.3.7, give the other party written notice that the agreement is terminated effective as of the date of the notice, in which case neither party will have any other remedy or claim for damages (except any claim the non-bankrupt party has against the bankrupt party and any claims permitted under Section 11.4(b); or

(ii) in the case of an Event of Termination other than under Section 11.3.1(a), give the other party written notice that the party is exercising one of its rights, if any, under Section 11.5 or Section 11.6.

(b) If the party terminates this agreement under Section 11.4(a)(i) then all rights and obligations of each party under this agreement will immediately cease, except that:

(i) any rights arising out of a breach of any terms of this agreement will survive any termination of this agreement;

(ii) the provisions described in Section 17.23 will survive any termination of this agreement;

(iii) the payment obligations under Section 10 will survive any termination of this agreement if, and to the extent, any costs or fees have accrued or are otherwise due and owing as of the date of termination of this agreement from Manager to Sprint PCS or any Sprint PCS Related Party or from Sprint PCS to Manager or any Manager Related Party;

(iv) either party may terminate this agreement in accordance with the terms of this agreement without any liability for any loss or damage arising out

of or related to such termination, including any loss or damage arising out of the exercise by Sprint PCS of its rights under Section 11.6.3;

(v) Manager will use all commercially reasonable efforts to cease immediately all of their respective efforts to market, sell, promote or distribute the Sprint PCS Products and Services;

(vi) Sprint PCS has the option to buy from Manager any new unsold subscriber equipment and accessories, at the prices charged to Manager;

(vii) the parties will immediately stop making any statements or taking any action that might cause third parties to infer that any business relationship continues to exist between the parties, and where necessary or advisable, the parties will inform third parties that the parties no longer have a business relationship; and

(viii) if subscriber equipment and accessories are in transit when this agreement is terminated, Sprint PCS may, but does not have the obligation to, cause the freight carrier to not deliver the subscriber equipment and accessories to Manager but rather to deliver the subscriber equipment and accessories to Sprint PCS.

(c) If the party exercises its rights under Section 11.4(a)(ii), this agreement will continue in full force and effect until otherwise terminated.

(d) If this agreement terminates for any reason other than Manager's purchase of the Disaggregated License, Manager will not, for 3 years after the date of termination compile, create, or use for the purpose of selling merchandise or services similar to any Sprint PCS Products and Services, or sell, transfer or otherwise convey to a third party, a list of customers who purchased, leased or used any Sprint PCS Products and Services. Manager may use such a list for its own internal analysis of its business practices and operations. If this agreement terminates because of Manager's purchase of the Disaggregated License, then Sprint PCS will transfer to Manager the Sprint PCS customers with a MIN assigned to the Service Area covered by the Disaggregated License, but Sprint PCS retains the customers of a national account and any resellers who have entered into a resale agreement with Sprint PCS. Manager agrees not to solicit, directly or indirectly, any customers of Sprint PCS not transferred to Manager under this Section 11.4(d) for 2 years after the termination of this agreement, except that Manager's advertising through mass media will not be considered a solicitation of Sprint PCS customers.

11.5 Manager's Event of Termination Rights and Remedies. In addition to any other right or remedy that Manager may have under this agreement, the parties agree that Manager will have the rights and remedies set forth in this Section 11.5 and that such rights and remedies will survive the termination of this agreement. If Manager has a right to terminate this agreement as the result of the occurrence of an Event of Termination under Sections 11.3.2, 11.3.3, 11.3.5 or 11.3.7 (if Manager is the non-bankrupt party), then Manager has the right to elect one of the following three (3) remedies, except Manager cannot elect its remedies under Sections 11.5.1 or 11.5.2 during the first 2 years of the Initial Term with respect to an Event of Termination under Section 11.3.3.

11.5.1 Manager's Put Right. Manager may put to Sprint PCS within 30 days after the Event of Termination all of the Operating Assets. Sprint PCS will pay to Manager an amount equal to 80% of the Entire Business Value. The closing of the purchase of the Operating Assets will occur within 20 days after the later of:

(a) the receipt by Sprint PCS of the written notice of determination of the Entire Business Value by the appraisers under Section 11.7; or

(b) the receipt of all materials required to be delivered to Sprint PCS under Section 11.8.

Upon closing the purchase of the Operating Assets this agreement will be deemed terminated. The exercise of the put, the determination of the Operating Assets, the representations and warranties made by the Manager with respect to the Operating Assets and the business, and the process for closing the purchase will be subject to the terms and conditions set forth in Section 11.8.

11.5.2 Manager's Purchase Right.

(a) If Sprint PCS owns 20 MHz or more of PCS spectrum in the Service Area under the License on the date this agreement is executed, then Manager may, subject to receipt of FCC approval, purchase from Sprint PCS the Disaggregated License for the greater of (1) the original cost of the License to Sprint PCS (pro rated on a pops and spectrum basis) plus the microwave relocation costs paid by Sprint PCS or (2) 9% (10% minus a 10% penalty) of the Entire Business Value.

(b) Upon closing the purchase of the Disaggregated License this agreement will be deemed terminated. The closing of the purchase of the Disaggregated License will occur within the later of:

(1) 20 days after the receipt by Manager of the written notice of determination of the Entire Business Value by the appraisers under Section 11.7; or

(2) 10 days after the approval of the sale of the Disaggregated License by the FCC.

The exercise of the purchase right, the determination of the geographic extent of the Disaggregated License coverage, the representations and warranties made by Sprint PCS with respect to the Disaggregated License, and the process for closing the purchase will be subject to the terms and conditions set forth in Section 11.8.

(c) After the closing of the purchase Manager will allow:

(1) subscribers of Sprint PCS to roam on Manager's network; and

(2) Sprint PCS to resell Manager's Product and Services.

Manager will charge Sprint PCS a MFN price in either case.

11.5.3 Manager's Action for Damages or Other Relief. Manager, in accordance with the dispute resolution process in Section 14, may seek damages or other appropriate relief.

11.6 Sprint PCS' Event of Termination Rights and Remedies. In addition to any other right or remedy that Sprint PCS may have under this agreement, the parties agree that Sprint PCS will have the rights and remedies set forth in this Section 11.6 and that such rights and remedies will survive the termination of this agreement. If Sprint PCS has a right to terminate this agreement as the result of the occurrence of an Event of Termination under Sections 11.3.2, 11.3.3, 11.3.5, 11.3.6 or 11.3.7 (if Sprint PCS is the non-bankrupt party), then Sprint PCS has the right to elect one of the following four (4) remedies, except that (i) if Sprint PCS elects the remedies under Sections 11.6.1, 11.6.2 or 11.6.4, Sprint PCS may pursue its rights under Section 11.6.3 concurrently with its pursuit of one of the other three remedies, (ii) Sprint PCS cannot elect its remedies under Sections 11.6.1 or 11.6.2 during the first 2 years of the Initial Term with respect to an Event of Termination under Section 11.3.3 (unless the Event of Termination is caused by a breach related to the Build-out Plan or the build-out of the Service Area Network), and (iii) Sprint PCS cannot elect its remedy under Section 11.6.2 during the first 2 years of the Initial Term with respect to an Event of Termination under Section 11.3.6.

11.6.1 Sprint PCS' Purchase Right. Sprint PCS may purchase from Manager all of the Operating Assets. Sprint PCS will pay to Manager an amount equal to 72 % (80% minus a 10% penalty) of the Entire Business Value. The closing of the purchase of the Operating Assets will occur within 20 days after the later of:

(a) the receipt by Sprint PCS of the written notice of determination of the Entire Business Value by the appraisers pursuant to Section 11.7; or

(b) the receipt of all materials required to be delivered to Sprint PCS under Section 11.8.

Upon closing the purchase of the Operating Assets this agreement will be deemed terminated. The exercise of the purchase right, the determination of the Operating Assets. the representations and warranties made by Manager with respect to the Operating Assets and the business, and the process for closing the purchase will be subject to the terms and conditions set forth in Section 11.8.

11.6.2 Sprint PCS' Put Right.

(a) Sprint PCS may, subject to receipt of FCC approval, put to Manager the Disaggregated License for a purchase price equal to the greater of (1) the original cost of the License to Sprint PCS (pro rated on a pops and spectrum basis) plus the microwave relocation costs paid by Sprint PCS or (2) 10% of the Entire Business Value.

(b) Upon closing the purchase of the Disaggregated License this agreement will be deemed terminated. The closing of the purchase of the Disaggregated License will occur within the later of:

(1) 20 days after the receipt by Sprint PCS of the written notice of determination of the Entire Business Value by the appraisers under Section 11.7; or

(2) 10 days after the approval of the sale of the Disaggregated License by the FCC.

(c) The exercise of the put, the determination of the geographic extent of the Disaggregated License coverage, the representations and warranties made by Sprint PCS with respect to the Disaggregated License, and the process for closing the purchase will be subject to the terms and conditions set forth in Section 11.8.

(d) Manager may, within 10 days after it receives notice of Sprint PCS' exercise of its put, advise Sprint PCS of the amount of spectrum (not to exceed 10 MHz) it wishes to purchase. After the closing of the purchase Manager will allow:

(1) subscribers of Sprint PCS to roam on Manager's network; and

(2) Sprint PCS to resell Manager's Products and Services.

Manager will charge Sprint PCS a MFN price in either case.

11.6.3 Sprint PCS' Right to Cause A Cure.

(a) Sprint PCS' Right. Sprint PCS may, but is not obligated to, take such action as it deems necessary to cure Manager's breach of this agreement, including assuming operational responsibility for the Service Area Network to complete construction, continue operation, complete any necessary repairs, implement changes necessary to comply with the Program Requirements and terms of this agreement, or take such other steps as are appropriate under the circumstances, or Sprint PCS may designate a third party or parties to do the same, to assure uninterrupted availability and deliverability of Sprint PCS Products and Services in the Service Area, or to complete the build-out of the Service Area Network in accordance with the terms of this agreement. In the event that Sprint PCS elects to exercise its right under this Section 11.6.3, Sprint PCS will give Manager written notice of such election. Upon giving such notice:

(1) Manager will collect and make available at a convenient, central location at its principal place of business, all documents, books, manuals, reports and records related to the Build-out Plan and required to operate and maintain the Service Area Network; and

(2) Sprint PCS, its employees, contractors and designated third parties will have the unrestricted right to enter the facilities and offices of Manager

for the purpose of curing the breach and, if Sprint PCS deems necessary, operate the Service Area Network.

Manager agrees to cooperate with and assist Sprint PCS to the extent requested by Sprint PCS to enable Sprint PCS to exercise its rights under this Section 11.6.3.

(b) Liability. Sprint PCS' exercise of its rights under this Section 11.6.3 will not be deemed an assumption by Sprint PCS of any liability attributable to Manager or any other party, except that, without limiting the provisions of Section 13, during the period that Sprint PCS is curing a breach under this agreement or operating any portion of the Service Area Network pursuant to this Section 11.6.3, Sprint PCS will indemnify and defend Manager and its directors, partners, officers, employees and agents from and against, and reimburse and pay for, all claims, demands, damages, losses, judgments, awards, liabilities, costs and expenses (including reasonable attorneys' fees, court costs and other expenses of litigation), whether or not arising out of third party claims, in connection with any suit, claim, action or other legal proceeding relating to the bodily injury, sickness or death of persons or the damage to or destruction of property, real or personal, resulting from or arising out of Sprint PCS' negligence or willful misconduct in curing the breach or in the operation of the Service Area Network. Sprint PCS' obligation under this Section 11.6.3(b) will not apply to the extent of any claims, demands, damages, losses, judgments, awards, liabilities, costs and expenses resulting from the negligence or willful misconduct of Manager or arising from any contractual obligation of Manager.

(c) Costs and Payments. During the period that Sprint PCS is curing a breach or operating the Service Area Network under this Section 11.6.3, Sprint PCS and Manager will continue to make any and all payments due to the other party and to third parties under this agreement, the Services Agreement and any other agreements to which such party is bound, except that Sprint PCS may deduct from its payments to Manager all reasonable costs and expenses incurred by Sprint PCS in connection with the exercise of its right under this Section 11.6.3. Sprint PCS' operation of the Service Area Network pursuant to this Section 11.6.3 is not a substitution for Manager's performance of its obligations under this agreement and does not relieve Manager of its other obligations under this agreement.

(d) Length of Right. Sprint PCS may continue to operate the Service Area Network in accordance with Section 11.6.3 until (i) Sprint PCS cures all breaches by Manager under this agreement; (ii) Manager cures all breaches and demonstrates to Sprint PCS' satisfaction that it is financially and operationally willing, ready and able to perform in accordance with this agreement and resumes such performance; (iii) Sprint PCS consummates the purchase of the Operating Assets under Section 11.6.1 or the sale of the Disaggregated License under Section 11.6.2; or (iv) Sprint PCS terminates this agreement.

(e) Not Under Services Agreement. The exercise by Sprint PCS of its right under this Section 11.6.3 does not represent services rendered under the Services Agreement, and therefore it does not allow Manager to be deemed in compliance with the Program Requirements under Sections 7.1(a)(ii), 8.1(b).

11.6.4 Sprint PCS' Action for Damages or Other Relief. Sprint PCS, in accordance with the dispute resolution process in Section 14, may seek damages or other appropriate relief.

11.7 Determination of Entire Business Value.

11.7.1 Appointment of Appraisers. Sprint PCS and Manager must each designate an independent appraiser within 30 days after giving the Purchase Notice under Exhibit 11.8. Sprint PCS and Manager will direct the two appraisers to jointly select a third appraiser within 15 days after the day the last of them is appointed. Each appraiser must be an expert in the valuation of wireless telecommunications businesses. Sprint PCS and Manager must direct the three appraisers to each determine, within 45 days after the appointment of the last appraiser, the Entire Business Value. Sprint PCS and Manager will each bear the costs of the appraiser appointed by it, and they will share equally the costs of the third appraiser.

11.7.2 Manager's Operating Assets. The following assets are included in the Operating Assets (as defined in the Schedule of Definitions):

(a) network assets, including all personal property, real property interests in cell sites and switch sites, leasehold interests, collocation agreements, easements, and rights-of-way;

(b) all of the real, personal, tangible and intangible property and contract rights that Manager owns and uses in conducting the business of providing the Sprint PCS Products and Services, including the goodwill resulting from Manager's customer base;

(c) sale and distribution assets primarily dedicated (i.e., at least 80% of their revenue is derived from the sale of Sprint PCS Products and Services) to the sale by Manager of Sprint PCS Products and Services. For example, a retail store that derives at least 80% of its revenue from the sale of Sprint PCS Products and Services is an Operating Asset. A store that derives 65 % of its revenue from Sprint PCS Products and Services is not an Operating Asset;

(d) customers, if any, that use both the other products and services approved under Section 3.2 and the Sprint PCS Products and Services;

(e) handset inventory;

(f) books and records of the wireless business, including all engineering drawings and designs and financial records; and

(g) all contracts used by Manager in operating the wireless business including T1 service agreements, service contracts, interconnection agreements, distribution agreements, software license agreements, equipment maintenance agreements, sales agency agreements and contracts with all equipment suppliers.

11.7.3 Entire Business Value. Utilizing the valuation principles set forth

below and in Section 11.7.4, "Entire Business Value" means the fair market value of Manager's wireless business in the Service Area, valued on a going concern basis.

(a) The fair market value is based on the price a willing buyer would pay a willing seller for the entire on-going business.

(b) The appraisers will use the then-current customary means of valuing a wireless telecommunications business.

(c) The business is conducted under the Brands and existing agreements between the parties and their respective Related Parties.

(d) Manager owns the Disaggregated License (in the case where Manager will be buying the Disaggregated License under Sections 11.2.1.2, 11.2.2.2, 11.5.2 or 11.6.2) or Manager owns the spectrum and the frequencies actually used by Manager under this agreement (in the case where Sprint PCS will be buying the Operating Assets under Sections 11.2.1.1, 11.2.2.1, 11.5.1 or 11.6.1).

(e) The valuation will not include any value for the business represented by Manager's Products and Services or any business not directly related to Sprint PCS Products and Services.

11.7.4 Calculation of Entire Business Value. The Entire Business Value to be used to determine the purchase price of the Operating Assets or the Disaggregated License under this agreement is as follows:

(a) If the highest fair market value determined by the appraisers is within 10% of the lowest fair market value, then the Entire Business Value used to determine the purchase price under this agreement will be the arithmetic mean of the three appraised fair market values.

(b) If two of the fair market values determined by the appraisers are within 10% of one another, and the third value is not within 10% of the other fair market values, then the Entire Business Value used to determine the purchase price under this agreement will be the arithmetic mean of the two more closely aligned fair market values.

(c) If none of the fair market values is within 10% of the other two fair market values, then the Entire Business Value used to determine the purchase price under this agreement will be the middle value of the three fair market values.

11.8 Closing Terms and Conditions. The closing terms and conditions for the transactions contemplated in this Section 11 are attached as Exhibit 11.8.

11.9 Contemporaneous and Identical Application. The parties agree that any action regarding renewal or non-renewal and any Event of Termination will occur contemporaneously and identically with respect to all Licenses. For example, if Manager exercises its purchase right under Section 11.5.2, it must exercise such right with respect to all of the Licenses under this agreement. The Term of this agreement will be

the same for all Licenses; Manager will not be permitted to operate a portion of the Service Area Network with fewer than all of the Licenses.

12. BOOKS AND RECORDS; CONFIDENTIAL INFORMATION; INSURANCE

12.1 Books and Records.

12.1.1 General. Each party must keep and maintain books and records to support and document any fees, costs, expenses or other charges due in connection with the provisions set forth in this agreement. The records must be retained for a period of at least 3 years after the fees, costs, expenses or other charges to which the records relate have accrued and have been paid, or such other period as may be required by law.

12.1.2 Audit. On reasonable advance notice, each party must provide access to appropriate records to the independent auditors selected by the other party for purposes of auditing the amount of fees, costs, expenses or other charges payable in connection with the Service Area with respect to the period audited. The auditing party will conduct the audit no more frequently than annually. If the audit shows that Sprint PCS was underpaid then, unless the amount is contested, Manager will pay to Sprint PCS the amount of the underpayment within 10 Business Days after Sprint PCS gives Manager written notice of the determination of the underpayment. If the audit determines that Sprint PCS was overpaid then, unless the amount is contested, Sprint PCS will pay to Manager the amount of the overpayment within 10 Business Days after Sprint PCS determines Sprint PCS was overpaid. The auditing party will pay all costs and expenses related to the audit unless the amount owed to the audited party is reduced by more than 10% or the amount owed by the audited party is increased by more than 10%. in which case the costs and expenses related to the audit will be paid by the audited party.

Notwithstanding the above provisions of this Section 12.1.2, rather than allow Manager's independent auditors access to Sprint PCS' records, Sprint PCS may provide a report issued in conformity with Statement of Auditing Standard No. 70 "Reports on the Processing of Transactions by Service Organizations" ("Type II Report" or "Manager Management Report"). Such report will be prepared by independent auditors and will provide an opinion on the controls placed in operation and tests of operating effectiveness of those controls in effect at Sprint PCS over the Manager Management Processes. "Manager Management Processes" include those services generally provided within the Management Agreement, primarily billing and collection of Collected Revenues.

12.1.3 Contesting an Audit. If the party that did not select the independent auditor does not agree with the findings of the audit, then such party can contest the findings by providing notice of such disagreement to the other party (the "Dispute Notice"). The date of delivery of such notice is the "Dispute Notice Date." If the parties are unable to resolve the disagreement within 10 Business Days after the Dispute Notice Date, they will resolve the disagreement in accordance with the following procedures.

The two parties and the auditor that conducted the audit will all agree on an

independent certified public accountant with a regional or national accounting practice in the wireless telecommunications industry (the "Arbiter") within 15 Business Days after the Dispute Notice Date. If, within 15 Business Days after the Dispute Notice Date, the three parties fail to agree on the Arbiter, then at the request of either party to this agreement. the Arbiter will be selected pursuant to the rules then in effect of the American Arbitration Association. Each party will submit to the Arbiter within 5 Business Days after its selection and engagement all information reasonably requested by the Arbiter to enable the Arbiter to independently resolve the issue that is the subject of the Dispute Notice. The Arbiter will make its own determination of the amount of fees, costs, expenses or other charges payable under this agreement with respect to the period audited. The Arbiter will issue a written report of its determination in reasonable detail and will deliver a copy of the report to the parties within 10 Business Days after the Arbiter receives all of the information reasonably requested. The determination made by the Arbiter will be final and binding and may be enforced by any court having jurisdiction. The parties will cooperate fully in assisting the Arbiter and will take such actions as are necessary to expedite the completion of and to cause the Arbiter to expedite its assignment.

If the amount owed by a contesting party is reduced by more than 10% or the amount owed to a contesting party is increased by more than 10% then the non-contesting party will pay the costs and expenses of the Arbiter, otherwise the contesting party will pay the costs and expenses of the Arbiter.

12.2 Confidential Information.

(a) Except as specifically authorized by this agreement, each of the parties must, for the Term and 3 years after the date of termination of this agreement, keep confidential, not disclose to others and use only for the purposes authorized in this agreement, all Confidential Information disclosed by the other party to the party in connection with this agreement, except that the foregoing obligation will not apply to the extent that any Confidential Information:

(i) is or becomes, after disclosure to a party, publicly known by any means other than through unauthorized acts or omissions of the party or its agents; or

(ii) is disclosed in good faith to a party by a third party entitled to make the disclosure.

(b) Notwithstanding the foregoing, a party may use, disclose or authorize the disclosure of Confidential Information that it receives that:

(i) has been published or is in the public domain, or that subsequently comes into the public domain, through no fault of the receiving party;

(ii) prior to the effective date of this agreement was properly within the legitimate possession of the receiving party, or subsequent to the effective date of this agreement, is lawfully received from a third party having rights to publicly disseminate the Confidential Information without any restriction and without notice to the recipient of any restriction against its further disclosure;

(iii) is independently developed by the receiving party through persons or entities who have not had, either directly or indirectly, access to or knowledge of the Confidential Information;

(iv) is disclosed to a third party consistent with the terms of the written approval of the party originally disclosing the information;

(v) is required by the receiving party to be produced under order of a court of competent jurisdiction or other similar requirements of a governmental agency, and the Confidential Information will otherwise continue to be Confidential Information required to be held confidential for purposes of this agreement;

(vi) is required by the receiving party to be disclosed by applicable law or a stock exchange or association on which the receiving party's securities (or those of its Related Parties) are or may become listed; or

(vii) is disclosed by the receiving party to a financial institution or accredited investor (as that term is defined in Rule 501 (a) under the Securities Act of 1933) that is considering providing financing to the receiving party and which financial institution or accredited investor has agreed to keep the Confidential Information confidential in accordance with an agreement at least as restrictive as this Section 12.2.

(c) Notwithstanding the foregoing, Manager and Sprint PCS authorize each other to disclose to the public in regulatory filings the other's identity and the Service Area to be developed and managed by Manager, and Manager authorizes Sprint PCS to mention Manager and the Service Area in public relations announcements.

(d) The party making a disclosure under Sections 12.2(b)(v), 12.2(b)(vi) or 12.2(b)(vii) must inform the disclosing party as promptly as is reasonably necessary to enable the disclosing party to take action to, and use the party's reasonable best efforts to, limit the disclosure and maintain confidentiality to the extent practicable.

(e) Manager will not except when serving in the capacity of Manager under this agreement, use any Confidential Information of any kind that it receives under or in connection with this agreement. For example, if Manager operates a wireless company in a different license area, Manager may not use any of the Confidential Information received under or in connection with this agreement in operating the other wireless business.

12.3 Insurance

12.3.1 General. During the term of this agreement, Manager must obtain and maintain, and will cause any subcontractors to obtain and maintain, with financially reputable insurers licensed to do business in all jurisdictions where any work is performed under this agreement and who are reasonably acceptable to Sprint PCS, the insurance described in the Sprint PCS Insurance Requirements. The Sprint PCS Insurance Requirements as of the date of this agreement are attached as Exhibit 12.3. Sprint PCS may modify the Sprint PCS Insurance Requirements as is commercially reasonable from time to time by delivering to Manager a new Exhibit 12.3.

12.3.2 Waiver of Subrogation. Manager must look first to any insurance in its favor before making any claim against Sprint PCS or Sprint, and their respective directors, officers, employees, agents or representatives for recovery resulting from injury to any person (including Manager's or its subcontractor's employees) or damage to any property arising from any cause, regardless of negligence. Manager does hereby release and waive to the fullest extent permitted by law, and will cause its respective insurers to waive, all rights of recovery by subrogation against Sprint PCS or Sprint, and their respective directors, officers, employees, agents or representatives.

12.3.3 Certificates of Insurance. Manager and all of its subcontractors, if any, must, as a material condition of this agreement and prior to the commencement of any work under and any renewal of this agreement, deliver to Sprint PCS a certificate of insurance, satisfactory in form and content to Sprint PCS, evidencing that the above insurance, including waiver of subrogation, is in force and will not be canceled or materially altered without first giving Sprint PCS at least 30 days prior written notice and that all coverages are primary to any insurance carried by Sprint PCS, its directors, officers, employees, agents or representatives.

Nothing contained in this Section 12.3.3 will limit Manager's liability to Sprint PCS, its directors, officers, employees, agents or representatives to the limits of insurance certified or carried.

13. INDEMNIFICATION

13.1 Indemnification by Sprint PCS. Sprint PCS agrees to indemnify, defend and hold harmless Manager, its directors, managers, officers, employees, agents and representatives from and against any and all claims, demands, causes of action, losses. actions, damages, liability and expense, including costs and reasonable attorneys' fees, against Manager, its directors, managers, officers, employees, agents and representatives arising from or relating to the violation by Sprint PCS of any law, regulation or ordinance applicable to Sprint PCS or by Sprint PCS' breach of any representation, warranty or covenant contained in this agreement or any other agreement between Sprint PCS or Sprint PCS' Related Parties and Manager or Manager's Related Parties except where and to the extent the claim, demand, cause of action, loss, action, damage, liability and/or expense results solely from the negligence or willful misconduct of Manager.

13.2 Indemnification by Manager. Manager agrees to indemnify, defend and hold harmless Sprint PCS and Sprint, and their respective directors, managers, officers, employees, agents and representatives from and against any and all claims, demands, causes of action, losses, actions, damages, liability and expense, including costs and reasonable attorneys' fees, against Sprint PCS or Sprint, and their respective directors, managers, officers, employees, agents and representatives arising from or relating to Manager's violation of any law, regulation or ordinance applicable to Manager, Manager's breach of any representation, warranty or covenant contained in this agreement or any other agreement between Manager or Manager's Related Parties and Sprint PCS and Sprint PCS' Related Parties, Manager's ownership of the Operating Assets or the operation of the Service Area Network, or the actions or failure to act of any

of Manager's contractors, subcontractors, agents, directors, managers, officers, employees and representatives of any of them in the performance of any work under this agreement, except where and to the extent the claim, demand, cause of action, loss, action, damage, liability and expense results solely from the negligence or willful misconduct of Sprint PCS or Sprint, as the case may be.

13.3 Procedure.

13.3.1 Notice. Any party being indemnified ("Indemnitee") will give the party making the indemnification ("Indemnitor") written notice as soon as practicable but no later than 5 Business Days after the party becomes aware of the facts, conditions or events that give rise to the claim for indemnification if:

(a) any claim or demand is made or liability is asserted against Indemnitee; or

(b) any suit, action, or administrative or legal proceeding is instituted or commenced in which Indemnitee is involved or is named as a defendant either individually or with others.

Failure to give notice as described in this Section 13.3.1 does not modify the indemnification obligations of this provision, except if Indemnitee is harmed by failure to provide timely notice to Indemnitor, then Indemnitor does not have to indemnify Indemnitee for the harm caused by the failure to give the timely notice.

13.3.2 Defense by Indemnitor. If within 30 days after giving notice Indemnitee receives written notice from Indemnitor stating that Indemnitor disputes or intends to defend against the claim, demand, liability, suit, action or proceeding, then Indemnitor will have the right to select counsel of its choice and to dispute or defend against the claim, demand, liability, suit, action or proceeding, at its expense.

Indemnitee will fully cooperate with Indemnitor in the dispute or defense so long as Indemnitor is conducting the dispute or defense diligently and in good faith. Indemnitor is not permitted to settle the dispute or claim without the prior written approval of Indemnitee, which approval will not be unreasonably withheld. Even though Indemnitor selects counsel of its choice, Indemnitee has the right to retain additional representation by counsel of its choice to participate in the defense at Indemnitee's sole cost and expense.

13.3.3 Defense by Indemnitee. If no notice of intent to dispute or defend is received by Indemnitee within the 30-day period, or if a diligent and good faith defense is not being or ceases to be conducted, Indemnitee has the right to dispute and defend against the claim, demand or other liability at the sole cost and expense of Indemnitor and to settle the claim, demand or other liability, and in either event to be indemnified as provided in this Section 13.3.3. Indemnitee is not permitted to settle the dispute or claim without the prior written approval of Indemnitor, which approval will not be unreasonably withheld.

13.3.4 Costs. Indemnitor's indemnity obligation includes reasonable attorneys' fees, investigation costs, and all other reasonable costs and expenses incurred by Indemnitee from the first notice that any claim or demand has been made or may be made, and is not limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable under applicable workers' compensation acts, disability benefit acts, or other employee benefit acts.

14. DISPUTE RESOLUTION

14.1 Negotiation. The parties will attempt in good faith to resolve any dispute arising out of or relating to this agreement promptly by negotiation between or among representatives who have authority to settle the controversy. Either party may escalate any dispute not resolved in the normal course of business to the appropriate (as determined by the party) officers of the parties by providing written notice to the other party.

Within 10 Business Days after delivery of the notice, the appropriate officers of each party will meet at a mutually acceptable time and place, and thereafter as often as they deem reasonably necessary, to exchange relevant information and to attempt to resolve the dispute.

Either party may elect, by giving written notice to the other party, to escalate any dispute arising out of or relating to the determination of fees that is not resolved in the normal course of business or by the audit process set forth in Sections 12.1.2 and 12.1.3, first to the appropriate financial or accounting officers to be designated by each party. The designated officers will meet in the manner described in the preceding paragraph. If the matter has not been resolved by the designated officers within 30 days after the notifying party's notice, either party may elect to escalate the dispute to the appropriate (as determined by the party) officers in accordance with the prior paragraphs of this Section 14.1.

14.2 Unable to Resolve. If a dispute has not been resolved within 60 days after the notifying party's notice, either party may continue to operate under this agreement and sue the other party for damages or seek other appropriate remedies as provided in this agreement. If, and only if, this agreement does not provide a remedy (as in the case of Sections 3.4 and 4.5, where the parties are supposed to reach an agreement), then either party may give the other party written notice that it wishes to resolve the dispute or claim arising out of the parties' inability to agree under such Sections of this agreement by using the arbitration procedure set forth in this Section 14.2. Such arbitration will occur in Kansas City, Missouri, unless the parties otherwise mutually agree, with the precise location being as agreed upon by the parties or, absent such agreement, at a location in Kansas City, Missouri selected by Sprint PCS. Such arbitration will be conducted pursuant to the procedures prescribed by the Missouri Uniform Arbitration Act, as amended from time to time, or, if none, pursuant to the rules then in effect of the American Arbitration Association (or at any other place and by any other form of arbitration mutually acceptable to the parties). Any award rendered in such arbitration will be confidential and will be final and conclusive upon the parties, and a judgment on the award may be entered in any court of the forum, state or federal,

having jurisdiction. The expenses of the arbitration will be borne equally by the parties to the arbitration, except that each party must pay for and bear the cost of its own experts, evidence, and attorneys' fees.

The parties must each, within 30 days after either party gives notice to the other party of the notifying party's desire to resolve a dispute or claim under the arbitration procedure in this Section 14.2, designate an independent arbitrator, who is knowledgeable with regard to the wireless telecommunications industry, to participate in the arbitration hearing. The two arbitrators thus selected will select a third independent arbitrator, who is knowledgeable with regard to the wireless telecommunications industry, who will act as chairperson of the board of arbitration. If, within 15 days after the day the last of the two named arbitrators is appointed, the two named arbitrators fail to agree upon the third, then at the request of either party, the third arbitrator shall be selected pursuant to the rules then in effect of the American Arbitration Association. The three independent arbitrators will comprise the board of arbitration, which will preside over the arbitration hearing and will render all decisions by majority vote. If either party refuses or neglects to appoint an independent arbitrator within such 30-day period, the independent arbitrator who has been appointed as of the 31st day after the notifying party's notice will be the sole independent arbitrator and will solely preside over the arbitration hearing. The arbitration hearing will commence no sooner than 30 days after the date the last arbitrator is appointed and no later than 60 days after such date. The arbitration hearing will be conducted during normal working hours on Business Days without interruption or adjournment of more than 2 Business Days at any one time or 6 Business Days in the aggregate.

The arbitrators will deliver their decision to the parties in writing within 10 days after the conclusion of the arbitration hearing. The arbitration award will be accompanied by findings of fact and a statement of reasons for the decision. There will be no appeal from the written decision, except as permitted by applicable law. The arbitration proceedings, the arbitrators' decision, the arbitration award, and any other aspect, matter, or issue of or relating to the arbitration are confidential, and disclosure of such confidential information is an actionable breach of this agreement.

Notwithstanding any other provision of this agreement, arbitration will not be required of any issue for which injunctive relief is properly sought by either party.

14.3 Attorneys and Intent. If an officer intends to be accompanied at a meeting by an attorney, the other party's officer will be given at least 3 Business Days prior notice of the intention and may also be accompanied by an attorney. All negotiations under Section 14.1 are confidential and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Civil Procedure and state rules of evidence and civil procedure.

14.4 Tolling of Cure Periods. Any cure period under Section 11.3 that is less than 90 days will be tolled during the pendency of the dispute resolution process. Any cure period under Section 11.3 that is 90 days or longer will not be tolled during the pendency of the dispute resolution process.

15. REPRESENTATIONS AND WARRANTIES

Each party for itself makes the following representations and warranties to the other party:

15.1 Due Incorporation or Formation; Authorization of Agreements. The party is either a corporation, limited liability company, or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Manager is qualified to do business and in good standing in every jurisdiction in which the Service Area is located. The party has the full power and authority to execute and deliver this agreement and to perform its obligations under this agreement.

15.2 Valid and Binding Obligation. This agreement constitutes the valid and binding obligation of the party, enforceable in accordance with its terms, except as may be limited by principles of equity or by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally.

15.3 No Conflict; No Default. Neither the execution, delivery and performance of this agreement nor the consummation by the party of the transactions contemplated in this agreement will conflict with, violate or result in a breach of (a) any law, regulation, order, writ, injunction, decree, determination or award of any governmental authority or any arbitrator, applicable to such party, (b) any term, condition or provision of the articles of incorporation, certificate of limited partnership, certificate of organization, bylaws, partnership agreement or limited liability company agreement (or other governing documents) of such party or of any material agreement or instrument to which such party is or may be bound or to which any of its material properties or assets is subject.

15.4 Litigation. No action, suit, proceeding or investigation is pending or, to the knowledge of the party, threatened against or affecting the party or any of its properties, assets or businesses in any court or before or by any governmental agency that could, if adversely determined, reasonably be expected to have a material adverse effect on the party's ability to perform its obligations under this agreement. The party has not received any currently effective notice of any default that could reasonably be expected to result in a breach of the preceding sentence.

16. REGULATORY COMPLIANCE

16.1 Regulatory Compliance. Manager will construct, operate, and manage the Service Area Network in compliance with applicable federal, state, and local laws and regulations, including Siting Regulations. Nothing in this Section 16.1 will limit Manager's obligations under Section 2.2 and the remainder of this Section 16. Manager acknowledges that failure to comply with applicable federal, state, and local laws and regulations in its construction, operation, and management of the Service Area Network may subject the parties and the License to legal and administrative agency actions, including forfeiture penalties and actions that affect the License, such as license

suspension and revocation, and accordingly, Manager agrees that it will cooperate with Sprint PCS to maintain the License in full force and effect.

Manager will write and implement practices and procedures governing construction and management of the Service Area Network in compliance with Siting Regulations. Manager will make its Siting Regulations practices and procedures available upon request to Sprint PCS in the manner specified by Sprint PCS for its inspection and review, and Manager will modify those Siting Regulations practices and procedures as may be requested by Sprint PCS. Every six months, and at the request of Sprint PCS, Manager will provide a written certification from one of Manager's chief officers that Manager's Service Area Network complies with Siting Regulations. Manager's first certification of compliance with Siting Regulations will be provided to Sprint PCS six months after the date of this agreement.

Manager will conduct an audit and physical inspection of its Service Area Network at the request of Sprint PCS to confirm compliance with Siting Regulations, and Manager will report the results of the audit and physical inspection to Sprint PCS in the form requested by Sprint PCS. Manager will bear the cost of Siting Regulations compliance audits and physical inspections requested by Sprint PCS.

Manager will retain for 3 years records demonstrating compliance with Siting Regulations, including compliance audit and inspection records. Manager will make those records available upon request to Sprint PCS for production, inspection, and copying in the manner specified by Sprint PCS. Sprint PCS will bear the cost of production, inspection, and copying.

16.2 FCC Compliance. The parties agree to comply with all applicable FCC rules governing the License or the Service Area Network and specifically agree as follows:

(a) The party billing a customer will advise the customer that service is provided over spectrum licensed to Sprint PCS. Neither Manager nor Sprint PCS will represent itself as the legal representative of the other before the FCC or any other third party, but will cooperate with each other with respect to FCC matters concerning the License or the Service Area Network.

(b) Sprint PCS will use commercially reasonable efforts to maintain the License in accordance with the terms of the License and all applicable laws, policies and regulations and to comply in all material respects with all other legal requirements applicable to the operation of the Sprint PCS Network and its business. Sprint PCS has sole responsibility, except as specifically provided otherwise in Section 2.2, for keeping the License in full force and effect and for preparing submissions to the FCC or any other relevant federal, state or local authority of all reports, applications, interconnection agreements, renewals, or other filings or documents. Manager must cooperate and coordinate with Sprint PCS' actions to comply with regulatory requirements, which cooperation and coordination must include, without limitation, the provision to Sprint PCS of all information that Sprint PCS deems necessary to comply with the regulatory requirements. Manager must refrain from taking any action that could impede Sprint PCS from fulfilling its obligations under the preceding sentence, and must not take any

action that could cause Sprint PCS to forfeit or cancel the License.

(c) Sprint PCS and Manager are familiar with Sprint PCS' responsibility under the Communications Act of 1934, as amended, and applicable FCC rules. Nothing in this agreement is intended to diminish or restrict Sprint PCS' obligations as an FCC Licensee and both parties desire that this agreement and each party's obligations under this agreement be in compliance with the FCC rules.

(d) Nothing in this agreement will preclude Sprint PCS from permitting or facilitating resale of Sprint PCS Products and Services to the extent required or elected under applicable FCC regulations. Manager will take the actions necessary to facilitate Sprint PCS' compliance with FCC regulations. To the extent permitted by applicable regulations, Sprint PCS will not authorize a reseller that desires to sell services and products in only the Service Area to resell Sprint PCS wholesale products and services, unless Manager agrees in advance to such sales.

(e) If a change in FCC policy or rules makes it necessary to obtain FCC consent for the implementation, continuation or further effectuation of any term or provision of this agreement, Sprint PCS will use all commercially reasonable efforts diligently to prepare, file and prosecute before the FCC all petitions, waivers, applications, amendments, rule-making comments and other related documents necessary to secure and/or retain FCC approval of all aspects of this agreement. Manager will use commercially reasonable efforts to provide to Sprint PCS any information that Sprint PCS may request from Manager with respect to any matter involving Sprint PCS, the FCC, the License, the Sprint PCS Products and Services or any other products and services approved under Section 3.2. Each party will bear its own costs of preparation of the documents and prosecution of the actions.

(f) If the FCC determines that this agreement is inconsistent with the terms and conditions of the License or is otherwise contrary to FCC policies, rules and regulations, or if regulatory or legislative action subsequent to the date of this agreement alters the permissibility of this agreement under the FCC's rules or other applicable law, rules or regulations, then the parties must use best efforts to modify this agreement as necessary to cause this agreement (as modified) to comply with the FCC policies, rules, regulations and applicable law and to preserve to the extent possible the economic arrangements set forth in this agreement.

(g) Manager warrants and represents to Sprint PCS that Manager is and at all times during the Term of this agreement will be in compliance with FCC rules and regulations regarding limits on classes and amounts of spectrum that may be owned by Manager. Manager agrees that in the event that Manager is or at any time becomes in violation of such rules and regulations, Manager will promptly take all action necessary and appropriate (other than terminating this agreement) to cure such violation and comply with such rules and regulations, including without limitation disposing of its direct or indirect interests in cellular licenses.

16.3 Marking and Lighting. Manager will conform to applicable FAA standards when Siting Regulations require marking and lighting of Manager's Service

Area Network cell sites. Manager will cooperate with Sprint PCS in reporting lighting malfunctions as required by Siting Regulations.

16.4 Regulatory Notices. Manager will, within 2 Business Days after its receipt, give Sprint PCS written notice of all oral and written communications it receives from regulatory authorities (including but not limited to the FCC, the FAA, state public service commissions, environmental authorities, and historic preservation authorities) and complaints respecting Manager's construction, operation, and management of the Service Area Network that could result in actions affecting the License as well as written notice of the details respecting such communications and complaints, including a copy of any written material received in connection with such communications and complaints. Manager will cooperate with Sprint PCS in responding to such communications and complaints received by Manager. Sprint PCS has the right to respond to all such communications and complaints, with counsel and consultants of its own choice. If Sprint PCS chooses to respond to such communications and complaints, Manager will not respond to them without the consent of Sprint PCS, and Manager will pay the costs of Sprint PCS' responding to such communications and complaints, including reasonable attorneys' and consultants' fees, investigation costs, and all other reasonable costs and expenses incurred by Sprint PCS.

16.5 Regulatory Policy-Setting Proceedings. Manager will not intervene in or otherwise participate in a rulemaking, investigation, inquiry, contested case, or similar regulatory policy setting proceedings before a regulatory authority concerning the License or construction, operation, and management of the Service Area Network and the Sprint PCS business operated using the Service Area Network.

17. GENERAL PROVISIONS

17.1 Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this agreement must be in writing and mailed (certified or registered mail, postage prepaid, return receipt requested), sent by hand or overnight courier, or sent by facsimile (with acknowledgment received and a copy sent by overnight courier), charges prepaid and addressed as described on the Notice Address Schedule attached to the Master Signature Page, or to any other address or number as the person or entity may from time to time specify by written notice to the other parties.

All notices and other communications given to a party in accordance with the provisions of this agreement will be deemed to have been given when received.

17.2 Construction. This agreement will be construed simply according to its fair meaning and not strictly for or against either party.

17.3 Headings. The table of contents, section and other headings contained in this agreement are for reference purposes only and are not intended to describe, interpret, define, limit or expand the scope, extent or intent of this agreement.

17.4 Further Action. Each party agrees to perform all further acts and execute, acknowledge, and deliver any documents that may be reasonably necessary,

appropriate, or desirable to carry out the intent and purposes of this agreement.

17.5 Counterpart Execution. This agreement will be executed by affixing the parties' signatures to the Master Signature Page, which Master Signature Page, and thus this agreement, may be executed in any number of counterparts with the same effect as if both parties had signed the same document. All counterparts will be construed together and will constitute one agreement.

17.6 Specific Performance. Each party agrees with the other party that the party would be irreparably damaged if any of the provisions of this agreement were not performed in accordance with their specific terms and that monetary damages alone would not provide an adequate remedy. Accordingly, in addition to any other remedy to which the non-breaching party may be entitled, at law or in equity, the non-breaching party will be entitled to injunctive relief to prevent breaches of this agreement and specifically to enforce the terms and provisions of this agreement.

17.7 Entire Agreement; Amendments. The provisions of this agreement, the Services Agreement and the Trademark License Agreements (including the exhibits to those agreements) set forth the entire agreement and understanding between the parties as to the subject matter of this agreement and supersede all prior agreements, oral or written, and other communications between the parties relating to the subject matter of this agreement. Except for Sprint PCS' right to amend the Program Requirements in accordance with Section 9.2 and its right to unilaterally modify and amend certain other provisions as expressly provided in this agreement, this agreement may be modified or amended only by a written amendment signed by persons or entities authorized to bind each party and, with respect to the sections set forth for Sprint on the Master Signature Page, the persons or entities authorized to bind Sprint.

17.8 Limitation on Rights of Others. Except as set forth on the Master Signature Page for Sprint, nothing in this agreement, whether express or implied, will be construed to give any person or entity other than the parties any legal or equitable right, remedy or claim under or in respect of this agreement.

17.9 Waivers.

17.9.1 Waivers-General. The observance of any term of this agreement may be waived (whether generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce the term, but any waiver is effective only if in a writing signed by the party against which the waiver is to be asserted. Except as otherwise provided in this agreement, no failure or delay of either party in exercising any power or right under this agreement will operate as a waiver of the power or right, nor will any single or partial exercise of any right or power preclude any other or further exercise of the right or power or the exercise of any other right or power.

17.9.2 Waivers-Manager. Manager is not in breach of any covenant in this agreement and no Event of Termination will have occurred as a result of the occurrence of any event, if Manager had delegated to Sprint Spectrum under the Services Agreement (or any successor to that agreement) responsibility for taking any action necessary to

ensure compliance with the covenant or to prevent the occurrence of the event.

17.9.3 Force Majeure. Neither Manager nor Sprint PCS, as the case may be, is in breach of any covenant in this agreement and no Event of Termination will occur as a result of the failure of such party to comply with such covenant, if such party's non-compliance with the covenant results primarily from:

(i) any FCC order or any other injunction issued by any governmental authority impeding the party's ability to comply with the covenant;

(ii) the failure of any governmental authority to grant any consent, approval, waiver, or authorization or any delay on the part of any governmental authority in granting any consent, approval, waiver or authorization;

(iii) the failure of any vendor to deliver in a timely manner any equipment or services; or

(iv) any act of God, act of war or insurrection, riot, fire, accident, explosion, labor unrest, strike, civil unrest, work stoppage, condemnation or any similar cause or event not reasonably within the control of such party.

17.10 Waiver of Jury Trial. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

17.11 Binding Effect. Except as otherwise provided in this agreement, this agreement is binding upon and inures to the benefit of the parties and their respective and permitted successors, transferees, and assigns, including any permitted successor, transferee or assignee of the Service Area Network or of the License. The parties intend that this agreement bind only the party signing this agreement and that the agreement is not binding on the Related Parties of a party unless the agreement expressly provides that Related Parties are bound.

17.12 Governing Law. The internal laws of the State of Missouri (without regard to principles of conflicts of law) govern the validity of this agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

17.13 Severability. The parties intend every provision of this agreement to be severable. If any provision of this agreement is held to be illegal, invalid, or unenforceable for any reason, the parties intend that a court enforce the provision to the maximum extent permissible so as to effect the intent of the parties (including the enforcement of the remaining provisions). If necessary to effect the intent of the parties, the parties will negotiate in good faith to amend this agreement to replace the unenforceable provision with an enforceable provision that reflects the original intent of the parties.

17.14 Limitation of Liability. NO PARTY WILL BE LIABLE TO THE OTHER

PARTY FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES, OR LOSS OF PROFITS, ARISING FROM THE RELATIONSHIP OF THE PARTIES OR THE CONDUCT OF BUSINESS UNDER, OR BREACH OF, THIS AGREEMENT, EXCEPT WHERE SUCH DAMAGES OR LOSS OF PROFITS ARE CLAIMED BY OR AWARDED TO A THIRD PARTY IN A CLAIM OR ACTION AGAINST WHICH A PARTY TO THIS AGREEMENT HAS A SPECIFIC OBLIGATION TO INDEMNIFY ANOTHER PARTY TO THIS AGREEMENT.

17.15 No Assignment; Exceptions.

17.15.1 General. Neither party will, directly or indirectly, assign this agreement or any of the party's rights or obligations under this agreement without the prior written consent of the other party, except as otherwise specifically provided in this Section 17.15. Sprint PCS may deny its consent to any assignment or transfer in its sole discretion except as otherwise provided in this Section 17.15.

Any attempted assignment of this agreement in violation of this Section 17.15 will be void and of no effect.

A party may assign this agreement to a Related Party of the party, except that Manager cannot assign this agreement to a Related Party that is a significant competitor of Sprint, Sprint PCS or their respective Related Parties in the telecommunications business. Except as provided in Section 17.15.5, an assignment does not release the assignor from its obligations under this agreement unless the other party to this agreement consents in writing in advance to the assignment and expressly grants a release to the assignor.

Except as provided in Section 17.15.5, Sprint PCS must not assign this agreement to any entity that does not also own the License covering the Service Area directly or indirectly through a Related Party. Manager must not assign this agreement to any entity (including a Related Party), unless such entity assumes all rights and obligations under the Services Agreement, the Trademark License Agreements and any related agreements.

17.15.2 Assignment Right of Manager to Financial Lender. If Manager is no longer able to satisfy its financial obligations and other duties, then Manager has the right to assign its obligations and rights under this agreement to its Financial Lender, if:

(a) Manager or Financial Lender provides Sprint PCS at least 10 days advance written notice of such assignment;

(b) Financial Lender cures or commits to cure any outstanding material breach of this agreement by Manager prior to the end of any applicable cure period. If Financial Lender fails to make a timely cure then Sprint PCS may exercise its rights under Section 11;

(c) Financial Lender agrees to serve as an interim trustee for the obligations and duties of Manager under this agreement for a period not to exceed 180 days. During this interim period, Financial Lender must identify a proposed successor

to assume the obligations and rights of Manager under this agreement;

(d) Financial Lender assumes all of Manager's rights and obligations under the Services Agreement, the Trademark License Agreements and any related agreements; and

(e) Financial Lender provides to Sprint PCS advance written notice of the proposed successor to Manager that Financial Lender has identified ("Successor Notice"). Sprint PCS may give to Financial Lender written notice of Sprint PCS' decision whether to consent to such proposed successor within 30 days after Sprint PCS' receipt of the Successor Notice. Sprint PCS may not unreasonably withhold such consent, except that Sprint PCS is not required to consent to a proposed successor that:

(i) has, in the past, materially breached prior agreements with Sprint PCS or its Related Parties;

(ii) is a significant competitor of Sprint PCS or its Related Parties in the telecommunications business;

(iii) does not meet Sprint PCS' reasonable credit criteria;

(iv) fails to execute an assignment of all relevant documents related to this agreement including the Services Agreement and the Trademark License Agreements; or

(v) refuses to assume the obligations of Manager under this Agreement, the Services Agreement, the Trademark License Agreements and any related agreements.

If Sprint PCS fails to provide a response to Financial Lender within 30 days after receiving the Successor Notice, then the proposed successor is deemed rejected. Any Financial Lender disclosed on the Build-out Plan on Exhibit 2.1 is deemed acceptable to Sprint PCS.

17.15.3 Change of Control Rights. If there is a Change of Control of Manager, then:

(a) Manager must provide to Sprint PCS advance written notice detailing relevant and appropriate information about the new ownership interests effecting the Change of Control of Manager.

(b) Sprint PCS must provide to Manager written notice of its decision whether to consent to or reject the proposed Change of Control within 30 days after its receipt of such notice. Sprint PCS may not unreasonably withhold such consent, except that Sprint PCS is not required to consent to a Change of Control in which:

(i) the final controlling entity or any of its Related Parties

has in the past materially breached prior agreements with Sprint PCS or its Related Parties;

(ii) the final controlling entity or any of its Related Parties is a significant competitor of Sprint PCS or its Related Parties in the telecommunications business;

(iii) the final controlling entity does not meet Sprint PCS' reasonable credit criteria;

(iv) the final controlling entity fails to execute an assignment of all relevant documents related to this agreement including the Services Agreement and the Trademark License Agreements; or

(v) the final controlling entity or its Related Parties refuse to assume the obligations of Manager under this agreement.

(c) In the event that Sprint PCS provides notice that it does not consent to the Change of Control, Manager is entitled to either:

(i) contest such determination pursuant to the dispute resolution procedure in Section 14; or

(ii) abandon the proposed Change of Control.

(d) Nothing in this agreement requires Sprint PCS' consent to:

(i) a public offering of Manager that does not result in a Change of Control (i.e., a shift from one party being in control to no party being in control is not a Change of Control); or

(ii) a recapitalization or restructuring of the ownership interests of Manager that Manager determines is necessary to:

(A) facilitate the acquisition of commercial financing and lending arrangements that will support Manager's operations and efforts to fulfill its obligations under this agreement; and

(B) that does not constitute a Change of Control.

(e) "Change of Control" means a situation where in anyone transaction or series of related transactions occurring during any 365-day period, the ultimate parent entity of the Manager changes. The ultimate parent entity is to be determined using the Hart-Scott-Rodino Antitrust Improvements Act of 1976 rules. A Change of Control does not occur if:

(i) a party changes the form of its organization without materially changing their ultimate ownership (e.g., converting from a limited partnership to a limited liability company); or

(ii) one of the owners of the party on the date of this agreement or on the date of the closing of Manager's initial equity offering for purposes of financing its obligations under this agreement ultimately gains control over the party, unless such party is a significant competitor of Sprint PCS or Sprint PCS' Related Parties in the telecommunications business.

17.15.4 Right of First Refusal. Notwithstanding any other provision in this agreement, Manager grants Sprint PCS the right of first refusal described below. If Manager determines it wishes to sell an Offered Interest, upon receiving any Offer to purchase an Offered Interest, Manager agrees to promptly deliver to Sprint PCS an Offer Notice. The Offer Notice is deemed to constitute an offer to sell to Sprint PCS, on the terms set forth in the Offer, all but not less than all of the Offered Interest. Sprint PCS will have a period of 60 days from the date of the Offer Notice to notify Manager that it agrees to purchase the Offered Interest on such terms. If Sprint PCS timely agrees in writing to purchase the Offered Interest, the parties will proceed to consummate such purchase not later than the 180th day after the date of the Offer Notice. If Sprint PCS does not agree within the 60-day period to purchase the Offered Interest, Manager will have the right, for a period of 120 days after such 60th day, subject to the restrictions set forth in this Section 17, to sell to the person or entity identified in the Offer Notice all of the Offered Interest on terms and conditions no less favorable to Manager than those set forth in the Offer. If Manager fails to sell the Offered Interest to such person or entity on such terms and conditions within such 120-day period, Manager will again be subject to the provisions of this Section 17.15.4 with respect to the Offered Interest.

17.15.5 Transfer of Sprint PCS Network. Sprint PCS may sell, transfer or assign the Sprint PCS Network or any of the Licenses, including its rights and obligations under this agreement, the Services Agreement and any related agreements, to a third party without Manager's consent so long as the third party assumes the rights and obligations under this agreement and the Services Agreement. Manager agrees that Sprint PCS and Sprint PCS' Related Parties will be released from any and all obligations under and with respect to any and all such agreements upon such sale, transfer or assignment in accordance with this Section 17.15.5, without the need for Manager to execute any document to effect such release.

17.16 Provision of Services by Sprint Spectrum. As described in the Recitals, the party or parties to this agreement that own the Licenses are referred to in this agreement as "Sprint PCS." Sprint Spectrum will provide most or all of the services required to be provided by Sprint PCS under this agreement on behalf of Sprint PCS, other than the services to be rendered by Manager. For example, Sprint Spectrum is the party to the contracts relating to the national distribution network, the roaming and long distance services, and the procurement arrangements. Accordingly, Sprint PCS and Manager will deal with Sprint Spectrum to provide many of the attributes of the Sprint PCS Network.

17.17 Number Portability. Manager understands that the manner in which customers are assigned to the Service Area Network could change as telephone numbers become portable without any relation to the service area in which they are initially activated. To the extent the relationship between NPA-NXX and the Service Area

changes, Sprint PCS will develop an alternative system to attempt to assign customers who primarily live and work in the Service Area to the Service Area. The terms of this agreement will be deemed to be amended to reflect the new system that Sprint PCS develops.

17.18 Disclaimer of Agency. Neither party by this agreement makes the other party a legal representative or agent of the party, nor does either party have the right to obligate the other party in any manner, except if the other party expressly permits the obligation by the party or except for provisions in this agreement expressly authorizing one party to obligate the other.

17.19 Independent Contractors. The parties do not intend to create any partnership, joint venture or other profit-sharing arrangement, landlord-tenant or lessor-lessee relationship, employer-employee relationship, or any other relationship other than that expressly provided in this agreement. Neither party to this agreement has any fiduciary duty to the other party.

17.20 Expense. Each party bears the expense of complying with this agreement except as otherwise expressly provided in this agreement. The parties must not allocate any employee cost or other cost to the other party, except as otherwise provided in the Program Requirements or to the extent the parties expressly agree in advance to the allocation.

17.21 General Terms. (a) This agreement is to be interpreted in accordance with the following rules of construction:

(i) The definitions in this agreement apply equally to both the singular and plural forms of the terms defined unless the context otherwise requires.

(ii) The words "include," "includes" and "including" are deemed to be followed by the phrase "without limitation".

(iii) All references in this agreement to Sections and Exhibits are references to Sections of, and Exhibits to, this agreement, unless otherwise specified; and

(iv) All references to any agreement or other instrument or statute or regulation are to it as amended and supplemented from time to time (and, in the case of a statute or regulation, to any corresponding provisions of successor statutes or regulations), unless the context otherwise requires.

(b) Any reference in this agreement to a "day" or number of "days" (without the explicit qualification of "Business") is a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and the calendar day is not a Business Day, then the action or notice may be taken or given on the next Business Day.

17.22 Conflicts with Other Agreements. The provisions of this Management

Agreement govern over those of the Services Agreement if the provisions contained in this agreement conflict with analogous provisions in the Services Agreement. The provisions of each Trademark License Agreement governs over those of this agreement if the provisions contained in this agreement conflict with analogous provisions in a Trademark License Agreement.

17.23 Survival Upon Termination. The provisions of Sections 10, 11.4, 11.5, 11.6, 12.2, 13, 14, 16 and 17 of this agreement will survive any termination of this agreement.

17.24 Announced Transaction. Sprint Enterprises, L.P., TCI Telephony Services, Inc., Comcast Telephony Services and Cox Telephony Partnership have executed a Restructuring and Merger Agreement and related agreements that provide for restructuring the ownership of Sprint Spectrum L.P., SprintCom, Inc., PhillieCo Partners I, L.P., and Cox Communications PCS, L.P. Upon consummation of the transactions contemplated by those agreements, Sprint would control each of the four entities. While Sprint and Sprint PCS anticipate the proposed transactions will be consummated, there can be no assurances.

17.25 Additional Terms and Provisions. Certain additional and supplemental terms and provisions of this agreement, if any, are set forth in the Addendum to Sprint PCS Management Agreement attached hereto and incorporated herein by this reference. Manager represents and warrants that the Addendum also describes all existing contracts and arrangements (written or verbal) that relate to or affect the rights of Sprint PCS or Sprint under this agreement (e.g., agreements relating to long distance telephone services (Section 3.4) or backhaul and transport services (Section 3.7)).

17.26 Master Signature Page. Each party agrees that it will execute the Master Signature Page that evidences such party's agreement to execute, become a party to and be bound by this agreement, which document is incorporated herein by this reference.

17.27 Agent Authorization. Because of the close operational relationship between the parties listed together below, each entity authorizes the other entity to act on its behalf in every capacity under this agreement: (a) WirelessCo, L.P. and Sprint Spectrum L.P.; (b) Cox PCS License, L.L.C. and Cox Communications PCS, L.P.; (c) APC PCS, LLC and American PCS Communications, LLC; and (d) PhillieCo, L.P. and PhillieCo Partners I, L.P.

Schedule of Definitions

This Schedule of Definitions is the "Schedule of Definitions" referred to in and incorporated by reference under the Management Agreement, Services Agreement, and Trademark License Agreements (as such agreements are defined below). Whenever the phrase "this agreement" is used below, such phrase refers to the particular agreement under whose terms this Schedule of Definitions is being applied in that instance. If citations to sections or exhibits of different agreements are included in a definition, the citation to the particular agreement under whose terms this Schedule of Definitions is being applied controls to the exclusion of the citations to different agreements.

The following words and phrases used in this agreement have the following meanings:

"Addendum" means any addendum attached to this agreement that contains the amendments to this agreement; such Addendum is expressly incorporated as a part of this agreement.

"Affiliation Agreement" means any and all of the agreements, known as Sprint PCS Affiliation Agreements, whereby an affiliate and Sprint PCS and/or one or more of Sprint PCS' Related Parties agree to the terms and conditions under which such affiliate will manage the Service Area Network identified in such agreement, using such Affiliate's own PCS license issued by the FCC and any documents incorporated by reference in such agreement.

"Agent" has the meaning set forth in Section 3.1 of the Sprint Spectrum Trademark and Service Mark License Agreement or Section 3.1 of the Sprint Trademark and Service Mark License Agreement.

"Arbiter" has the meaning set forth in Section 12.1.3 of the Management Agreement or Section 5.1.3 of the Services Agreement.

"Available Services" means those categories of services listed on Exhibit 2.1.1 to the Services Agreement (as the same may be amended from time to time by Sprint Spectrum and made available to Manager under the terms of the Services Agreement).

"Available Services and Fees Schedule" means that schedule set forth on Exhibit 2.1.1 to the Services Agreement, which sets forth the Available Services offered from time to time and the fees charged for such Available Services.

"Bankruptcy" means, for the purposes of the Trademark License Agreements, either a Voluntary Bankruptcy or an Involuntary Bankruptcy.

"Brands" means the Sprint PCS Brands and the Sprint Brands.

"BTA" means a Basic Trading Area for which a Basic Trading Area (BTA) license is issued by the FCC.

"Build-out Plan" means the plan agreed upon by Manager and Sprint PCS, along with any modifications and updates to the plan, respecting the construction and design of the Service Area Network, a copy of which is attached as Exhibit 2.1 to the Management Agreement.

"Business Day" means a day of the year that banks are not required or authorized to close in the State of New York.

"Cancelled Service" has the meaning set forth in Section 3.2 of the Services Agreement.

"CDMA" means code division multiple access.

"Change of Control" has the meaning set forth in Section 17.15.3 of the Management Agreement.

"Collected Revenues" has the meaning set forth in Section 10.4 of the Management Agreement.

"Confidential Information" means all Program Requirements, guidelines, standards, and programs, the technical, marketing, financial, strategic and other information provided by each party under the Management Agreement, Services Agreement, and Trademark License Agreements, and any other information disclosed by one party to the other party pursuant to the Management Agreement, Services Agreement, and Trademark License Agreements that is not specifically excluded by Section 12.2 of the Management Agreement. In addition to the preceding sentence, "Confidential Information" has the meaning set forth in Section 3.1 of the Sprint Spectrum Trademark and Service Mark License Agreement or Section 3.1 of the Sprint Trademark and Service Mark License Agreement.

"Controlled Related Party" means the Parent of any Person and each Subsidiary of such Parent. As used in Section 1.2 and Article 3 of the Sprint Spectrum Trademark and Service Mark License Agreement or Section 1.2 and Article 3 of the Sprint Trademark and Service Mark License Agreement, the term "Controlled Related Party" will also include any Related Party of a Person that such Person or its Parent can directly or indirectly unilaterally cause to take or refrain from taking any of the actions required, prohibited or otherwise restricted by such Section, whether through ownership of voting securities, contractually or otherwise.

"Default Rate" means the rate per annum (computed on the basis of the actual number of days elapsed in a year of 365 or 366 days, as applicable), compounded monthly, equal to the Prime Rate (adjusted as and when changes in the Prime Rate occur) plus five percent (5%).

"Disaggregated License" means that portion of the License that Manager may or is required to purchase under Section 11 of the Management Agreement from Sprint PCS under certain circumstances, after Sprint PCS' receipt of FCC approval of the necessary disaggregation and partition, which portion comprises no less than the amount of spectrum sufficient to operate one duplex CDMA carrier (including the required guard bands) within the PCS Spectrum, and no more than 10 MHz of the Spectrum (at Manager's designation) covering the Service Area, and which includes the frequencies then in use in the Service Area Network and, if applicable, adjacent frequencies, so long as such frequencies in the aggregate do not exceed 10 MHz.

"Dispute Notice" has the meaning set forth in Section 12.1.3 of the Management Agreement or Section 5.1.3 of the Services Agreement.

"Dispute Notice Date" has the meaning set forth in Section 12.1.3 of the Management Agreement or Section 5.1.3 of the Services Agreement.

"Encumbrances" has the meaning set forth in Section 5.1(a) of the Sprint Spectrum Trademark and Service Mark License Agreement or Section 5.1(a) of the Sprint Trademark and Service Mark License Agreement.

"Entire Business Value" has the meaning set forth in Section 11.7.3 of the Management Agreement.

"Event of Termination" means any of the events described in Section 11.3 of the Management Agreement. For the purposes of the Sprint Spectrum Trademark and Service Mark License Agreement only, "Event of Termination" has the meaning set forth in Section 13.2 of that agreement. For the purposes of the Sprint Trademark and Service Mark License Agreement only, "Event of Termination" has the meaning set forth in Section 13.2 of that agreement.

"FAA" means the Federal Aviation Administration.

"FCC" means the Federal Communications Commission.

"Financial Lender" means any and all of those commercial and financial institutions that provide material credit to Manager for the purpose of assisting Manager with the fulfillment of its obligations and duties under this agreement.

"fixed wireless local loop" has the meaning set forth in Section 2.4 of the Management Agreement.

"home service area" means the geographic area within which a customer can make a local call on the customer's PCS phone (i.e., the customer does not incur an extra charge).

"Inbound Roaming" means calls placed by a non-Sprint PCS Network customer on the Sprint PCS Network.

"Indemnitee" and "Indemnitor" have the meanings set forth in Section 13.3.1 of the Management Agreement or Section 6.3.1 of the Services Agreement.

"Initial Term" has the meaning set forth in Section 11.1 of the Management Agreement.

"Involuntary Bankruptcy" has the meaning set forth in Section 11.3.7 of the Management Agreement.

"Law" means all laws (statutory or otherwise), ordinances, rules, regulations, bylaws, Orders and codes of all governmental and regulatory authorities, whether United States Federal, state or local, which are applicable to the Sprint PCS Products and Services.

"License" means the PCS license(s) issued by the FCC described on the Service Area Exhibit to the Management Agreement.

"Licensed Marks" means the trademarks and service marks referred to in the Recitals section of the Trademark License Agreement under whose terms this definition is being applied, and such other marks as may be adopted and established under said agreement from time to time.

"Licensee" has the meaning set forth in the introductory paragraph to the particular agreement under whose terms this definition is being applied.

"Licensor" has the meaning set forth in the introductory paragraph to the particular agreement under whose terms this definition is being applied.

"local calling area" means the geographic area within which a customer can make a local call on the customer's PCS handset without incurring a long distance charge.

"Loss" means any and all damage, loss, liability, claim, out-of-pocket cost and expense, including reasonable expenses of investigation and reasonable attorneys' fees and expenses, but excluding consequential or special damages.

"Management Agreement" means that certain Sprint PCS Management Agreement executed by Manager and Sprint PCS and any documents incorporated by reference in said agreement.

"Manager" means the party to this agreement as indicated in the introductory paragraph of this agreement.

"Manager Management Report" has the meaning set forth in Section 12.1.2 of the Management Agreement.

"Manager's Products and Services" means all types and categories of wireless communications services and associated products that are offered by Manager in the Service Area under Section 3.2 of the Management Agreement.

"Marketing Communications Guidelines" means the guidelines issued by Sprint or Sprint PCS in accordance with Section 5.2 of the Management Agreement with respect to the marketing, promotion, advertising, distribution, lease and sale of Sprint PCS Products and Services, as they may be amended from time to time by Sprint or Sprint PCS in accordance with the terms of the Trademark License Agreements.

"Master Signature Page" means the document that the parties to the Management Agreement, Services Agreement and/or one or more of the Trademark License Agreements sign to evidence their agreement to execute, become a party to and be bound by each of the agreements, or parts thereof, listed above the particular party's signature on such Master Signature Page.

"MFN price" or "Most Favored Nation price" means, with respect to resale, the best local market price offered to any third party for the purchase of air time on Manager's network including but not limited to any third party who may use the air time for its own wireless

communications services or resell the air time, and, with respect to roaming, the lowest roaming charge of Manager to other wireless carriers when their customers roam on the Service Area Network.

"MIN" means the 24-bit mobile identification number corresponding to the 7-digit telephone number assigned to the handset, used for both billing and receiving calls.

"MTA" means a Major Trading Area for which a MTA license is issued by the FCC.

"New Coverage" means the build-out in the Service Area that is in addition to the build-out required under the then-existing Build-out Plan, which build-out Sprint PCS or Manager decides should be built-out.

"Notice Address Schedule" means the schedule attached to the Master Signature Page that provides the mailing and courier delivery addresses, and the facsimile number, for giving notices to each of the parties signing the Master Signature Page. The Notice Address Schedule may include supplemental addresses that serve as additional or alternate notice addresses for use by the parties in specifically prescribed situations.

"NPA-NXX" means as follows: "NPA" means numbering plan area, which is the area code for a telephone number. "NXX" refers to the first three digits of a telephone number, which identify the specific telephone company central office that serves that number.

"Offer" means an offer received by Manager to sell substantially all of the assets comprising or used in connection with the operation and management of the Service Area Network or any portion of the Service Area Network.

"Offer Notice" means a written notice given by Manager to Sprint PCS that sets forth in detail the terms and conditions of an Offer and the name and address of the person or entity making the Offer.

"Offered Interest" means the assets that Manager proposes to sell pursuant to an Offer.

"Operating Assets" means the assets Manager or its Related Parties owns and uses in connection with the operation of the Service Area Network, at the time of termination, to provide the Sprint PCS Products and Services. Operating Assets does not include items such as furniture, fixtures and buildings that Manager or its Related Parties use in connection with other businesses. Examples of Operating Assets include without limitation: switches, towers, cell sites, systems, records and retail stores.

"Operational Level of Sprint PCS" means the average operational level of all the service area networks operated by Sprint PCS and its Related Parties without the use of a manager or affiliate, as measured by Sprint PCS, unless the operational level, as measured by Sprint PCS, of all of the service area networks operated by Sprint PCS and its Related Parties without the use of a manager or affiliate that are contiguous to the Service Area are below the national average, in which case "Operational Level of Sprint PCS" means the average operational level of those contiguous service area networks.

"Order" means any order, writ, injunction, decree, judgment, award or determination of any court or governmental or regulatory authority.

"Other Managers" means any person or entity with which Sprint PCS has entered into an agreement similar to this agreement or an Affiliation Agreement, including without limitation an affiliate under an Affiliation Agreement or a manager under another Management Agreement, under which the person or entity designs, constructs and manages a service area network and offers and promotes Sprint PCS Products or Services.

"Outbound Roaming" means calls placed by a Sprint PCS Network customer on a non-Sprint PCS network.

"Parent" means, with respect to any Person, the ultimate parent entity (as determined in accordance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and the rules and regulations promulgated thereunder) of such Person; except that if such ultimate parent entity is an individual, the Parent will be the highest entity in the ownership chain from the ultimate parent entity to and including such Person that is not an individual.

"parties" means, with respect to the Management Agreement, Sprint PCS and Manager. For the purpose of the services Agreement only, "parties" means Sprint Spectrum and Manager. Sprint is not a party to the Management Agreement, except to the limited extent described on the signature page executed on behalf of Sprint. For the purpose of the Trademark License Agreements only, "parties" means Licensor and Licensee.

"PCS" means a radio communication system authorized under the rules for broadband personal communications services designated as Subpart E of Part 24 of the FCC's rules, including the network, marketing, distribution, sales, customer interface and operations functions relating thereto. "PCS Spectrum" means the range of frequencies that Sprint PCS is authorized to use under the License.

"Permitted Assignee" means any assignee of the rights and obligations of Licensee pursuant to an assignment consented to in writing by Licensor, in its sole discretion, in accordance with Section 14.1 of the Sprint Spectrum Trademark and Service Mark License Agreement or Section 14.1 of the Sprint Trademark and Service Mark License Agreement, or any subsequent permitted assignee of any such permitted assignee.

"Person" means any individual, partnership, limited partnership, limited liability company, corporation, trust, other business association or business entity, estate, or other entity.

"pops" means the population covered by a license or group of licenses. Unless otherwise noted, as used in the Management Agreement, pops means the most recent Rand-McNally Population Survey estimate of the population of a geographic area.

"Premium and Promotional Items" means all items, including clothing, memorabilia and novelties, used to display the Licensed Marks for the purpose of promoting the awareness, sale or image of the Sprint PCS Products and Services; provided, however, that Premium and

Promotional Items does not include marketing and advertising materials prepared by Licensee that are subject to the Marketing Communications Guidelines (e.g. printed materials such as bill stuffers, brochures and similar materials).

"Prime Rate" means the rate announced from time to time by The Chase Manhattan Bank, or its successor(s), as its prime rate.

"Program Requirements" means the standards, guidelines, plans, policies and programs established by Sprint PCS from time to time regarding the operation and management of the Service Area Network and the Sprint PCS business operated using the Service Area Network, including the Program Requirements set forth in Sections 4.1, 4.2, 4.3, 7.2 and 8.1 of the Management Agreement. Sprint PCS may also implement Program Requirements respecting a voluntary resale program, as defined in Section 3.5.2 of the Management Agreement.

"Purchase Notice" has the meaning set forth in Section 1.2 of Exhibit 11.8 to the Management Agreement.

"Quality Standards" has the meaning set forth in Section 2.1(a) of the Sprint Spectrum Trademark and Service Mark License Agreement or Section 2.1(a) of the Sprint Trademark and Service Mark License Agreement.

"Rand-McNally Population Survey" means the most recent population survey published by Rand-McNally or, if Rand-McNally no longer publishes the surveys, then the most recent population survey published by any successor organization to Rand-McNally or, if no such organization exists, an organization selected by Sprint PCS that provides surveys similar to the Rand-McNally surveys.

"Receiving Party" has the meaning set forth in Section 3.1 of the Sprint Spectrum Trademark and Service Mark License Agreement or Section 3.1 of the Sprint Trademark and Service Mark License Agreement.

"Related Equipment" means customer-controlled equipment for use in connection with the Sprint PCS Products and Services including telephones, wireless handsets and related accessories, PCMCIA cards, "smart" cards, PDA's, PBX's, set-top boxes and data terminals.

"Related Party" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with the Person. For purposes of the Management Agreement, Sprint Spectrum, SprintCom, American PCS Communications, LLC, PhillieCo Partners I, L.P., and Cox Communications PCS, L.P. will be deemed to be Related Parties. For purposes of this definition, the term "controls" (including its correlative meanings "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Restricted Party" has the meaning set forth in Section 3.1 of the Sprint Spectrum Trademark and Service Mark License Agreement or Section 3.1 of the Sprint Trademark and Service Mark License Agreement.

"Selected Services" means those Available Services selected by Manager to be provided by Sprint Spectrum under Section 2.1 of the Services Agreement. An Available Service will not be treated as a Selected Service until Sprint Spectrum begins providing that service.

"Service Area" means the geographic area described on the Service Area Exhibit to the Management Agreement.

"Service Area Network" means the network and business activities managed by Manager under the Management Agreement in the Service Area under the License.

"Services Agreement" means that certain Sprint PCS Services Agreement executed by Manager and Sprint Spectrum and any documents incorporated by reference in said agreement, whereby Manager may delegate the performance of certain services to Sprint PCS for fees that represent an adjustment of the fees paid by Sprint PCS to Manager under Section 10 of the Management Agreement.

"Siting Regulations" means:

(1) FCC regulations governing tower siting, lighting, marking, monitoring, and reporting of lighting malfunctions as set forth in 47 CFR ss.ss.17.1 through 17.58, and as may be amended;

(2) FAA regulations governing tower siting, lighting, marking, monitoring, and reporting of lighting malfunctions as set forth in 14 CFR ss.ss.77.1 through 77.75, and as may be amended;

(3) FCC land use regulations as set forth in 47 CFR ss.ss.1.1301 through 1.1319, and as may be amended; and

(4) FCC radio frequency exposure regulations as set forth in 47 CFR ss.ss.1.1301 through 1.1319, and as may be amended.

"spectrum" has the same meaning as PCS Spectrum.

"Sprint" means Sprint Communications Company, L.P., a Delaware limited partnership.

"Sprint Brands" means the "Licensed Marks" as that term is defined under the Sprint Trademark and Service Mark License Agreement.

"Sprint PCS" means any or all of the following Related Parties who are License holders and signatories to the Management Agreement: Sprint Spectrum L.P., a Delaware limited partnership, SprintCom, Inc., a Kansas corporation, PhillieCo Partners I, L.P., a Delaware limited partnership, Cox Communications PCS, L.P., a Delaware limited partnership, and American PCS Communications, LLC, a Delaware limited liability company. Each entity listed above is a Related Party to each of the other listed entities.

"Sprint PCS Affiliation Agreement" has the same meaning as Affiliation Agreement.

"Sprint PCS Brands" means the "Licensed Marks" as that term is defined under the Sprint Spectrum Trademark and Service Mark License Agreement.

"Sprint PCS Communications Policies" means the policies established in accordance with Section 6.4 of the Management Agreement with respect to public relations development, maintenance and management, as they may be amended from time to time by Sprint PCS in accordance with the terms of the Management Agreement.

"Sprint PCS Customer Service Program Requirements" means the program and requirements established in accordance with Section 8.1 of the Management Agreement with respect to customer service development, maintenance and management, as it may be amended from time to time by Sprint PCS in accordance with the terms of the Management Agreement.

"Sprint PCS Customer Service Standards" means those customer service standards developed by Sprint PCS with respect to customer service and maintenance as described in Section 8.1 of the Management Agreement, as it may be amended from time to time by Sprint PCS in accordance with the terms of the Management Agreement.

"Sprint PCS Insurance Requirements" means the insurance requirements developed by Sprint PCS as described in Section 12.3 of the Management Agreement, as they may be amended from time to time by Sprint PCS in accordance with the terms of the Management Agreement.

"Sprint PCS Management Agreement" has the same meaning as Management Agreement.

"Sprint PCS National Accounts Program Requirements" means the program and requirements established in accordance with Section 4.2 of the Management Agreement with respect to national accounts development, maintenance and management, as it may be amended from time to time by Sprint PCS in accordance with the terms of the Management Agreement.

"Sprint PCS National or Regional Distribution Program Requirements" means any distribution program and requirements established in accordance with Section 4.1 of the Management Agreement, as it may be amended from time to time by Sprint PCS in accordance with the terms of the Management Agreement, and entered into by Sprint PCS or its Related Parties and a third-party distributor (for example, a national chain of retail electronics stores) from time to time, under which the third party will distribute, lease, or sell Sprint PCS Products and Services on a national or regional basis. The term "distributor" means a reseller of Sprint PCS Products and Services, or an agent of Sprint PCS authorized to sell Sprint PCS Products and Services on behalf of Sprint PCS, or a person engaged in any other means of wholesale or retail distribution of Sprint PCS Products and Services.

"Sprint PCS Network" means the national wireless network and business activities to be developed by Sprint PCS, Manager and Other Managers in the United States and certain of its territories and possessions, which network includes the Service Area Network.

"Sprint PCS Products and Services" means all types and categories of wireless communications services and associated products that are designated by Sprint PCS (whether now existing or developed and implemented in the future) as products and services to be offered by

Sprint PCS, Manager and all Other Managers as the products and services of the Sprint PCS Network for fixed and mobile voice, short message and other data services under the FCC's rules for broadband personal communications services, including all local area service plans. Sprint PCS Products and Services do not include wireline products or services, including local exchange service, wireline long distance service, and wireline based Internet access.

"Sprint PCS Roaming and Inter Service Area Program Requirements" means:

(i) the roaming program and requirements established in accordance with Section 4.3 of the Management Agreement, as amended from time to time by Sprint PCS in accordance with the terms of the Management Agreement, to provide for customers from a carrier not associated with the Sprint PCS Network to operate the customer's handset on the Sprint PCS Network and for customers from the Sprint PCS Network (whether customers of Sprint PCS, Manager or an Other Manager) to operate the customer's handset on a network of a carrier not associated with the Sprint PCS Network, and

(ii) the program established in accordance with Section 4.3 of the Management Agreement, as amended from time to time by Sprint PCS in accordance with the terms of the Management Agreement, to provide for customers from one Service Area on the Sprint PCS Network, whether managed by Sprint PCS, Manager, or an Other Manager, to operate the customer's handsets and otherwise receive seamless service, regardless of whether the customer makes its call to or from the Sprint PCS Network and regardless of whether the customer is a customer of Sprint PCS, Manager or an Other Manager.

"Sprint PCS Technical Program Requirements" means the operating and technical performance standards established by Sprint PCS, in accordance with Section 7.2 of the Management Agreement, as amended from time to time by Sprint PCS in accordance with the terms of the Management Agreement, for the Sprint PCS Network as they may be amended from time to time by Sprint PCS in accordance with the terms of the Management Agreement.

"Sprint Spectrum" means Sprint Spectrum L.P., a Delaware limited partnership.

"Sprint Spectrum Brands" means the "Licensed Marks" as that term is defined under the Sprint Spectrum Trademark and Service Mark License Agreement.

"Sprint Spectrum Trademark and Service Mark License Agreement" means that certain Sprint Spectrum Trademark and Service Mark License Agreement executed by Manager and Sprint Spectrum and any documents incorporated by reference in said agreement.

"Sprint Trademark and Service Mark License Agreement" means that certain Sprint Trademark and Service Mark License Agreement executed by Manager and Sprint and any documents incorporated by reference in said agreement.

"SprintCom" means SprintCom, Inc., a Kansas corporation.

"Subsidiary" of any Person as of any relevant date means a corporation, company or other entity (i) more than 50% of whose outstanding shares or equity securities are, as of such date, owned or controlled, directly or indirectly through one or more Subsidiaries, by such Person, and

the shares or securities so owned entitle such Person and/or Subsidiaries to elect at least a majority of the members of the board of directors or other managing authority of such corporation, company or other entity notwithstanding the vote of the holders of the remaining shares or equity securities so entitled to vote or (ii) which does not have outstanding shares or securities, as may be the case in a partnership, joint venture or unincorporated association, but more than 50% of whose ownership interest is, as of such date, owned or controlled, directly or indirectly through one or more Subsidiaries, by such Person, and in which the ownership interest so owned entitles such Person and/or Subsidiaries to make the decisions for such corporation, company or other entity.

"Successor Notice" has the meaning set forth in Section 17.15.2(e) of the Management Agreement.

"Term" means during the term of the Management Agreement, including the Initial Term and any renewal terms.

"Trademark and Service Mark Usage Guidelines" means the rules governing the depiction and presentation of the Licensed Marks then generally in use by Licensor, to be furnished by Licensor to Licensee, as the same may be amended and updated from time to time by Licensor.

"Trademark License Agreements" means the Sprint Trademark and Service Mark License Agreement and the Sprint Spectrum Trademark and Service Mark License Agreement.

"Type II Report" has the meaning set forth in Section 12.1.2 of the Management Agreement.

"Voluntary Bankruptcy" has the meaning set forth in Section 11.3.7 of the Management Agreement.

"wireless mobility communications network" means a radio communications system operating in the 1900 MHz spectrum range under the rules designated as Subpart E of Part 24 of the FCC's rules.

EXHIBIT 10.5

SPRINT PCS
SERVICES AGREEMENT

Between

SPRINT SPECTRUM L.P.

and

SHENANDOAH PERSONAL
COMMUNICATIONS COMPANY

Dated as of November 5, 1999

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EXHIBIT 10.5

SPRINT PCS SERVICES AGREEMENT

This SERVICES AGREEMENT is made November 5, 1999, by and between Sprint Spectrum L.P., a Delaware limited partnership ("Sprint Spectrum"), and Shenandoah Personal Communications Company, a Virginia corporation (but not any Related Party) ("Manager"). The definitions for this agreement are set forth on the "Schedule of Definitions".

RECITALS

A. Manager and the holder of the License ("Sprint PCS") are entering into a Management Agreement contemporaneously with the execution of this agreement, under which Manager will design, construct, operate, manage and maintain a wireless services network in the Service Area in accordance with Sprint PCS standards and will offer and promote Sprint PCS Products and Services that operate on the Sprint PCS Network.

B. Manager desires to enter into this agreement with Sprint Spectrum, under which Sprint Spectrum may furnish certain services to Manager to assist Manager to build out, operate, manage and maintain the Service Area Network under the License.

AGREEMENT

In consideration of the recitals and mutual covenants and agreements contained in this agreement, the sufficiency of which are hereby acknowledged, the parties, intending to be bound, agree as follows:

1. ENGAGEMENT OF SPRINT SPECTRUM

1.1. Engagement of Sprint Spectrum. Manager engages Sprint Spectrum to assist Manager with certain specified services in connection with the operations of Manager and in building out, operating, managing and maintaining the Service Area Network, subject to the terms and conditions of this agreement. Sprint Spectrum accepts the engagement and will use the same effort and demonstrate the same care in performing its obligations under this agreement as it uses in conducting its own business. Manager will use the efforts and demonstrate the care necessary for Sprint Spectrum to meet its obligations under this agreement. When providing the Selected Services, Sprint Spectrum will provide those services to Manager in the same manner it provides those services to its own business, including the use of third party vendors to provide certain Selected Services.

1.2. Reliance on Manager. Manager understands that Sprint Spectrum's ability to provide the Selected Services will depend largely on Manager's compliance with the Sprint PCS Program Requirements under the Management Agreement and cooperation with Sprint Spectrum. Manager agrees to comply with such requirements

and to cooperate with Sprint Spectrum to enable Sprint Spectrum to perform its obligations under this agreement.

1.3. Non-exclusive Service. Nothing contained in this agreement confers upon Manager an exclusive right to any of the Available Services. Sprint Spectrum may contract with others to provide expertise and services identical or similar to those to be made available or provided to Manager under this agreement.

1.4. Manager's Use of Services. Manager agrees it will only use the Selected Services in connection with its Service Area Network. Manager will not use the Selected Services outside the Service Area or in connection with any other business.

2. SERVICES

2.1. Available Services; Selected Services.

2.1.1. Available Services. Subject to the terms of this agreement, Manager may obtain any of the Available Services from Sprint Spectrum in accordance with the provisions of this Section 2.1. The Available Services offered from time to time and the fees charged for such Available Services will be set forth on the then-current Exhibit 2.1.1 (the "Available Services and Fees Schedule"). If Sprint Spectrum offers any new Available Service, it will deliver a new Exhibit 2.1.1 indicating the new service and the fee for the new service.

Manager may select one or more of the categories of Available Services. If Manager selects a particular category of services it must take and pay for all of the services under the category selected; Manager may not select only particular services within that category.

If Sprint Spectrum determines to no longer offer an Available Service and the service is not a Selected Service, then Sprint Spectrum may give Manager written notice at any time during the term of this agreement that Sprint Spectrum no longer offers the Available Service.

Sprint Spectrum may modify Exhibit 2.1.1 from time to time. Exhibit 2.1.1 will be deemed amended upon delivery of the new Exhibit 2.1.1 to Manager.

2.1.2. Selected Services. During the term of this agreement, and subject to the terms of this agreement, Manager has selected, and Sprint Spectrum has agreed to furnish or cause to be furnished to Manager, the Available Services listed on Exhibit 2.1.2 (which listed services will be the Selected Services). Sprint Spectrum may require from time to time that certain Available Services be Selected Services where necessary to comply with legal or regulatory requirements (e.g., mandatory provision of

emergency 911 service) or applicable operating constraints (e.g., delivery of merchandise to the regional distribution centers of national retail distributors).

2.1.3. Changes to Selected Services. If Manager determines it no longer requires a Selected Service, then Manager must give Sprint Spectrum written notice at least 3 months prior to the date on which Manager wishes to discontinue its use of such Selected Service.

If Sprint Spectrum determines to no longer offer an Available Service and such service is one of Manager's Selected Services, then Sprint Spectrum must give Manager written notice at least 9 months prior to its discontinuance of such Available Service that Sprint Spectrum will no longer offer such Available Service. If the Available Service to be discontinued is required by Sprint Spectrum to be a Selected Service, then Sprint Spectrum will use commercially reasonable efforts to (a) help Manager provide the service itself or find another vendor to provide the service, and (b) facilitate Manager's transition to the new service provider.

2.1.4. Performance of Selected Services. Sprint Spectrum may select the method, location and means of providing the Selected Services. If Sprint Spectrum wishes to use Manager's facilities to provide the Selected Services, Sprint Spectrum must obtain Manager's prior written consent.

2.2. Third Party Vendors. Some of the Available Services might be provided by third party vendors under arrangements between Sprint Spectrum and the third party vendors. In some instances, Manager may receive Available Services from a third party vendor under the same terms and conditions that Sprint Spectrum receives such services. In other instances, Manager may receive Available Services under the terms and conditions set forth in an agreement between Manager and the third party vendor. If Manager wishes to engage a third party vendor to provide Available Services, Selected Services, or Available Services that Sprint Spectrum will no longer offer, Manager must first obtain Sprint Spectrum's prior written consent, which consent will not be unreasonably withheld. Before Manager may obtain from the third party vendor any Available Services, Selected Services, or Available Services that Sprint Spectrum will no longer offer, such vendor must execute an agreement prepared by Sprint Spectrum that obligates the vendor to maintain the confidentiality of any proprietary information and that prohibits the vendor from using any proprietary technology, information or methods for its benefit or the benefit of any other person or entity. Manager's use of a third party vendor that is not providing Available Services to Manager on behalf of Sprint PCS under the Management Agreement will not qualify for assumed compliance with the Program Requirements under Sections 7.1(a)(ii) or 8.1(b) of the Management Agreement.

2.3. Contracts. Manager will notify Sprint Spectrum of any contract or other arrangement Manager has with any other party that will affect how Sprint Spectrum is to provide the Selected Services.

3. FEES FOR SELECTED SERVICES

3.1. Payment of Fees. Sprint Spectrum and Manager agree that the fees for the Available Services will initially be those set forth on Exhibit 2.1.1, which fees represent an adjustment to any fees paid by Sprint PCS to Manager under Section 10 of the Management Agreement. The monthly charge for any fees based on the number of subscribers of the Service Area Network will be determined based on the number of subscribers as of the 15th day of the month for which the charge is being calculated. Manager agrees to pay the fees to Sprint Spectrum within 20 days after the date of the invoice. If Manager enters into an agreement with a third party vendor under Section 2.2, Manager agrees to pay the fees for the services rendered by the third party vendor in accordance with the terms and conditions of such agreement.

3.2. Adjustment of Fees. Sprint Spectrum may change the fee for any service it provides once during any 12-month period by delivering a new Exhibit 2.1.1 to Manager. Exhibit 2.1.1 will be deemed amended on the effective date noted on the new Exhibit 2.1.1, which will be at least 30 days after delivering the new Exhibit 2.1.1. Manager must notify Sprint Spectrum in writing before the effective date of the new Exhibit 2.1.1 if Manager wishes to discontinue a Selected Service for which the price is being increased (a "Cancelled Service"). If Manager discontinues a Selected Service under this Section 3.2, Sprint Spectrum will, at Manager's option, continue to provide the Cancelled Service and to charge Manager the current fee (i.e., the fee under the Exhibit 2.1.1 in effect on the date Manager gives its cancellation notice to Sprint Spectrum) for the Cancelled Service for up to 9 months from the date Sprint Spectrum gives Manager notice of the price change or until Manager no longer needs the Cancelled Service, whichever occurs first. If Sprint Spectrum continues to provide the Cancelled Service after the 9-month period, Sprint Spectrum will apply the new fee, under the new Exhibit 2.1.1, and such fee will be applied retroactively as of the effective date of the new schedule. Manager agrees to pay such retroactive charge within 10 days after the date of the invoice for such charge.

3.3. Late Payments. Any payment due under this Section 3 that is not paid by Manager to Sprint Spectrum in accordance with the terms of this agreement will bear interest at the Default Rate beginning (and including) the 6th day after the due date until (and including) the date on which such payment is made.

3.4. Taxes. Manager will pay or reimburse Sprint Spectrum for any sales, use, gross receipts or similar tax, administrative fee, telecommunications fee or surcharge for taxes or fees levied by a governmental authority on the fees and charges payable to Sprint Spectrum by Manager.

4. TERM; TERMINATION; EFFECT OF TERMINATION

4.1. Term. This agreement commences on the date of execution and continues until the Management Agreement terminates. This agreement automatically terminates upon termination of the Management Agreement. Neither party may terminate this agreement for any reason other than the termination of the Management Agreement.

4.2. Effect of Termination. Upon the termination of this agreement, all rights and obligations of each party under this agreement will immediately cease, except that:

(a) Any rights arising out of a breach of any terms of this agreement will survive any termination of this agreement;

(b) The provisions of this Section 4.2 and Sections 5.2, 6, 7, and 9 will survive any termination of this agreement; and

(c) The payment obligations under Section 3 will survive any termination of this agreement if, and to the extent, any fees have accrued or are otherwise due and owing from Manager to Sprint Spectrum or any Sprint Spectrum Related Party as of the date of termination of this agreement.

5. BOOKS AND RECORDS; CONFIDENTIAL INFORMATION

5.1. Books and Records.

5.1.1. General. Each party must keep and maintain books and records to support and document any fees, costs, expenses or other charges due in connection with the provisions set forth in this agreement. The records must be retained for a period of at least 3 years after the fees, costs, expenses or other charges to which the records relate have accrued and have been paid, or such other period as may be required by law.

5.1.2. Audit. On reasonable advance written notice by the Manager, but no more frequently than annually, Sprint PCS will provide a report issued in conformity with Statement of Auditing Standard No. 70 "Reports on the Processing of Transactions by Service Organizations" ("Type II Report" or "Manager Management Report"). Such report will be prepared by independent auditors and will provide an opinion on the controls placed in operation and tests of operating effectiveness of those controls in effect at Sprint PCS over the Manager Management Processes. "Manager Management Processes" include those services generally provided within the Management Agreement, primarily billing and collection of Collected Revenues. The Manager is responsible for costs incurred attributable to such requested procedures with respect to the services provided under this agreement, including without limitation discussion of the billing and collection of Collected Revenues. This report will be made available to the other party upon such other party's request.

5.1.3. Contesting an Audit. If the party that did not select the independent auditor does not agree with the findings of the audit, then such party can contest the findings by providing notice of such disagreement to the other party (the "Dispute Notice"). The date of delivery of such notice is the "Dispute Notice Date." If the parties are unable to resolve the disagreement within 10 Business Days after the Dispute Notice Date, they will resolve the disagreement in accordance with the following procedures.

The two parties and the auditor that conducted the audit will all agree on an independent certified public accountant with a regional or national accounting practice in the wireless telecommunications industry (the "Arbiter") within 15 Business Days after the Dispute Notice Date. If, within 15 Business Days after the Dispute Notice Date, the three parties fail to agree on the Arbiter, then at the request of either party to this agreement, the Arbiter will be selected pursuant to the rules then in effect of the American Arbitration Association. Each party will submit to the Arbiter within 5 Business Days after its selection and engagement all information reasonably requested by the Arbiter to enable the Arbiter to independently resolve the issue that is the subject of the Dispute Notice. The Arbiter will make its own determination of the amount of fees, costs, expenses or other charges payable under this agreement with respect to the period audited. The Arbiter will issue a written report of its determination in reasonable detail and will deliver a copy of the report to the parties within 10 Business Days after the Arbiter receives all of the information reasonably requested. The determination made by the Arbiter will be final and binding and may be enforced by any court having jurisdiction. The parties will cooperate fully in assisting the Arbiter and will take such actions as are necessary to expedite the completion of and to cause the Arbiter to expedite its assignment.

If the amount owed by a contesting party is reduced by more than 10% or the amount owed to a contesting party is increased by more than 10% then the non-contesting party will pay the costs and expenses of the Arbiter, otherwise the contesting party will pay the costs and expenses of the Arbiter.

5.2. Confidential Information.

(a) Except as specifically authorized by this agreement, each of the parties must, for the term of this agreement and 3 years after the date of termination of this agreement, keep confidential, not disclose to others and use only for the purposes authorized in this agreement, all Confidential Information disclosed by the other party to the party in connection with this agreement, except that the foregoing obligation will not apply to the extent that any Confidential Information:

(i) is or becomes, after disclosure to a party, publicly known by any means other than through unauthorized acts or omissions of the party or its agents; or

(ii) is disclosed in good faith to a party by a third party entitled to make the disclosure.

(b) Notwithstanding the foregoing, a party may use, disclose or authorize the disclosure of Confidential Information that it receives that:

(i) has been published or is in the public domain, or that subsequently comes into the public domain, through no fault of the receiving party;

(ii) prior to the effective date of this agreement was properly within the legitimate possession of the receiving party, or subsequent to the effective date of this agreement, is lawfully received from a third party having rights to publicly disseminate the Confidential Information without any restriction and without notice to the recipient of any restriction against its further disclosure;

(iii) is independently developed by the receiving party through persons or entities who have not had, either directly or indirectly, access to or knowledge of the Confidential Information;

(iv) is disclosed to a third party consistent with the terms of the written approval of the party originally disclosing the information;

(v) is required by the receiving party to be produced under order of a court of competent jurisdiction or other similar requirements of a governmental agency, and the Confidential Information will otherwise continue to be Confidential Information required to be held confidential for purposes of this agreement;

(vi) is required by the receiving party to be disclosed by applicable law or a stock exchange or association on which the receiving party's securities (or those of its Related Parties) are or may become listed; or

(vii) is disclosed by the receiving party to a financial institution or accredited investor (as that term is defined in Rule 501(a) under the Securities Act of 1933) that is considering providing financing to the receiving party and which financial institution or accredited investor has agreed to keep the Confidential Information confidential in accordance with an agreement at least as restrictive as this Section 5.

(c) The party making a disclosure under Sections 5.2(b)(v), 5.2(b)(vi) or 5.2(b)(vii) must inform the non-disclosing party as promptly as is reasonably

necessary to enable the non-disclosing party to take action to, and use the disclosing party's reasonable best efforts to, limit the disclosure and maintain confidentiality to the extent practicable.

(d) Manager will not, except when serving in the capacity of Manager under this agreement, use any Confidential Information of any kind that it receives under or in connection with this agreement. For example, if Manager operates a wireless company in a different licensed area, Manager may not use any of the Confidential Information received under or in connection with this agreement in operating its other wireless business.

6. INDEMNIFICATION

6.1. Indemnification by Sprint Spectrum. Sprint Spectrum agrees to indemnify, defend and hold harmless Manager, its directors, managers, officers and employees from and against any and all claims, demands, causes of action, losses, actions, damages, liability and expense, including costs and reasonable attorneys' fees, against Manager, its directors, managers, officers and employees arising from or relating to the violation by Sprint Spectrum, its directors, officers, employees, contractors, subcontractors, agents or representatives of any law, regulation or ordinance applicable to Sprint Spectrum in its performance of the Selected Services, or by Sprint Spectrum's, or its directors', officers', employees', contractors', subcontractors', agents' or representatives' breach of any representation, warranty or covenant contained in this agreement, except where and to the extent the claim, demand, cause of action, loss, action, damage, liability and expense results from the negligence or willful misconduct of Manager, its directors, managers, officers, employees, agents or representatives. Sprint Spectrum's indemnification obligations under this Section 6.1 do not apply to any third party vendors that provide services (including Selected Services) directly to Manager or Manager's Related Parties under a separate agreement.

6.2. Indemnification by Manager. Manager agrees to indemnify, defend and hold harmless Sprint Spectrum, its directors, officers and employees from and against any and all claims, demands, causes of action, losses, actions, damages, liability and expense, including costs and reasonable attorneys' fees, against Sprint Spectrum, its directors, officers and employees arising from or relating to Manager's, or its directors', managers', officers', employees', contractors', subcontractors', agents' or representatives' violation of any law, regulation or ordinance applicable to Manager, or by Manager's, or its directors', managers', officers', employees', contractors', subcontractors', agents' or representatives' breach of any representation, warranty or covenant contained in this agreement, Manager's ownership of the Operating Assets or the operation of the Service Area Network, except where and to the extent the claim, demand, cause of action, loss, action, damage, liability and expense results from the negligence or willful misconduct of Sprint Spectrum, its directors, officers, employees, contractors, subcontractors, agents or representatives.

6.3. Procedure.

6.3.1. Notice. Any party being indemnified ("Indemnitee") will give the party making the indemnification ("Indemnitor") written notice as soon as practicable but no later than 5 Business Days after the party becomes aware of the facts, conditions or events that give rise to the claim for indemnification if:

(i) any claim or demand is made or liability is asserted against Indemnitee; or

(ii) any suit, action, or administrative or legal proceeding is instituted or commenced in which Indemnitee is involved or is named as a defendant either individually or with others.

Failure to give notice as described in this Section 6.3.1 does not modify the indemnification obligations of this provision, except if Indemnitor is harmed by failure to provide timely notice to Indemnitor, then Indemnitor does not have to indemnify Indemnitee for the harm caused by the failure to give the timely notice.

6.3.2. Defense by Indemnitor. If within 30 days after giving notice Indemnitee receives written notice from Indemnitor stating that Indemnitor disputes or intends to defend against the claim, demand, liability, suit, action or proceeding, then Indemnitor will have the right to select counsel of its choice and to dispute or defend against the claim, demand, liability, suit, action or proceeding, at its expense.

Indemnitee will fully cooperate with Indemnitor in the dispute or defense so long as Indemnitor is conducting the dispute or defense diligently and in good faith. Indemnitor is not permitted to settle the dispute or claim without the prior written approval of Indemnitee, which approval will not be unreasonably withheld. Even though Indemnitor selects counsel of its choice, Indemnitee has the right to retain additional representation by counsel of its choice to participate in the defense at Indemnitee's sole cost and expense.

6.3.3. Defense by Indemnitee. If no notice of intent to dispute or defend is received by Indemnitee within the 30-day period, or if a diligent and good faith defense is not being or ceases to be conducted, Indemnitee has the right to dispute and defend against the claim, demand or other liability at the sole cost and expense of Indemnitor and to settle the claim, demand or other liability, and in either event to be indemnified as provided in this Section 6. Indemnitee is not permitted to settle the dispute or claim without the prior written approval of Indemnitor, which approval will not be unreasonably withheld.

6.3.4. Costs. Indemnitor's indemnity obligation includes reasonable attorneys' fees, investigation costs, and all other reasonable costs and expenses incurred

by Indemnitee from the first notice that any claim or demand has been made or may be made, and is not limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable under applicable workers' compensation acts, disability benefit acts, or other employee benefit acts.

7. DISPUTE RESOLUTION

7.1. Negotiation. The parties will attempt in good faith to resolve any dispute arising out of or relating to this agreement promptly by negotiation between or among representatives who have authority to settle the controversy. Either party may escalate any dispute not resolved in the normal course of business to the appropriate (as determined by the party) officers of the parties by providing written notice to the other party.

Within 10 Business Days after delivery of the notice, the appropriate officers of each party will meet at a mutually acceptable time and place, and thereafter as often as they deem reasonably necessary, to exchange relevant information and to attempt to resolve the dispute.

Either party may elect, by giving written notice to the other party, to escalate any dispute arising out of or relating to the determination of fees that is not resolved in the normal course of business or by the audit process set forth in Sections 5.1.2 and 5.1.3, first to the appropriate financial or accounting officers to be designated by each party. The designated officers will meet in the manner described in the preceding paragraph. If the matter has not been resolved by the designated officers within 30 days after the notifying party's notice, either party may elect to escalate the dispute to the appropriate (as determined by the party) officers in accordance with the prior paragraphs of this Section 7.1.

7.2. Unable to Resolve. If a dispute has not been resolved within 60 days after the notifying party's notice, the parties will continue to operate under this agreement and sue the other party for damages or seek other appropriate remedies as provided in this agreement, except neither party may bring a suit for damages based on an event that occurs during the first two years of this agreement.

7.3. Attorneys and Intent. If an officer intends to be accompanied at a meeting by an attorney, the other party's officer will be given at least 3 Business Days prior notice of the intention and may also be accompanied by an attorney. All negotiations under this Section 7 are confidential and will be treated as compromise and settlement negotiations for purposes of the Federal Rules of Civil Procedure and state rules of evidence and civil procedure.

8. REPRESENTATIONS AND WARRANTIES

Each party for itself makes the following representations and warranties to the other party:

8.1. Due Incorporation or Formation; Authorization of Agreements. The party is either a corporation, limited liability company, or limited partnership duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Manager is qualified to do business and in good standing in every jurisdiction in which the Service Area is located. The party has the full power and authority to execute and deliver this agreement and to perform its obligations under this agreement.

8.2. Valid and Binding Obligation. This agreement constitutes the valid and binding obligation of the party, enforceable in accordance with its terms, except as may be limited by principles of equity or by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally.

8.3. No Conflict; No Default. Neither the execution, delivery and performance of this agreement nor the consummation by the party of the transactions contemplated in this agreement will conflict with, violate or result in a breach of (a) any law, regulation, order, writ, injunction, decree, determination or award of any governmental authority or any arbitrator, applicable to such party, or (b) any term, condition or provision of the articles of incorporation, certificate of limited partnership, certificate of organization, bylaws, partnership agreement or limited liability company agreement (or other governing documents) of such party or of any material agreement or instrument to which such party is or may be bound or to which any of its material properties or assets is subject.

8.4. Litigation. No action, suit, proceeding or investigation is pending or, to the knowledge of the party, threatened against or affecting the party or any of its properties, assets or businesses in any court or before or by any governmental agency that could, if adversely determined, reasonably be expected to have a material adverse effect on the party's ability to perform its obligations under this agreement. The party has not received any currently effective notice of any default that could reasonably be expected to result in a breach of the preceding sentence.

9. GENERAL PROVISIONS

9.1. Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this agreement must be in writing and mailed (certified or registered mail, postage prepaid, return receipt requested), sent by hand or overnight courier, or sent by facsimile (with acknowledgment received and a copy sent by overnight courier), charges prepaid and addressed described on the Notice Address Schedule attached to the Master Signature Page, or to any other address or number as the person or entity may from time to time specify by written notice to the other parties.

All notices and other communications given to a party in accordance with the provisions of this agreement will be deemed to have been given when received.

9.2. Construction. This agreement will be construed simply according to its fair meaning and not strictly for or against either party.

9.3. Headings. The table of contents, section and other headings contained in this agreement are for reference purposes only and are not intended to describe, interpret, define, limit or expand the scope, extent or intent of this agreement.

9.4. Further Action. Each party agrees to perform all further acts and execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate, or desirable to carry out the intent and purposes of this agreement.

9.5. Specific Performance. Each party agrees with the other party that the party would be irreparably damaged if any of the provisions of this agreement were not performed in accordance with their specific terms and that monetary damages alone would not provide an adequate remedy. Accordingly, in addition to any other remedy to which the non-breaching party may be entitled, at law or in equity, the non-breaching party will be entitled to injunctive relief to prevent breaches of this agreement and specifically to enforce the terms and provisions of this agreement.

9.6. Entire Agreement; Amendments. The provisions of this agreement and the Management Agreement (if Sprint Spectrum is a party to that agreement) (including the exhibits to those agreements) set forth the entire agreement and understanding between the parties as to the subject matter of this agreement and supersede all prior agreements, oral or written, and other communications between the parties relating to the subject matter of this agreement. Except for Sprint Spectrum's right to amend the Available Services and the fees charged for such services as shown on Exhibit 2.1.1, and Manager's right to amend the Selected Services listed on Exhibit 2.1.2, this agreement may be modified or amended only by a written amendment signed by persons or entities authorized to bind each party.

9.7. Limitation on Rights of Others. Nothing in this agreement, whether express or implied, will be construed to give any person or entity other than the parties any legal or equitable right, remedy or claim under or in respect of this agreement.

9.8. Waivers; Remedies. The observance of any term of this agreement may be waived (whether generally or in a particular instance and either retroactively or prospectively) by the party entitled to enforce the term, but any waiver is effective only if in a writing signed by the party against which the waiver is to be asserted. Except as otherwise provided in this agreement, no failure or delay of either party in exercising any power or right under this agreement will operate as a waiver of the power or right, nor

will any single or partial exercise of any right or power preclude any other or further exercise of the right or power or the exercise of any other right or power.

Sprint Spectrum is not in breach of any covenant in this agreement, if failure of such party to comply with such covenant or Sprint Spectrum's non-compliance with the covenant results primarily from:

(i) any FCC order or any other injunction issued by any governmental authority impeding the ability to comply with the covenant;

(ii) the failure of any governmental authority to grant any consent, approval, waiver, or authorization or any delay on the part of any governmental authority in granting any consent, approval, waiver or authorization;

(iii) the failure of any vendor to deliver in a timely manner any equipment or service; or

(iv) any act of God, act of war or insurrection, riot, fire, accident, explosion, labor unrest, strike, civil unrest, work stoppage, condemnation or any similar cause or event not reasonably within the control of Sprint Spectrum.

9.9. Waiver of Jury Trial. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

9.10. Binding Effect. Except as otherwise provided in this agreement, this agreement is binding upon and inures to the benefit of the parties and their respective and permitted successors, transferees, and assigns, including any permitted successor, transferee or assignee of the Management Agreement. The parties intend that this agreement bind only the party signing this agreement and that the agreement is not binding on the Related Parties of a party unless the agreement provides that Related Parties are bound.

9.11. Governing Law. The internal laws of the State of Missouri (without regard to principles of conflicts of law) govern the validity of this agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

9.12. Severability. The parties intend every provision of this agreement to be severable. If any provision of this agreement is held to be illegal, invalid, or unenforceable for any reason, the parties intend that a court enforce the provision to the maximum extent permissible so as to effect the intent of the parties (including the

enforcement of the remaining provisions). If necessary to effect the intent of the parties, the parties will negotiate in good faith to amend this agreement to replace the unenforceable provision with an enforceable provision that reflects the original intent of the parties.

9.13. Limitation of Liability. NO PARTY WILL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR PUNITIVE DAMAGES, OR LOSS OF PROFITS, ARISING FROM THE RELATIONSHIP OF THE PARTIES OR THE CONDUCT OF BUSINESS UNDER, OR BREACH OF, THIS AGREEMENT, EXCEPT WHERE SUCH DAMAGES OR LOSS OF PROFITS ARE CLAIMED BY OR AWARDED TO A THIRD PARTY IN A CLAIM OR ACTION AGAINST WHICH A PARTY TO THIS AGREEMENT HAS A SPECIFIC OBLIGATION TO INDEMNIFY ANOTHER PARTY TO THIS AGREEMENT.

9.14. No Assignment; Exceptions. This agreement may only be assigned in conjunction with and to the same party or parties to whom the Management Agreement has been validly assigned under the Management Agreement's terms and conditions.

9.15. Disclaimer of Agency. Neither party by this agreement makes the other party a legal representative or agent of the party, nor does either party have the right to obligate the other party in any manner, except if the other party expressly permits the obligation by the party or except for provisions in this agreement expressly authorizing one party to obligate the other.

9.16. Independent Contractors. The parties do not intend to create any partnership, joint venture or other profit-sharing arrangement, landlord-tenant or lessor-lessee relationship, employer-employee relationship, or any other relationship other than that expressly provided in this agreement. Neither party to this agreement has any fiduciary duty to the other party.

9.17. Expense. Each party bears the expense of complying with this agreement except as otherwise expressly provided in this agreement.

9.18. General Terms.

(a) This agreement, including the attached Schedule of Definitions, is to be interpreted in accordance with the following rules of construction:

(i) The definitions in this agreement apply equally to both the singular and plural forms of the terms defined unless the context otherwise requires;

(ii) The words "include," "includes" and "including" are deemed to be followed by the phrase "without limitation";

(iii) All references in this agreement to Sections and Exhibits are references to Sections of, and Exhibits to, this agreement, unless otherwise specified; and

(iv) All references to any agreement or other instrument or statute or regulation are to it as amended and supplemented from time to time (and, in the case of a statute or regulation, to any corresponding provisions of successor statutes or regulations), unless the context otherwise requires.

(b) Any reference in this agreement to a "day" or number of "days" (without the explicit qualification of "Business") is a reference to a calendar day or number of calendar days. If any action or notice is to be taken or given on or by a particular calendar day, and the calendar day is not a Business Day, then the action or notice may be taken or given on the next Business Day.

9.19. Conflicts with Management Agreement. The provisions of the Management Agreement govern over those of this Services Agreement if the provisions contained in this agreement conflict with analogous provisions in the Management Agreement.

9.20. Master Signature Page. Each party agrees that it will execute the Master Signature Page that evidences such party's agreement to execute, become a party to and be bound by this agreement, which document is incorporated herein by this reference.

EXHIBIT 10.6

SPRINT TRADEMARK
AND SERVICE MARK
LICENSE AGREEMENT

BETWEEN

SPRINT COMMUNICATIONS COMPANY, L.P.

AND

SHENANDOAH PERSONAL
COMMUNICATIONS COMPANY

DATED AS OF NOVEMBER 5, 1999

EXHIBIT 10.6

SPRINT TRADEMARK AND SERVICE MARK LICENSE AGREEMENT

THIS AGREEMENT is made as of the 5th day of November, 1999 by and between Sprint Communications Company, L.P., a limited partnership organized under the laws of the State of Delaware, as licensor ("Licensor"), and Shenandoah Personal Communications Company, as licensee ("Licensee"). The definitions for this agreement are set forth on the "Schedule of Definitions".

RECITALS:

WHEREAS, Licensor is the owner of the U.S. trademarks and service marks "Sprint", together with related "Diamond" logo, "Sprint PCS", "Sprint Personal Communications Services" and the goodwill of the business symbolized thereby; and

WHEREAS, Licensee desires to use the trademarks and service marks in commerce;

NOW, THEREFORE, the parties, in consideration of the mutual agreements herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, do hereby agree as follows:

ARTICLE 1
GRANT OF TRADEMARK AND SERVICE MARK RIGHTS; EXCLUSIVITY

Section 1.1 License.

(a) Grant of License. Subject to the terms and conditions hereof, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor, for the term of this agreement, a non-transferable, royalty-free license to use the Licensed Marks solely for and in connection with the marketing, promotion, advertisement, distribution, lease or sale of Sprint PCS Products and Services and Premium and Promotional Items in the Service Area.

(b) Related Equipment. The rights granted hereunder to Licensee shall not include the right to manufacture equipment under the Licensed Marks. However, subject to the terms and conditions hereof, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor, for the term of this agreement, a non-transferable, royalty-free license to market, promote, advertise, distribute and resell and lease Related Equipment in connection with the marketing, promotion, advertisement, distribution, lease or sale by Licensee of Sprint PCS Products and Services, and to furnish services relating to such Related Equipment (including installation, repair and maintenance of Related Equipment), under the Licensed Marks.

ARTICLE 2
QUALITY STANDARDS, MAINTENANCE

Section 2.1 Maintenance of Quality.

(c) Adherence to Quality Standards. In the course of marketing, promoting, advertising, distributing, leasing and selling Sprint PCS Products and Services and Premium and Promotional Items under the Licensed Marks, Licensee shall maintain and adhere to standards of quality and specifications that conform to or exceed those quality standards and technical and operational specifications adopted and/or amended in the manner provided below ("Quality Standards") and those imposed by Law. Such Quality Standards are designed to ensure that the quality of the Sprint PCS Products and Services and Premium and Promotional Items marketed, promoted, advertised, distributed, leased and sold under the Licensed Marks are consistent with the high reputation of the Licensed Marks and are in conformity with applicable Laws.

(d) Establishment of Quality Standards. The parties acknowledge that the initial Quality Standards for the Sprint PCS Products and Services and Premium and Promotional Items are attached to the Affiliation Agreement as Exhibits 4.1, 4.2, 4.3, 7.2, and 8.1. The Quality Standards shall (i) be consistent with the reputation for quality associated with the Licensed Marks and (ii) be commensurate with a high level of quality (taking into account Licensee's fundamental underlying technology and standards), consistent with the level of quality being offered in the market for products and services of the same kind as the Sprint PCS Products and Services.

(e) changes in Quality Standards. In the event that Licensor wishes to change the Quality Standards, it will notify Licensee in writing of such proposed amendments, and will afford Licensee a reasonable time period in which to adopt such changes as may be required in order for Licensee to conform to the amended Quality Standards.

Section 2.2 Rights of Inspection. In order to ensure that the Quality Standards are maintained, Licensor and its authorized agents and representatives shall have the right, but not the obligation, with prior notice to Licensee, to enter upon the premises of any office or facility operated by or for Licensee with respect to Sprint PCS Products and Services and Premium and Promotional Items at all reasonable times, to inspect, monitor and test in a reasonable manner facilities and equipment used to furnish Sprint PCS Products and Services and Premium and Promotional Items and, with prior written notice to Licensee, to inspect the books and records of Licensee in a manner that does not unreasonably interfere with the business and affairs of Licensee, all as they relate to the compliance with the Quality Standards maintained hereunder.

Section 2.3 Marking; Compliance with Trademark Laws. Licensee shall cause the appropriate designation "TM" or "SM" or the registration symbol "(R)" to be placed adjacent to the Licensed Marks in connection with the use thereof and to indicate such additional information

as Licensor shall reasonably specify from time to time concerning the license rights under which Licensee uses the Licensed Marks. Licensee shall place the following notice on all printed or electronic materials on which the Licensed Marks appear: "SPRINT", the "DIAMOND" logo and "Sprint PCS", "Sprint Personal Communications Services" are trademarks and/or service marks of Sprint Communications Company, L.P., "used under license" or such other notice as Licensor may specify from time to time.

Section 2.4 Other Use Restrictions. Licensee shall not use the Licensed Marks in any manner that would reflect adversely on the image of quality symbolized by the Licensed Marks.

ARTICLE 3
CONFIDENTIAL INFORMATION

Section 3.1 Maintenance of Confidentiality. Each of Licensor and Licensee and their respective Controlled Related Parties (each a "Restricted Party") shall cause their respective officers and directors (in their capacity as such) to, and shall take all reasonable measures to cause their respective employees, attorneys, accountants, consultants and other agents and advisors (collectively, and together with their respective officers and directors, "Agents") to, keep secret and maintain in confidence the terms of this agreement and all confidential and proprietary information and data of the other party or its Related Parties disclosed to it (in each case, a "Receiving Party") in connection with the performance of its obligations under this agreement (the "Confidential Information") and shall not, and shall cause their respective officers and directors not to, and shall take all reasonable measures to cause their respective other Agents not to, disclose Confidential Information to any Person other than the parties, their Controlled Related Parties and their respective Agents that need to know such Confidential Information. Each party further agrees that it shall not use the Confidential Information for any purpose other than determining and performing its obligations and exercising its rights under this agreement. Each party shall take all reasonable measures necessary to prevent any unauthorized disclosure of the Confidential Information by any of their respective Controlled Related Parties or any of their respective Agents. The measures taken by a Restricted Party to protect Confidential Information shall be not deemed unreasonable if the measures taken are at least as strong as the measures taken by the disclosing party to protect such Confidential Information.

Section 3.2 Permitted Disclosures. Nothing herein shall prevent any Restricted Party or its Agents from using, disclosing, or authorizing the disclosure of Confidential Information it receives and which:

(i) has been published or is in the public domain, or which subsequently comes into the public domain, through no fault of the receiving party;

(ii) prior to receipt hereunder was property within the legitimate possession of the Receiving Party or, subsequent to receipt hereunder is lawfully received from a third party having rights therein without restriction of the third party's right to disseminate the Confidential Information and without notice of any restriction against its further disclosure.

(iii) is independently developed by the Receiving Party through Persons who have not had, either directly or indirectly, access to or knowledge of such Confidential Information;

(iv) is disclosed to a third party with the written approval of the party originally disclosing such information, provided that such Confidential Information shall cease to be confidential and proprietary information covered by this agreement only to the extent of the disclosure so consented to;

(v) subject to the Receiving Party's compliance with Section 3.4 below, is required to be produced under order of a court of competent jurisdiction or other similar requirements of a governmental agency, provided that such Confidential Information to the extent covered by a protective order or its equivalent shall otherwise continue to be Confidential Information required to be held confidential for purpose of this agreement; or

(vi) subject to the Receiving Party's compliance with Section 3.4 below, is required to be disclosed by applicable Law or a stock exchange or association on which such Receiving Party's securities (or those of its Related Party) are listed.

Section 3.3 Financial Institutions. Notwithstanding this Article 3, any party may provide Confidential Information to any financial institution in connection with borrowings from such financial institution by such party or any of its Controlled Related Parties, so long as prior to any such disclosure such financial institution executes a confidentiality agreement that provides protection substantially equivalent to the protection provided the parties in this Article 3.

Section 3.4 Procedures. In the event that any Receiving Party (i) must disclose Confidential Information in order to comply with applicable Law or the requirements of a stock exchange or association on which such Receiving Party's securities or those of its Related Parties are listed or (ii) becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoenas, civil investigative demand or otherwise) to disclose any Confidential Information, the Receiving Party shall provide the disclosing party with prompt written notice so that in the case of clause (i), the disclosing party can work with the Receiving Party to limit the disclosure to the greatest extent possible consistent with legal obligations or in the case of clause (ii), the disclosing party may seek a protective order or other appropriate remedy or waive compliance with the provisions of this agreement. In the case of a clause (ii), (A) if the disclosing party is unable to obtain a protective order or other appropriate remedy, or if the disclosing party so directs, the Receiving Party shall, and shall cause its employees to, exercise all commercially reasonable efforts to obtain a protective order or other appropriate remedy at the disclosing party's reasonable expense, and (B) failing the entry of a protective order or other appropriate remedy or receipt of a waiver hereunder, the Receiving Party shall furnish only that portion of the Confidential Information which it is advised by opinion of its counsel is legally required to be furnished and shall exercise all commercially reasonable efforts to obtain reliable assurance that confidential treatment shall be accorded such Confidential

Information, it being understood that such reasonable efforts shall be at the cost and expense of the disclosing party whose Confidential Information has been sought.

Section 3.5 Survival. The obligations under this Article 3 shall survive, as to any party, until two (2) years following the date of termination of this agreement, and, as to any Controlled Related Party of a party, until two (2) years following the earlier to occur of (A) the date that such Person is no longer a Controlled Related Party of a party, or (B) the date of the termination of this agreement; provided that such obligations shall continue indefinitely with respect to any trade secret or similar information which is proprietary to a party or its Controlled Related Parties and provides such party or its Controlled Related Parties with an advantage over its competitors.

ARTICLE 4
REPRESENTATIONS, WARRANTIES AND COVENANTS OF LICENSEE

Section 4.1 Licensor's Ownership. Licensee acknowledges Licensor's exclusive right, title and interest in and to the Licensed Marks and acknowledges that nothing herein shall be construed to accord to Licensee any rights in the Service Area in the Licensed Marks except as expressly provided, herein. Licensee acknowledges that its use in the Service Area of the Licensed Marks shall not create in Licensee any right, title or interest in the Service Area in the Licensed Marks and that all use in the Service Area of the Licensed Marks and the goodwill symbolized by and connected with such use of the Licensed Marks will inure solely to the benefit of the Licensor.

Section 4.2 No Challenge by Licensee. Licensee covenants that (i) Licensee will not at any time challenge Licensor's rights, title or interest in the Licensed Marks (other than to assert the specific rights granted to Licensee under this agreement), (ii) Licensee will not do or cause to be done or omit to do anything, the doing, causing or omitting of which would contest or in any way impair or tend to impair the rights of Licensor in the Licensed Marks, and (iii) Licensee will not represent to any third party that Licensee has any ownership or rights in the Service Area with respect to the Licensed Marks other than the specific rights conferred by this agreement.

ARTICLE 5
REPRESENTATIONS, WARRANTIES AND COVENANTS OF LICENSOR

Section 5.1 Title to the Licensed Marks. Licensor represents and warrants that:

(a) Licensor has good title to the Licensed Marks and has the right to grant the licenses provided for hereunder in accordance with the terms and conditions hereof, free of any liabilities, charges, liens, pledges, mortgages, restrictions, adverse claims, security interests, rights of others, and encumbrances of any kind (collectively, "Encumbrances"), other than Encumbrances which will not restrict or interfere in any material respect with the exercise by Licensee of the rights granted to Licensee hereunder.

(b) There is no claim, action, proceeding or other litigation pending or, to the knowledge of Licensor, threatened with respect to Licensor's ownership of the Licensed Marks or which, if adversely determined, would restrict or otherwise interfere in any material respect with the exercise by Licensee of the rights purported to be granted to Licensee hereunder.

Except as expressly provided above in this Section 5.1, Licensor makes no representation or warranty of any kind or nature whether express or implied with respect to the Licensed Marks (including freedom from third party infringement of the Licensed Marks).

The representations and warranties provided for in this Section 5.1 shall survive the execution and delivery of this agreement.

Section 5.2 Other Licensees. In the event Licensor grants to any third party any licenses or rights with respect to the Licensed Marks, Licensor shall not, in connection with the grant of any such license or rights, take any actions, or suffer any omission that would adversely affect the existence or validity of the Licensed Marks or conflict with the rights granted to Licensee hereunder.

Section 5.3 Abandonment. Licensor covenants and agrees that, during the term of this agreement, it will not abandon the Licensed Marks.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF BOTH PARTIES

Section 6.1 Representations and Warranties. Each party hereby represents and warrants to the other party as follows:

(a) Due Incorporation or Formation; Authorization of Agreement. Such party is a corporation duly organized, a limited liability company duly organized or a partnership duly formed, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its incorporation or formation and has the corporate, company or partnership power and authority to own its property and carry on its business as owned and carried on at the date hereof and as contemplated hereby. Such party is duly licensed or qualified to do business and, if applicable, is in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition or its ability to perform its obligations hereunder. Such party has the corporate, company or partnership power and authority to execute and deliver this agreement and to perform its obligations hereunder and the execution, delivery and performance of this agreement have been duly authorized by all necessary corporate, company or partnership action. Assuming the due execution and delivery by the other party hereto, this agreement constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, subject as to enforceability to limits imposed by bankruptcy,

insolvency or similar laws affecting creditors' rights generally and the availability of equitable remedies.

(b) No Conflict with Restrictions; No Default. Neither the execution, delivery and performance of this agreement nor the consummation by such party of the transactions contemplated hereby (i) will conflict with, violate or result in a breach of any of the terms, conditions or provisions of any law, regulation, order, writ, injunction, decree, determination or award of any court, any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator, applicable to such party or any of its Controlled Related Parties, (ii) will conflict with, violate, result in a breach of or constitute a default under any of the terms, conditions or provisions of the articles of incorporation, articles of organization or certificate of formation, bylaws, operating agreement or limited liability company agreement, or partnership agreement of such party or any of its Controlled Related Parties or of any material agreement or instrument to which such party or any of its Controlled Related Parties is a party or by which such party or any of its Controlled Related Parties is or may be bound or to which any of its material properties or assets is subject (other than any such conflict, violation, breach or default that has been validly and unconditionally waived), (iii) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interests or rights or require any consent, authorization or approval under any indenture, mortgage, lease agreement or instrument to which such party or any of its Controlled Related Parties is a party or by which such party or any of its Controlled Related Parties is or may be bound, or (iv) will result in the creation or imposition of any lien upon any of the material properties or assets of such party or any of its Controlled Related Parties, which in any such case could reasonably be expected to materially impair such party's ability to perform its obligations under this agreement or to have a material adverse effect on the consolidated financial condition of each party or its Parent.

(c) Governmental Authorizations. Any registration, declaration or filing with, or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required to be obtained by such party in connection with the valid execution, delivery, acceptance and performance by such party under this agreement or the consummation by such party of any transaction contemplated hereby has been completed, made or obtained, as the case may be.

(d) Litigation. There are no actions, suits, proceedings or investigations pending or, to the knowledge of such party, threatened against or affecting such party or any of its Controlled Related Parties or any of their properties, assets or businesses in any court or before or by any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator which could, if adversely determined (or, in the case of an investigation could lead to any action, suit or

proceeding, which if adversely determined could), reasonably be expected to materially impair such party's ability to perform its obligations under this agreement or to have a material adverse effect on the consolidated financial condition of such party or its parent; and such party or any of its Controlled Related Parties has not received any currently effective notice of any default, and such party or any of its Controlled Related Parties is not in default, under any applicable order, writ, injunction, decree, permit, determination or award of any court, any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator, which default could reasonably be expected to materially impair such party's ability to perform its obligations under this agreement or to have a material adverse effect on the consolidated financial condition of such party or its Parent.

Section 6.2 Survival. The representations and warranties provided for under this Article 6 will survive the execution and delivery of this agreement.

ARTICLE 7
PROSECUTION OF INFRINGEMENT CLAIMS

Section 7.1 Notice and Prosecution of Infringement. Licensee agrees to notify Licensor promptly, in writing, of any alleged, actual or threatened infringement of any of the Licensed Marks within the Service Area of which Licensee becomes aware. Licensor has the sole right to determine whether or not to take any action on such infringements. Licensor has the sole right to employ counsel of its choosing and to direct any litigation and settlement of infringement actions. Any recoveries, damages and costs recovered through such proceedings shall belong exclusively to Licensor, and Licensor shall be solely responsible for all costs and expenses (including attorney fees) of prosecuting such actions. Licensee agrees to provide Licensor with all reasonably requested assistance in connection with such proceedings.

ARTICLE 8
LICENSEE DEFENSE AND INDEMNIFICATION OF LICENSOR

Section 8.1 Indemnification. (a) Each party hereby agrees to indemnify the other party against and agrees to hold it harmless from any Loss incurred or suffered by such other party arising out of or in connection with:

(i) the material breach of any representation or warranty made by such party in this agreement; and

(ii) the material breach of any covenant or agreement by such party contained in this agreement.

(b) In addition to the indemnification provided for in Section 8.1(a), Licensee agrees to indemnify Licensor against and hold it harmless from any Loss suffered or incurred by Licensor or its Controlled Related Parties by reason of a third party claim arising out of or relating to (i) the use of the Licensed Marks by Licensee;

or (ii) the marketing, promotion, advertisement, distribution, lease or sale by Licensee (or any permitted sublicensee) or by any additional Licensee (or any permitted sublicensee) of any Sprint PCS Products and Services, Related Equipment or Premium and Promotional Items under the Licensed Marks pursuant to this agreement, including unfair or fraudulent advertising claims, warranty claims and product defect or liability claims, pertaining to the Sprint PCS Products and Services, Related Equipment or Premium and Promotional Items. Notwithstanding the foregoing, Licensee will not be required under this paragraph (b) to indemnify any Loss arising solely out of Licensee's use of the Licensed Marks in compliance with the terms of the Trademark and Service Mark Usage Guidelines; provided that Licensor shall have no obligation to indemnify for third-party claims alleged to arise from the specifics of uses of third-party trademarks or service marks, or the specifics of claims made, in marketing materials prepared by or for Licensee, which marketing materials have not been approved by Licensor prior to the publication out of which such claims are alleged to have arisen.

ARTICLE 9
OBLIGATIONS/SETOFF

Section 9.1. Obligations/Setoff. The obligations of the parties as set forth in this agreement shall be unconditional and irrevocable, and shall not be subject to any defense or be released, discharged or otherwise affected by any matter, including impossibility, illegality, impracticality, frustration of purpose, force majeure, act of government, the bankruptcy or insolvency of any party hereto, and the obligations of each party shall not be subject to any right of setoff or recoupment which such party may not or hereafter have against the other party.

ARTICLE 10
LIMITATION ON USE OF LICENSED MARKS

Section 10.1 Restrictions on Use. Licensee is not permitted to make any use of the Licensed Marks in connection with products or services other than the Sprint PCS Products and Services, and as specifically authorized in Sections 1.1(b) above with respect to Related Equipment and Premium and Promotional Items, nor to make any use of the Licensed Marks directed outside of the Service Area.

Section 10.2 Adherence to Trademark and Service Mark Usage Guidelines. Licensee agrees to comply with and adhere to Trademark and Service Mark Usage Guidelines for the depiction or presentation of the Licensed Marks, as furnished by Licensor. Prior to Licensee depicting or presenting any of the Licensed Marks on any type of marketing, advertising or promotional materials, Licensee agrees to submit samples of such materials to Licensor for approval. Licensor shall have fourteen (14) days from the date Licensor receives such materials to approve or object to any such materials submitted to Licensor for review. In the event Licensor does not object to such materials within such fourteen (14) day period, such materials shall be deemed approved by Licensor. Thereafter, Licensee shall not be obligated to submit to Licensor materials prepared in accordance with the samples previously approved by Licensor

and the Trademark and Service Mark Usage Guidelines; provided, however, Licensee shall, at the reasonable request of Licensor, continue to furnish samples of such marketing, advertising and promotional materials to Licensor from time to time during the term hereof at the request of Licensor.

Section 10.3 Use of Similar Trademarks and Service Marks. Licensee agrees not to use (a) any trademark or service mark which is confusingly similar to, or a colorable imitation of, the Licensed Marks or any part thereof, or (b) any work, symbol, character, or set of words, symbols, or characters, which in any language would be identified as the equivalent of the Licensed Marks or that are otherwise confusingly similar to, or a colorable imitation of, the Licensed Marks, whether during the term of this agreement or at any time following termination of this agreement. Licensee shall not knowingly engage in any conduct which may place the Sprint PCS Products and Services, the Licensed Marks or Licensor in a negative light or context.

Section 10.4 Services of Public Figures. Licensee agrees to obtain Licensor's prior written approval (which approval will not be unreasonably withheld) before engaging the services of any celebrity or publicly known individual for endorsement of any Sprint PCS Products and Services or Premium and Promotional Items.

ARTICLE 11
CONTROL OF BRAND IMAGE

Section 11.1 Exclusive Use of Licensed Marks. The Sprint PCS Products and Services shall be marketed by Licensee solely under the Licensed Marks.

Section 11.2 Consistency With Brand Image and Principles. Licensee shall use the Licensed Marks in a manner that is consistent with the brand image and principles established by Licensor, and mechanics to ensure consistency will be included in the Marketing Communications Guidelines.

Section 11.3 Management of Brand Image. Licensor shall be responsible for the overall management of the brand image for the Licensed Marks. All advertising, marketing and promotional materials using the Licensed Marks prepared by Licensee shall, in addition to the provisions set forth in Section 11.2 above, comply with the Marketing Communications Guidelines to be furnished by Licensor to Licensee as such Marketing Communications Guidelines may be amended and updated by Licensor from time to time. Such Marketing Communications Guidelines shall establish reasonable principles to be followed in the development of advertising, marketing and promotional campaigns in order to ensure a consistent and coherent brand image. All advertising, marketing and promotional campaigns conducted by Licensee shall be conducted in a manner consistent with the Marketing Communications Guidelines.

Section 11.4 Advertising Agencies; Promotions. Licensee may select its own advertising agencies for development of its advertising and promotional campaigns; provided, however, that all media buys shall be coordinated by Licensee with the buying agency of Licensor. Licensee and Licensor shall conduct ongoing reviews of upcoming advertising,

marketing and promotional campaigns of each party and shall use good faith efforts to coordinate their respective campaigns in a manner that will maximize the advertising, marketing and promotional efforts of the parties and be consistent with the Marketing Communications Guidelines. Licensee shall not initiate any products or promotions under names which are confusingly similar to any names of national product offerings or promotions by Licensor. Neither Licensor nor any of its Controlled Related Parties shall initiate any products or promotions under names which are confusingly similar to any names of national product offerings or promotions by Licensee. In addition, Licensor will use its commercially reasonable efforts to ensure that no third party licensee under the Licensed Marks initiates any products or promotions in the Service Area under names which are confusingly similar to any names of national product offerings or promotions by Licensee.

Section 11.5 Ownership of Advertising Materials. All agreements entered into by Licensee with advertising agencies shall provide that Licensor shall own all advertising materials (including concepts, themes, characters and the like) created or developed thereunder. Subject to the terms and conditions set forth herein, Licensee shall receive a perpetual, non-exclusive, royalty-free license to use such materials in connection with advertising and promotional materials developed by Licensee; provided, however, that the rights granted under such perpetual license shall be limited solely to the use of such materials and shall not extend the term of the license with respect to the Licensed Marks provided for hereunder.

ARTICLE 12
RELATIONSHIP OF PARTIES

Section 12.1 Relationship of Parties. It is the express intention of the parties that Licensee is and shall be an independent contractor and no partnership shall exist between Licensee and Licensor pursuant hereto. This agreement shall not be construed to make Licensee the agent or legal representative of Licensor for any purpose whatsoever (except as expressly provided in Articles 7 and 8), and Licensee is not granted any right or authority to assume or create any obligations for, on behalf of, or in the name of Licensor (except as expressly provided in Articles 7 and 8). Licensee agrees, and shall require its permitted sublicensees to agree, not to incur or contract any debt or obligation on behalf of Licensor, or commit any act, make any representation, or advertise in any manner that may adversely affect any right of Licensor in or with respect to the Licensed Marks or be detrimental to Licensor's image.

ARTICLE 13
TERM; TERMINATION; EFFECTS OF TERMINATION

Section 13.1 Term. This agreement commences on the date of execution and continues until the Affiliation Agreement terminates, unless earlier terminated in accordance with the terms set forth in this Article 13. This agreement automatically terminates upon termination of the Affiliation Agreement.

Section 13.2 Events of Termination. If any of the following events shall occur with respect to Licensee, each such occurrence shall be deemed an "Event of Termination":

(a) Bankruptcy. The occurrence of a "Bankruptcy" with respect to Licensee.

(b) Breach of Agreements. Licensee fails to perform in accordance with any of the material terms and conditions contained herein in any material respect.

(c) Material Misrepresentation. Licensee breaches any material representation or warranty of Licensee made in Section 4.2 or Article 6 in any material respect.

(d) Termination of Affiliation Agreement. The termination of the Affiliation Agreement, for whatever reason.

Section 13.3 Licensor's Right to Terminate Upon Event of Termination. Licensor may, at its option, without prejudice to any other remedies it may have, terminate this agreement by giving written notice of such termination to Licensee as follows: (a) immediately, upon the occurrence of any Event of Termination pursuant to Section 13.2(a) with respect to Licensee; or (b) after the expiration of thirty (30) days from Licensee's receipt of written notice from Licensor of the occurrence of any Event of Termination pursuant to Sections 13.2(b) or 13.2(c), if such failure to perform or breach is then still uncured; or (c) immediately upon the repeated or continuing occurrence of Events of Termination pursuant to Section 13.2(b) (regardless of whether such continuing failures to perform or breaches have been cured by Licensee in accordance with the provisions of clause (b) or this Section 13.3); or (d) immediately upon the occurrence of a termination pursuant to Section 13.2(d).

Section 13.4 Licensee's Right to Terminate. Licensee may, at its option, without prejudice to any other remedies it may have, terminate this agreement by giving written notice of such termination to Licensor as follows: (a) immediately, in the event that Licensor abandons the Licensed Marks or otherwise ceases to support the Licensed Marks in Licensor's business; or (b) immediately in the event of the occurrence of a Bankruptcy with respect to Licensor; or (c) immediately in the event of an occurrence of termination pursuant to Section 13.2(d).

Section 13.5 Effects of Termination. Upon the termination of this agreement for any reason, all rights of Licensee in and to the Licensed Marks in the Service Area shall cease within thirty (30) days following the date on which this agreement terminates (except in the case of a termination resulting from an Event of Termination described in Section 13.2(b), (c) or (d), in which case such rights to use the Licensed Marks will terminate immediately upon the date of termination); provided, however, that Licensee may thereafter sell, transfer or otherwise dispose of any Related Equipment and Premium and Promotional Items that are then in Licensee's inventory (or which Licensee has purchased or is then legally obligated to purchase) for an additional reasonable period not to exceed three (3) months. Licensee's right of disposal under this Section 13.5 shall not prohibit Licensor from granting to third parties during the disposal period licenses and other rights with respect to the Licensed Marks. The provisions of Articles 3, 4, 5, 6 and 8 will survive any termination of this agreement.

ARTICLE 14
ASSIGNMENT; SUBLICENSING

Section 14.1 Licensee Right to Assign. Licensee, without the prior written consent of Licensor (in its sole discretion), shall have no right to assign any of its rights or obligations hereunder.

Section 14.2 Licensor Right to Assign the Licensed Marks. Nothing herein shall be construed to limit the right of the Licensor to transfer or assign its interests in the Licensed Marks, subject to the agreement of the assignee to be bound by the terms and conditions of this agreement.

Section 14.3 Licenses to Additional Licensees; Sublicenses; Licenses to Additional Licensees. Licensee shall not sublicense (or attempt to sublicense) any of its rights hereunder without the prior written consent of Licensor, in the sole discretion of Licensor.

ARTICLE 15
MISCELLANEOUS

Section 15.1 Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this agreement shall be in writing and mailed (certified or registered mail, postage prepaid, return receipt requested) or sent by hand or overnight courier, or by facsimile (with acknowledgment received), charges prepaid and addressed as described on the Notice Address Schedule attached to the Master Signature Page, or to such other address or number as such party may from time to time specify by written notice to the other party. All notices and other communications given to a party in accordance with the provisions of this agreement shall be deemed to have been given and received (i) four (4) Business Days after the same are sent by certified or registered mail, postage prepaid, return receipt requested, (ii) when delivered by hand or transmitted by facsimile (with acknowledgment received and, in the case of a facsimile only, a copy of such notice is sent no later than the next Business Day by a reliable overnight courier service, with acknowledgment of receipt) or (iii) one (1) Business Day after the same are sent by a reliable overnight courier service, with acknowledgment of receipt.

Section 15.2 Binding Effect. Except as otherwise provided in this agreement, this agreement shall be binding upon and inure to the benefit of the parties and their respective successors, transferees, and assigns.

Section 15.3 Construction. This agreement shall be construed simply according to its fair meaning and not strictly for or against any party.

Section 15.4 Time. Time is of the essence with respect to this agreement.

Section 15.5 Table of Contents; Headings. The table of contents and section and other headings contained in this agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this agreement.

Section 15.6 Severability. Every provision of this agreement is intended to be severable. If any term or provision hereof is illegal, invalid or unenforceable for any reason whatsoever, that term or provision will be enforced to the maximum extent permissible so as to effect the intent of the parties, and such illegality, invalidity or unenforceability shall not affect the validity or legality of the remainder of this agreement. If necessary to effect the intent of the parties, the parties will negotiate in good faith to amend this agreement to replace the unenforceable language with enforceable language which as closely as possible reflects such intent.

Section 15.7 Further Action. Each party, upon the reasonable request of the other party, agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the intent and purposes of this agreement.

Section 15.8 Governing Law. The internal laws of the State of Missouri (without regard to principles of conflict of law) shall govern the validity of this agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

Section 15.9 Specific Performance. Each party agrees with the other party that the other party would be irreparably damaged if any of the provisions of this agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, in addition to any other remedy to which the nonbreaching party may be entitled, at law or in equity, the nonbreaching party shall be entitled to injunctive relief to prevent breaches of this agreement and specifically to enforce the terms and provisions hereof.

Section 15.10 Entire Agreement. The provisions of this agreement set forth the entire agreement and understanding between the parties as to the subject matter hereof and supersede all prior agreements, oral or written, and other communications between the parties relating to the subject matter hereof.

Section 15.11 Limitation on Rights of Others. Nothing in this agreement, whether express or implied, shall be construed to give any party other than the parties any legal or equitable right, remedy or claim under or in respect of this agreement.

Section 15.12 Waivers; Remedies. The observance of any term of this agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party or parties entitled to enforce such term, but any such waiver shall be effective only if in writing signed by the party or parties against which such waiver is to be asserted. Except as otherwise provided herein, no failure or delay of any party in exercising any power or right under this agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other further exercise thereof or the exercise of any other right or power.

Section 15.13 Jurisdiction; Consent to Service of Process.

(a) Each party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any Missouri State court sitting in the County of Jackson or any Federal court of the United States of America sitting in the Western District of Missouri, and any appellate court from any such court, in any suit action or proceeding arising out of or relating to this agreement, or for recognition or enforcement of any judgment, and each party hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such Missouri State court or, to the extent permitted by law, in such Federal court.

(b) Each party hereby irrevocably and unconditionally waives, to the fullest extent it may legally do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement in Missouri State court sitting in the County of Jackson or any Federal court sitting in the Western District of Missouri. Each party hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court and further waives the right to object, with respect to such suit, action or proceeding, that such court does not have jurisdiction over such party.

(c) Each party irrevocably consents to service of process in the manner provided for the giving of notices pursuant to this agreement, provided that such service shall be deemed to have been given only when actually received by such party. Nothing in this agreement shall affect the right of a party to serve process in another manner permitted by law.

Section 15.14 Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any action, suit or proceeding arising out of or relating to this agreement.

Section 15.15 Consents. Whenever this agreement requires or permits consent by or on behalf of a party, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in Section 15.13, with appropriate notice in accordance with Section 15.1 of this agreement.

Section 15.16 Master Signature Page. Each party agrees that it will execute the Master Signature Page that evidences such party's agreement to execute, become a party to and be bound by this agreement, which document is incorporated herein by this reference.

[The remainder of this page is intentionally left blank.]

SPRINT SPECTRUM
TRADEMARK AND SERVICE MARK
LICENSE AGREEMENT

Between

SPRINT SPECTRUM L.P.

and

SHENANDOAH PERSONAL
COMMUNICATIONS COMPANY

Dated as of November 5, 1999

EXHIBIT 10.7

"

SPRINT SPECTRUM TRADEMARK AND
SERVICE MARK LICENSE AGREEMENT

THIS AGREEMENT is made as of the 5th day of November, 1999, by and between Sprint Spectrum L.P., a limited partnership organized under the laws of the State of Delaware, as licensor ("Licensor"), and Shenandoah Personal Communications Company, a corporation formed under the laws of Virginia, as licensee ("Licensee"). The definitions for this agreement are set forth on the "Schedule of Definitions".

RECITALS:

WHEREAS, Licensor is the owner of the U.S. trademarks and service marks "THE CLEAR ALTERNATIVE TO CELLULAR" and "EXPERIENCE THE CLEAR ALTERNATIVE TO CELLULAR TODAY" and such other marks as may be adopted and established from time to time and the goodwill of the business symbolized thereby; and

WHEREAS, Licensee desires to use the trademarks and service marks in commerce;

NOW, THEREFORE, the parties, in consideration of the mutual agreements herein contained and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, do hereby agree as follows:

ARTICLE 1
GRANT OF TRADEMARK AND SERVICE MARK RIGHTS; EXCLUSIVITY

Section 1.1. License.

(a) Grant of License. Subject to the terms and conditions hereof, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor, for the term of this agreement, a non-transferable, royalty-free license to use the Licensed Marks solely for and in connection with the marketing, promotion, advertisement, distribution, lease or sale of Sprint PCS Products and Services and Premium and Promotional Items in the Service Area.

"

(b) Related Equipment. The rights granted hereunder to Licensee shall not include the right to manufacture equipment under the Licensed Marks. However, subject to the terms and conditions hereof, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor, for the term of this agreement, a non-transferable, royalty-free license to market, promote, advertise, distribute and resell and lease Related Equipment in connection with the marketing, promotion, advertisement, distribution, lease or sale by Licensee of Sprint PCS Products and Services, and to furnish services relating to such Related Equipment (including installation, repair and maintenance of Related Equipment), under the Licensed Marks.

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ARTICLE 2
QUALITY STANDARDS, MAINTENANCE

Section 2.1. Maintenance of Quality.

(a) Adherence to Quality Standards. In the course of marketing, promoting, advertising, distributing, leasing and selling Sprint PCS Products and Services and Premium and Promotional Items under the Licensed Marks, Licensee shall maintain and adhere to standards of quality and specifications that conform to or exceed those quality standards and technical and operational specifications adopted and/or amended in the manner provided below ("Quality Standards") and those imposed by Law. Such Quality Standards are designed to ensure that the quality of the Sprint PCS Products and Services and Premium and Promotional Items marketed, promoted, advertised, distributed, leased and sold under the Licensed Marks are consistent with the high reputation of the Licensed Marks and are in conformity with applicable Laws.

(b) Establishment of Quality Standards. The parties acknowledge that the initial Quality standards for the Sprint PCS Products and Services and Premium and Promotional Items are attached to the Management Agreement as Exhibits 4.1, 4.2, 4.3, 7.2. and 8.1. The Quality Standards shall (i) be consistent with the reputation for quality associated with the Licensed Marks and (ii) be commensurate with a high level of quality (taking into account Licensee's fundamental underlying technology and standards), consistent with the level of quality being offered in the market for products and services of the same kind as the Sprint PCS Products and Services.

(c) Changes in Quality Standards. In the event that Licensor wishes to change the Quality Standards, it will notify Licensee in writing of such proposed amendments, and will afford Licensee a reasonable time period in which to adopt such changes as may be required in order for Licensee to conform to the amended Quality Standards.

Section 2.2. Rights of Inspection. In order to ensure that the Quality Standards are maintained, Licensor and its authorized agents and representatives shall have the right, but not the obligation, with prior notice to Licensee, to enter upon the premises of any office or facility operated by or for Licensee with respect to Sprint PCS Products and Services and Premium and Promotional Items at all reasonable times, to inspect, monitor and test in a reasonable manner facilities and equipment used to furnish Sprint PCS Products and Services and Premium and Promotional Items and, with prior written notice to Licensee, to inspect the books and records of Licensee in a manner that does not unreasonably interfere with the business and affairs of Licensee, all as they relate to the compliance with the Quality Standards maintained hereunder,

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Section 2.3. Marking: Compliance with Trademark Laws. Licensee shall cause the appropriate designation "(TM)" or "SM," or the registration symbol "(R)" to be placed adjacent to the Licensed Marks in connection with the use thereof and to indicate such additional information as Licensor shall reasonably specify from time to time concerning the license rights under which

Licensee uses the Licensed Marks. Licensee shall place the following notice on all printed or electronic materials on which the Licensed Marks appear: "THE CLEAR ALTERNATIVE TO CELLULAR", "EXPERIENCE THE CLEAR ALTERNATIVE TO CELLULAR TODAY", and such other marks as may be adopted and established from time to time, are trademarks and/or service marks of Sprint Spectrum L.P., "used under license" or such other notice as Licensor may specify from time to time. .

Section 2.4. Other Use Restrictions. Licensee shall not use the Licensed Marks in any manner that would reflect adversely on the image of quality symbolized by the Licensed marks.

ARTICLE 3
CONFIDENTIAL INFORMATION

Section 3.1. Maintenance of Confidentiality. Each of Licensor and Licensee and their respective Controlled Related Parties (each a "Restricted Party") shall cause their respective officers and directors (in their capacity as such) to, and shall take all reasonable measures to cause their respective employees, attorneys, accountants, consultants and other agents and advisors (collectively, and together with their respective officers and directors, "Agents") to keep secret and maintain in confidence the terms of this agreement and all confidential and proprietary information and data of the other party or its Related Parties disclosed to it (in each case a "Receiving Party") in connection with the performance of its obligations under this agreement (the "Confidential Information") and shall not and shall cause their respective officers and directors not to, and shall take all reasonable measures to cause their respective other Agents not to disclose Confidential Information to any Person other than the parties, their Controlled Related Parties and their respective Agents that need to know such Confidential Information. Each party further agrees that it shall not use the Confidential Information for any purpose other than determining and performing its obligations and exercising its rights under this agreement. Each party shall take all reasonable measures necessary to prevent any unauthorized disclosure of the Confidential Information by any of their respective Controlled Related Parties or any of their respective Agents. The measures taken by a Restricted Party to protect Confidential Infom1ation shall be not deemed unreasonable if the measures taken are at least as strong as the measures taken by the disclosing party to protect such Confidential Information.

Section 3.2. Permitted Disclosures. Nothing herein shall prevent any Restricted Party or its Agents from using, disclosing, or authorizing the disclosure of Confidential Information it receives and which:

(i) has been published or is in the public domain, or which subsequently comes into the public domain, through no fault of the receiving party;

(ii) prior to receipt hereunder was property within the legitimate possession of the Receiving Party or, subsequent to receipt hereunder is lawfully received from a third party having rights therein without restriction of the third party's right to disseminate

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the Confidential Information and without notice of any restriction against its further disclosure.

(iii) is independently developed by the Receiving Party through Persons who have not had, either directly or indirectly, access to or knowledge of such Confidential Information;

(iv) is disclosed to a third party with the written approval of the party originally disclosing such information, provided that such Confidential Information shall cease to be confidential and proprietary information covered by this agreement only to the extent of the disclosure so consented to;

(v) subject to the Receiving Party's compliance with Section 3.4 below is required to be produced under order of a court of competent jurisdiction or other similar requirements of a governmental agency provided that such Confidential Information to the extent covered by a protective order or its equivalent shall otherwise continue to be Confidential Information required to be held confidential for purpose of this agreement; or

(vi) subject to the Receiving Party's compliance with Section 3.4 below is required to be disclosed by applicable Law or a stock exchange or association on which such Receiving Party's securities (or those of its Related Party) are listed.

Section 3.3. Financial Institutions. Notwithstanding this Article 3, any party may provide Confidential Information to any financial institution in connection with borrowings from such financial institution by such party or any of its Controlled Related Parties, so long as prior to any such disclosure such financial institution executes a confidentiality agreement that provides protection substantially equivalent to the protection provided the parties in this Article 3. "

Section 3.4. Procedures. In the event that any Receiving Party (i) must disclose Confidential Information in order to comply with applicable Law or the requirements of a stock exchange or association on which such Receiving Party's securities or those of its Related Parties are listed or (ii) becomes legally compelled (by oral questions, interrogatories, requests for information or documents, subpoenas, civil investigative demand or otherwise) to disclose any Confidential Information, the Receiving Party shall provide the disclosing party with prompt written notice so that in the case of clause (i), the disclosing party can work with the Receiving Party to limit the disclosure to the greatest extent possible consistent with legal obligations or in the case of clause (ii), the disclosing party may seek a protective order or other appropriate remedy or waive compliance with the provisions of this agreement. In the case of a clause, (ii) (A) if the disclosing party is unable to obtain a protective order or other appropriate remedy, or if the disclosing party so directs, the Receiving Party shall, and shall cause its employees to, exercise all commercially reasonable efforts to obtain a protective order or other appropriate remedy at the disclosing party's reasonable expense, and (B) failing the entry of a protective order or other appropriate remedy or receipt of a waiver hereunder, the Receiving Party shall furnish only that portion of the Confidential Information which it is advised by opinion of its counsel is legally required to be furnished and shall exercise all commercially reasonable efforts to obtain reliable assurance that confidential treatment shall be accorded such Confidential Information, it being

understood that such reasonable efforts shall be at the cost and expense of the disclosing party whose Confidential Information has been sought..

Section 3.5. Survival. The obligations under this Article 3 shall survive, as to any party, until two (2) years following the date of termination of this agreement, and, as to any Controlled Related Party of a party, until two (2) years following the earlier to occur of (A) the date that such Person is no longer a Controlled Related Party of a party, or (B) the date of the termination of this agreement; provided that such obligations shall continue indefinitely with respect to any trade secret or similar information which is proprietary to a party or its Controlled Related Parties and provides such party or its Controlled Related Parties with an advantage over its competitors.

ARTICLE 4
REPRESENTATIONS, WARRANTIES AND COVENANTS OF LICENSEE

Section 4.1. Licensor's Ownership. Licensee acknowledges Licensor's exclusive right.. title and interest in and to the Licensed Marks and acknowledges that nothing herein shall be construed to accord to Licensee any rights in the Service Area in the Licensed Marks except as expressly provided, herein. Licensee acknowledges that its use in the Service Area of the Licensed Marks shall not create in Licensee any right, title or interest in the Service Area in the Licensed Marks and that all use in the Service Area of the Licensed Marks and the goodwill symbolized by and connected with such use of the Licensed Marks will inure solely to the benefit of the Licensor.

Section 4.2. No Challenge by Licensee. Licensee covenants that (i) Licensee will not at any time challenge Licensor's rights, title or interest in the Licensed Marks (other than to assert the specific rights granted to Licensee under this agreement), (ii) Licensee will not do or cause to be done or omit to do anything, the doing, causing or omitting of which would contest or in any way impair or tend to impair the rights of Licensor in the Licensed Marks, and (iii) Licensee will not represent to any third party that Licensee has any ownership or rights in the Service Area with respect to the Licensed Marks other than the specific rights conferred by this agreement..

ARTICLE 5
REPRESENTATIONS, WARRANTIES AND COVENANTS OF LICENSOR

Section 5.1. Title to the Licensed Marks. Licensor represents and warrants that:

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(a) Licensor has good title to the Licensed Marks and has the right to grant the licenses provided for hereunder in accordance with the terms and conditions hereof, free of any liabilities, charges, liens, pledges, mortgages, restrictions, adverse claims, security interests, rights of others, and encumbrances of any kind (collectively, "Encumbrances"), other than Encumbrances which will not restrict or interfere in any material respect with the exercise by Licensee of the rights granted to Licensee hereunder.

(b) There is no claim, action, proceeding or other litigation pending or, to the knowledge of Licensor, threatened with respect to Licensor's ownership of the Licensed Marks or which if adversely determined, would restrict or otherwise interfere in any material respect with the exercise by Licensee of the rights purported to be granted to Licensee hereunder.

Except as expressly provided above in this Section 5.1, Licensor makes no representation or warranty of any kind or nature whether express or implied with respect to the Licensed Marks (including freedom from third party infringement of the Licensed Marks).

The representations and warranties provided for in this Section 5.1 shall survive the execution and delivery of this agreement.

Section 5.2. Other Licenses. In the event Licensor grants to any third party any licenses or rights with respect to the Licensed Marks, Licensor shall not in connection with the grant of any such license or rights, take any actions, or suffer any omission that would adversely affect the existence or validity of the Licensed Marks or conflict with the rights granted to Licensee hereunder.

Section 5.3. Abandonment. Licensor covenants and agrees that, during the tem1 of this agreement, it will not abandon the Licensed Marks.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF BOTH PARTIES

Section 6.1. Representations and Warranties. Each party hereby represents and warrants to the other party as follows: "

(a) Due Incorporation or Formation: Authorization of Agreement. Such party is a corporation duly organized, a limited liability company duly organized or a partnership duly formed, validly existing and, if applicable, in good standing under the laws of the jurisdiction of its incorporation or formation and has the corporate company or partnership power and authority to own its property and carry on its business as owned and carried on at the date hereof and as contemplated hereby. Such party is duly licensed or qualified to do business and. if applicable is in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition or its ability to perform its obligations hereunder. Such party has the corporate company or partnership power and authority to execute and deliver this agreement and to perform its obligations hereunder and the execution, delivery and performance of this agreement have been duly authorized by all necessary corporate, company or partnership action. Assuming the due execution and delivery by the other party hereto, this agreement constitutes the legal, valid and binding obligation of such party enforceable against such party in accordance with its terms, subject as to enforceability to limits imposed by bankruptcy, insolvency or similar laws affecting creditors' rights generally and the availability of equitable remedies.

(b) No Conflict with Restrictions: No Default. Neither the execution, delivery and performance of this agreement nor the consummation by such party of the transactions contemplated hereby (i) will conflict with, violate or result in a breach of any of the terms, conditions or provisions of any law, regulation, order, writ, injunction, decree, determination or award of any court, any governmental department, board, agency or

instrumentality, domestic or foreign, or any arbitrator, applicable to such party or any of its Controlled Related Parties, (ii) will conflict with, violate or result in a breach of or constitute a default under any of the terms, conditions or provisions of the articles of incorporation, articles of organization or certificate of formation, bylaws, operating agreement or limited liability company agreement or partnership agreement of such party or any of its Controlled Related Parties or of any material agreement or instrument to which such party or any of its Controlled Related Parties is a party or by which such party or any of its Controlled Related Parties is or may be bound or to which any of its material properties or assets is subject (other than any such conflict, violation, breach or default that has been validly and unconditionally waived), (iii) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interests or rights or require any consent, authorization or approval under any indenture, mortgage, lease agreement or instrument to which such party or any of its Controlled Related Parties is a party or by which such party or any of its Controlled Related Parties is or may be bound, or (iv) will result in the creation or imposition of any lien upon any of the material properties or assets of such party or any of its Controlled Related Parties, which in any such case could reasonably be expected to materially impair such party's ability to perform its obligations under this agreement or to have a material adverse effect on the consolidated financial condition of each party or its Parent.

(c) Governmental Authorizations. Any registration, declaration or filing with, or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required to be obtained by such party in connection with the valid execution, delivery, acceptance and performance by such party under this agreement or the consummation by such party of any transaction contemplated hereby has been completed, made or obtained, as the case may be.

(d) Litigation. There are no actions, suits, proceedings or investigations pending or, to the knowledge of such party, threatened against or affecting such party or any of its Controlled Related Parties or any of their properties, assets or businesses in any court or before or by any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator which could, if adversely detern1ined (or, in the case of an investigation could lead to any action, suit or proceeding, which if adversely determined could), reasonably be expected to materially impair such party's ability to perform its obligations under this agreement or to have a material adverse effect on the consolidated financial condition of such party or its parent; and such party or any of its Controlled Related Parties has not received any currently effective notice of any default, and such party or any of its Controlled Related Parties is not in default, under any applicable order, writ, injunction, decree, permit, determination or award of any court, any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator, which default could reasonably be expected to materially impair such party's ability to perform its obligations under this agreement or to have a material adverse effect on the consolidated financial condition of such party or its Parent.

Section 6.2. Survival. The representations and warranties provided for under this Article 6

will survive the execution and delivery of this agreement.

ARTICLE 7
PROSECUTION OF INFRINGEMENT CLAIMS

Section 7.1. Notice and Prosecution of Infringement. Licensee agrees to notify Licensor promptly, in writing, of any alleged, actual or threatened infringement of any of the Licensed Marks within the Service Area of which Licensee becomes aware. Licensor has the sole right to determine whether or not to take any action on such infringements. Licensor has the sole right to employ counsel of its choosing and to direct any litigation and settlement of infringement actions. Any recoveries, damages and costs recovered through such proceedings shall belong exclusively to Licensor, and Licensor shall be solely responsible for all costs and expenses (including attorney fees) of prosecuting such actions, Licensee agrees to provide Licensor with all reasonably requested assistance in connection with such proceedings.

ARTICLE 8
LICENSEE DEFENSE AND INDEMNIFICATION OF LICENSOR

Section 8. I. Indemnification. (a) Each party hereby agrees to indemnify the other party against and agrees to hold it harmless from any Loss incurred or suffered by such other party arising out of or in connection with:

(i) the material breach of any representation or warranty made by such party in this agreement; and

(ii) the material breach of any covenant or agreement by such party contained in this agreement.

(b) In addition to the indemnification provided for in Section 8.1 (a), Licensee agrees to indemnify Licensor against and hold it harmless from any Loss suffered or incurred by Licensor or its Controlled Related Parties by reason of a third party claim arising out of or relating to (i) the use of the Licensed Marks by Licensee; or (ii) the marketing, promotion, advertisement, distribution, lease or sale by Licensee (or any permitted sublicensee) or by any additional Licensee (or any permitted sublicensee) of any Sprint PCS Products and Services, Related Equipment or Premium and Promotional Items under the Licensed Marks pursuant to this agreement, including unfair or fraudulent advertising claims, warranty claims and product defect or liability claims, pertaining to the Sprint PCS Products and Services, Related Equipment or Premium and Promotional Items. Notwithstanding the foregoing, Licensee will not be required under this paragraph (b) to indemnify any Loss arising solely out of Licensee's use of the Licensed Marks in compliance with the terms of the Trademark and Service Mark Usage Guidelines; provided that Licensor shall have no obligation to indemnify for third-party claims alleged to arise from the specifics of uses of thirdparty trademarks or service marks, or the specifics of claims made, in marketing materials prepared by or for Licensee, which marketing materials have not been approved by Licensor prior to the publication out of which such claims are alleged to have arisen.

ARTICLE 9
OBLIGATIONS/SETOFF

Section 9.1. Obligations/Setoff. The obligations of the parties as set forth in this agreement shall be unconditional and irrevocable, and shall not be subject to any defense or be released. discharged or otherwise affected by any matter, including impossibility, illegality, impracticality, frustration of purpose, force majeure, act of government, the bankruptcy or insolvency of any party hereto, and the obligations of each party shall not be subject to any right of setoff or recoupment which such patty may not or hereafter have against the other party.

ARTICLE 10
LIMITATION ON USE OF LICENSED MARKS

Section 10.1. Restrictions on Use. Licensee is not permitted to make any use of the Licensed Marks in connection with products or services other than the Sprint PCS Products and Services and as specifically authorized in Sections 1.1(b) above with respect to Related Equipment and Premium and Promotional Items, nor to make any use of the Licensed Marks directed outside of the Service Area.

Section 10.2. Adherence to Trademark and Service Mark Usage Guidelines. Licensee agrees to comply with and adhere to Trademark and Service Mark Usage Guidelines for the depiction or presentation of the Licensed Marks as furnished by Licensor. Prior to Licensee depicting or presenting any of the Licensed Marks on any type of marketing, advertising or promotional materials, Licensee agrees to submit samples of such materials to Licensor for approval. Licensor shall have fourteen (14) days from the date Licensor receives such materials to approve or object to any such materials submitted to Licensor for review. In the event Licensor does not object to such materials within such fourteen (14) day period, such materials shall be deemed approved by Licensor. Thereafter, Licensee shall not be obligated to submit to Licensor materials prepared in accordance with the samples previously approved by Licensor and the Trademark and Service Mark Usage Guidelines; provided, however, Licensee shall, at the reasonable request of Licensor, continue to furnish samples of such marketing, advertising and promotional materials to Licensor from time to time during the term hereof at the request of Licensor.

Section 10.3. Use of Similar Trademarks and Service Marks. Licensee agrees not to use (a) any trademark or service mark which is confusingly similar to, or a colorable imitation of, the Licensed Marks or any part thereof, or (b) any work, symbol, character, or set of words, symbols or characters, which in any language would be identified as the equivalent of the Licensed Marks or that are otherwise confusingly similar to, or a colorable imitation of, the Licensed Marks. whether during the term of this agreement or at any time following termination of this agreement. Licensee shall not knowingly engage in any conduct which may place the Sprint PCS Products and Services, the Licensed Marks or Licensor in a negative light or context.

Section 10.4. Services of Public Figures. Licensee agrees to obtain Licensors prior written approval (which approval will not be unreasonably withheld) before engaging the services of any celebrity or publicly known individual for endorsement of any Sprint PCS Products and Services or Premium and Promotional Items.

ARTICLE 11
CONTROL OF BRAND IMAGE

Section 11.1 Exclusive Use of Licensed Marks. The Sprint PCS Products and Services shall be marketed by Licensee solely under the Licensed Marks.

Section 11.2. Consistency With Brand Image and Principles. Licensee shall use the Licensed Marks in a manner that is consistent with the brand image and principles established by Licensor, and mechanics to ensure consistency will be included in the Marketing Communications Guidelines.

Section 11.3 Management of Brand Image. Licensor shall be responsible for the overall management of the brand image for the Licensed Marks. All advertising, marketing and promotional materials using the Licensed Marks prepared by Licensee shall, in addition to the provisions set forth in Section 11.2 above, comply with the Marketing Communications Guidelines to be furnished by Licensor to Licensee as such Marketing Communications Guidelines may be amended and updated by Licensor from time to time. Such Marketing Communications Guidelines shall establish reasonable principles to be followed in the development of advertising, marketing and promotional campaigns in order to ensure a consistent and coherent brand image. All advertising, marketing and promotional campaigns conducted by Licensee shall be conducted in a manner consistent with the Marketing Communications Guidelines.

Section 11.4. Advertising Agencies: Promotions. Licensee may select its own advertising agencies for development of its advertising and promotional campaigns: provided, however, that all media buys shall be coordinated by Licensee with the buying agency of Licensor. Licensee and Licensor shall conduct ongoing reviews of upcoming advertising, marketing and promotional campaigns of each party and shall use good faith efforts to coordinate their respective campaigns in a manner that will maximize the advertising. marketing and promotional efforts of the parties and be consistent with the Marketing Communications Guidelines. Licensee shall not initiate any products or promotions under names which are confusingly similar to any names of national product offerings or promotions by Licensor. Neither Licensor nor any of its Controlled Related Parties shall initiate any products or promotions under names which are confusingly similar to any names of national product offerings or promotions by Licensee. In addition, Licensor will use its commercially reasonable efforts to ensure that no third party licensee under the Licensed Marks initiates any products or promotions in the Service Area under names which are confusingly similar to any names of national product offerings or promotions by Licensee.

Section 11.5 Ownership of Advertising Materials. All agreements entered into by Licensee with advertising agencies shall provide that Licensor shall own all advertising materials (including concepts, themes, characters and the like) created or developed thereunder. Subject to the terms and conditions set forth herein, Licensee shall receive a perpetual, non-exclusive, royalty-free license to use such materials in connection with advertising and promotional materials developed by Licensee; provided, however, that the rights granted under such perpetual license shall be limited solely to the use of such materials and shall not extend the term of the license with respect to the

Licensed Marks provided for hereunder.

ARTICLE 12
RELATIONSHIP OF PARTIES

Section 12.1. Relationship of Parties. It is the express intention of the parties that Licensee is and shall be an independent contractor and no partnership shall exist between Licensee and Licensor pursuant hereto. This agreement shall not be construed to make Licensee the agent or legal representative of Licensor for any purpose ,whatsoever (except as expressly provided in Articles 7 and 8), and Licensee is not granted any right or authority to assume or create any obligations for. on behalf of. or in the name of Licensor (except as expressly provided in Articles 7 and 8). Licensee agrees, and shall require its permitted sublicensees to agree, not to incur or contract any debt or obligation on behalf of Licensor, or commit any act, make any representation. or advertise in any manner that may adversely affect any right of Licensor in or with respect to the Licensed Marks or be detrimental to Licensors image.

ARTICLE 13
TERM; TERMINATION; EFFECTS OF TERMINATION

Section 13.1. Term. This agreement commences on the date of execution and continues until the Management Agreement terminates, unless earlier terminated in accordance with the terms set forth in this Article 13. This agreement automatically terminates upon termination of the Management Agreement.

Section 13.2. Events of Termination. If any of the following events shall occur with respect to Licensee, each such occurrence shall be deemed an "Event of Termination":

(a) Bankruptcy. The occurrence of a "Bankruptcy" with respect to Licensee.

(b) Breach of Agreements. Licensee fails to perform in accordance with any of the material terms and conditions contained herein in any material respect.

(c) Material Misrepresentation. Licensee breaches any material representation or warranty of Licensee made in Section 4.2 or Article 6 in any material respect.

(d) Termination of Management Agreement. The termination of the Management Agreement for whatever reason.

Section 13.3. Licensors Right to Terminate Upon Event of Termination. Licensor may, at its option, without prejudice to any other remedies it may have, terminate this agreement by giving written notice of such termination to Licensee as follows: (a) immediately, upon the occurrence of any Event of Termination pursuant to Section 13.2(a) with respect to Licensee: or (b) after the expiration of thirty (30) days from Licensee's receipt of written notice from Licensor of the occurrence of any Event of Termination pursuant to Sections 13.2(b) or 13.2(c), if such failure to perform or breach is then still uncured; or (c) immediately upon the repeated or continuing

occurrence of Events of Termination pursuant to Section 13 .2(b) (regardless of whether such continuing failures to perform or breaches have been cured by Licensee in accordance with the provisions of clause (b) or this Section 13.3); or (d) immediately upon the occurrence of a termination pursuant to Section 13.2(d).

Section 13.4 Licensee's Right to Terminate. Licensee may, at its option, without prejudice to any other remedies it may have, terminate this agreement by giving written notice of such termination to Licensor as follows: (a) immediately, in the event that Licensor abandons the Licensed Marks or otherwise ceases to support the Licensed Marks in Licensor's business: or (b) immediately in the event of the occurrence of a Bankruptcy with respect to Licensor; or (c) immediately in the event of an occurrence of termination pursuant to Section 13.2(d).

Section 13.5. Effects of Termination. Upon the termination of this agreement for any reason, all rights of Licensee in and to the Licensed Marks in the Service Area shall cease within thirty (30) days following the date on which this agreement terminates (except in the case of a termination resulting from an Event of Termination described in Section 13.2(b), (c) or (d), in which case such rights to use the Licensed Marks will terminate immediately upon the date of termination); provided, however, that Licensee may thereafter sell, transfer or otherwise dispose of any Related Equipment and Premium and Promotional Items that are then in Licensee's inventory (or which Licensee has purchased or is then legally obligated to purchase) for an additional reasonable period not to exceed three (3) months. Licensee's right of disposal under this Section 13.5 shall not prohibit Licensor from granting to third parties during the disposal period licenses and other rights with respect to the Licensed Marks. The provisions of Articles 3, 4, 5, 6 and 8 will survive any termination of this agreement.

ARTICLE 14
ASSIGNMENT; SUBLICENSING

Section 14.1. Licensee Right to Assign. Licensee, without the prior written consent of Licensor (in its sole discretion). shall have no right to assign any of its rights or obligations hereunder.

Section 14.2. Licensor Right to Assign the Licensed Marks. Nothing herein shall be construed to limit the right of the Licensor to transfer or assign its interests in the Licensed Marks, subject to the agreement of the assignee to be bound by the terms and conditions of this agreement.

'"

Section 14.3. Licenses to Additional Licensees: Sublicenses: Licenses to Additional Licensees. Licensee shall not sublicense (or attempt to sublicense) any of its rights hereunder without the prior written consent of Licensor, in the sole discretion of Licensor.

ARTICLE I5
MISCELLANEOUS

Section 15.1. Notices. Any notice, payment, demand, or communication required or permitted to be given by any provision of this agreement shall be in writing and mailed (certified or registered mail, postage prepaid, return receipt requested) or sent by hand or overnight courier, or by facsimile (with acknowledgment received), charges prepaid and addressed as described on the

Notice Address Schedule attached to the Master Signature Page, or to such other address or number as such party may from time to time specify by written notice to the other party in accordance with the provisions of this Section 15.1. All notices and other communications given to a party in accordance with the provisions of this agreement shall be deemed to have been given and received (i) four (4) Business Days after the same are sent by certified or registered mail, postage prepaid, return receipt requested, (ii) when delivered by hand or transmitted by facsimile (with acknowledgment received and, in the case of a facsimile only, a copy of such notice is sent no later than the next Business Day by a reliable overnight courier service, with acknowledgment of receipt) or (iii) one (1) Business Day after the same are sent by a reliable overnight courier service, with acknowledgment of receipt.

"

Section 15.2. Binding Effect. Except as otherwise provided in this agreement, this agreement shall be binding upon and inure to the benefit of the parties and their respective successors, transferees, and assigns.

Section 15.3. Construction. This agreement shall be construed simply according to its fair meaning and not strictly for or against any party.

Section 15.4. Time. Time is of the essence with respect to this agreement.

Section 15.5. Table of Contents: Headings. The table of contents and section and other headings contained in this agreement are for reference purposes only and are not intended to describe, interpret, define or limit the scope, extent or intent of this agreement.

Section 15.6. Severability. Every provision of this agreement is intended to be severable. If any term or provision hereof is illegal, invalid or unenforceable for any reason whatsoever, that term or provision will be enforced to the maximum extent permissible so as to effect the intent of the parties, and such illegality, invalidity or unenforceability shall not affect the validity or legality of the remainder of this agreement. If necessary to effect the intent of the parties, the parties will negotiate in good faith to amend this agreement to replace the unenforceable language with enforceable language which as closely as possible reflects such intent.

Section 15.7. Further Action. Each party, upon the reasonable request of the other party, agrees to perform all further acts and execute, acknowledge, and deliver any documents which may be reasonably necessary, appropriate, or desirable to carry out the intent and purposes of this agreement.

Section 15.8. Governing Law. The internal laws of the State of Missouri (without regard to principles of conflict of law) shall govern the validity of this agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

Section 15.9. Specific Performance. Each party agrees with the other party that the other party would be irreparably damaged if any of the provisions of this agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, in addition to any other remedy to which the nonbreaching party may be entitled, at law or in equity, the nonbreaching party shall be entitled to injunctive

relief to prevent breaches of this agreement and specifically to enforce the terms and provisions hereof.

Section 15.10. Entire Agreement. The provisions of this agreement set forth the entire agreement and understanding between the parties as to the subject matter hereof and supersede all prior agreements, oral or written, and other communications between the parties relating to the subject matter hereof.
"

Section 15.11. Limitation on Rights of Others. Nothing in this agreement, whether express or implied, shall be construed to give any party other than the parties any legal or equitable right, remedy or claim under or in respect of this agreement.

Section 15.12. Waivers: Remedies. The observance of any term of this agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) by the party or parties entitled to enforce such term, but any such waiver shall be effective only if in writing signed by the party or parties against which such waiver is to be asserted. Except as otherwise provided herein, no failure or delay of any party in exercising any power or right under this agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such right or power, preclude any other further exercise thereof or the exercise of any other right or power.

Section 15.13. Jurisdiction: Consent to Service of Process.

(a) Each party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any Missouri State court sitting in the County of Jackson or any Federal court of the United States of America sitting in the Western District of Missouri, and any appellate court from any such court, in any suit action or proceeding arising out of or relating to this agreement, or for recognition or enforcement of any judgment, and each party hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such Missouri State Court or, to the extent permitted by law, in such Federal court.

(b) Each party hereby irrevocably and unconditionally waives, to the fullest extent it may legally do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement in Missouri State court sitting in the County of Jackson or any Federal court sitting in the Western District of Missouri. Each party hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court and further waives the right to object, with respect to such suit, action or proceeding, that such court does not have jurisdiction over such party.

(c) Each party irrevocably consents to service of process in the manner provided for the giving of notices pursuant to this agreement, provided that such service shall be deemed to have been given only when actually received by such party. Nothing in this agreement shall affect the right of a party to serve process in another manner permitted by law.

Section 15.14. Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any action, suit or proceeding arising out of or relating to this agreement. "

Section 15.15. Consents. Whenever this agreement requires or permits consent by or on behalf of a party, such consent shall be given in writing in a manner consistent with the requirements for a waiver of compliance as set forth in Section 15.13, with appropriate notice in accordance with Section 15.1 of this agreement.

Section 15.16. Master Signature Page. Each party agrees that it will execute the Master Signature Page that evidences such party's agreement to execute, become a party to and be bound by this agreement, which document in incorporated herein by this reference.

(The remainder of this page is intentionally left blank.]

'"

ADDENDUM I
TO
SPRINT PCS MANAGEMENT AGREEMENT

Manager: Shenandoah Personal Communications Company,
a Virginia corporation

Service Area: Hagerstown, MD-Chambersburg, PA-Martinsburg, WV BTA
Winchester, VA BTA
Harrisonburg, VA BTA
Washington, DC BTA (Jefferson County, WV only)
Harrisburg, PA BTA
York-Hanover, PA BTA
Altoona, PA BTA

This Addendum contains certain additional and supplemental terms and provisions of that certain (a) Sprint PCS Management Agreement (the "Management Agreement"), (b) Sprint PCS Services Agreement (the "Services Agreement"), (c) Sprint Spectrum Trademark and Service Mark License Agreement, and (d) Sprint Trademark and Service Mark License Agreement (collectively with the Sprint Spectrum Trademark and Service Mark License Agreement, the "Trademark License Agreements"), each entered into contemporaneously with and by the same parties as this Addendum. The Services Agreement, Trademark License Agreements and any other agreements entered into in connection with the Management Agreement, Services Agreement or Trademark License Agreements are collectively referred to herein as the "Other Sprint Agreements". The terms and provisions of this Addendum control, supersede and amend any conflicting terms and provisions contained in the Management Agreement and/or the Other Sprint Agreements. Except for express modification made in this Addendum, the Management Agreement and the Other Sprint Agreements continue in full force and effect.

Capitalized terms used and not otherwise defined in this Addendum have the meaning ascribed to them in the Schedule of Definitions. Section and Exhibit references are to Sections and Exhibits of the Management Agreement unless otherwise noted.

The Management Agreement and the Other Sprint Agreements are modified as follows:

1. Ownership of Spectrum. Sprint PCS represents and warrants that as of the date of the execution of the Management Agreement Sprint PCS owns 20 MHz or more of PCS spectrum in the Service Area under the License.

EXHIBIT 10.8

EXHIBIT 10.8 2. Access to Service Area Network. The following phrase is added at the beginning of the first sentence in the last paragraph of Section 1.1: "Subject to Section 9.5,".

3. Financing.

(a) The word "and" is inserted between the words "thereto" and "before" in the last sentence of Section 1.7.

(b) Sprint PCS agrees to propose modifications to the Management Agreement, and perhaps to the Schedule of Definitions, the Services Agreement, the Sprint Trademark and Service Mark License Agreement, and the Sprint Spectrum Trademark and Service Mark License Agreement, that will enhance Manager's ability to obtain financing for the Service Area Network. Sprint PCS will not be required to offer the Manager subsequent modifications offered or agreed to with Other Managers subsequent to the initial set of modifications.

4. Ethical Conduct and Related Covenants. Section 1.8 is deleted in its entirety.

5. Exclusivity of Service Area. The phrase "or manage" in the first sentence of Section 2.3 is deleted and replaced by the following phrase: ", manage or contract with any other person or entity to own, operate, build or manage".

6. Development and Purchase of Cell Sites. The parties agree that Sprint PCS will continue to develop and build cell sites in the Service Area that are currently being developed (or have been identified for development) by Sprint PCS for use by Manager in connection with the operation of the Service Area Network (collectively, the "Cell Sites") until Manager has obtained financing in an amount sufficient both to complete the build-out of the Service Area Network, as described on Exhibit 2.1, and to acquire the Cell Sites (the "Financing Closing").

Manager agrees to purchase from Sprint PCS under the terms of the Asset Purchase Agreement attached as Exhibit A hereto the assets listed on Schedule A to such agreement. Upon the occurrence of the Financing Closing, the parties shall consummate the transactions contemplated in the Asset Purchase Agreement and Manager will assume the build-out of the transferred Cell Sites. Exhibit A

hereto serves as Exhibit 2.6 to the Management Agreement.

The parties agree that Manager's failure to close on the Asset Purchase Agreement shall be treated as an Event of Termination under the Management Agreement which triggers Sprint PCS's Event of Termination rights under the Management Agreement and, in addition, Sprint PCS may, in its sole discretion, elect to enforce and continue to operate under the Management Agreement and Other Sprint Agreements with the Harrisburg, PA

BTA, York-Hanover, PA BTA, and Altoona, PA BTA removed from Manager's Service Area.

7. Long-Distance Pricing.

(a) The first sentence of Section 3.4 is deleted in its entirety and replaced by the following language:

> "Manager must purchase long-distance telephony services from Sprint through Sprint PCS both (i) to provide long-distance telephony service to users of the Sprint PCS Network and (ii) to connect the Service Area Network with the national platforms and IT application connections used by Sprint PCS to provide services to Manager under the agreement and/or the Services Agreement. Sprint will invoice Sprint PCS for such services rendered to Sprint PCS, Manager and all Other Managers, and in turn, Sprint PCS will invoice Manager for the services used by Manager. The parties acknowledge that so long as Manager buys switching services from Sprint PCS it is not possible to calculate the exact cost directly attributable to Manager, and in lieu of a direct attribution of the cost to Manager, Manager will be billed a flat rate of $1.84 per subscriber per month as payment for the above services, which amount the parties agree is the best estimate of such cost. Once Manager begins providing its own switching services (i.e., Manager no longer buys switching services from Sprint PCS), Manager will be charged the same price for the long-distance services described in (i) and (ii) above as Sprint PCS is charged by Sprint (excluding interservice area long-distance travel rates) plus an additional administrative fee to cover Sprint PCS's processing costs."

(b) The following sentence is added as a second paragraph in Section 3.4: "Manager may not resell the above described long-distance telephony services acquired from Sprint."

8. Switching Charges.

(a) Until October 31, 1999, Manager will pay to Sprint PCS an aggregate amount equal to $14,736 per month in consideration for Sprint PCS's provision of switching services for Manager's entire Service Area Network, which amount shall include payment for switching services for Manager's GSM-based Service Area Network and Manager's CDMA-based Service Area Network.

(b) Beginning November 1, 1999, until the earlier of December 31, 2000, or such time as Manager notifies Sprint PCS that Manager no longer needs

switching services from Sprint PCS to operate the Service Area Network, Manager will pay to Sprint PCS an amount equal to $14,869 per month in consideration for Sprint PCS's provision of switching services for Manager's entire Service Area Network, which amount shall include payment for switching services for Manager's GSM-based Service Area Network and Manager's CDMA-based Service Area Network. Nothing in this paragraph 8 is intended to obligate Sprint PCS to provide switching services for Manager's GSM-based Service Area Network after December 31, 1999.

9. Voluntary Resale of Products and Services. Section 3.5.2 is modified by amending the second sentence of the second paragraph in its entirety to read as follows: "If Manager wants handsets of subscribers of resellers with NPA-NXXs of Manager to be activated, Manager must agree to comply with the terms of the program, including its pricing provisions."

10. Branding and Retail Store Presentation.

(a) Except as expressly provided below in this paragraph 10, the branding guidelines previously distributed to and reviewed by Manager (the "Full Branding Guidelines") shall apply to Manager and all of Manager's retail stores. Such guidelines may be changed by Sprint PCS from time to time. Manager must at all times use at least 70% of the customer retail space in its retail stores for the promotion and sale of Sprint PCS Products and Services, but Manager may also sell products and services provided by its Related Parties in its retail stores.

(b) Each of the Winchester retail store and the Harrisonburg retail store may continue to be a Shentel-branded store until such time as Manager no longer has a Related Party that sells cellular products and services from such store. In the event Manager no longer has a Related Party that sells cellular products and services from the Winchester retail store or the Harrisonburg retail store, (a) such store shall thereafter be treated as a retail store described in paragraph 10(a) above and (b) such store may continue to display the Shentel name and logo in accordance with the Full Branding Guidelines or other guidelines adopted or approved by Sprint PCS.

(c) Manager may sell Sprint PCS Products and Services in the customer service facility operated by Shenandoah Telephone Company in Edinburg, Virginia, which customer service facility is not subject to paragraph 10(a) above.

11. Use of Manager's PCS Licenses and GSM Assets. Nothing in the Management Agreement or the Other Sprint Agreements shall prohibit or restrict Manager or its Related Parties from entering into and performing any agreements and arrangements with any third party for the use by such third party of the PCS licenses and GSM-based equipment of Manager and its Related Parties in connection with the operation of a wireless telecommunications network; provided, that (a) none of the Manager's service marks or trademarks shall be used in connection with the sales, marketing and promotion of the products and services of such network, (b) neither

Manager nor any of its Related Parties shall provide sales support to such third-party in connection with the sale of the products and services of such network or customer support services to the customers of such network and (c) neither Manager nor any of its Related Parties shall directly or indirectly own any interest in any such third party or participate in the management or control of the operations of such network, except (i) to the extent required under applicable FCC rules and regulations, and (ii) Manager or its Related Parties may provide equipment maintenance services for such network.

12. Deployment of Cellular by Manager's Related Parties. Neither Manager, nor any of its Related Parties who do not offer cellular service as of the date of the execution of the Management Agreement, may market or sell any cellular products or services. Manager's Related Parties who offer cellular service as of the date of the execution of the Management Agreement (the "Cellular Parties") may continue to provide such service, subject to the following terms and conditions:

(a) the geographic scope of the cellular service will not expand outside of the RSA VA 10 - Frederick, Market 690, Channel Block B2;

(b) unless earlier approved in writing by Sprint PCS, the Cellular Parties will not "substantially convert" (as defined below) any cellular businesses to digital wireless technology, unless such conversion is made under management that is separate and distinct, as described in paragraph 12 (c) below, from that of Manager;

(c) within twelve (12) months after the date of execution of the Management Agreement, the management (i.e., the directors and officers, or their functional equivalent in title and responsibility) of Manager and the Cellular Parties will be separate and distinct, except that the chief executive officer (or such officer's functional equivalent in title or responsibility) may be a part of the management for Manager and the Cellular Parties;

(d) except in the retail stores described in paragraphs 10 (b) and 10 (c) of this Addendum, within twelve (12) months after the date of execution of the Management Agreement, the sales and marketing personnel for the Cellular Parties will cease to be a part of the sales and marketing personnel of Manager and vice versa;

(e) Manager's sales and marketing personnel cannot disclose Sprint PCS proprietary information to parties other than Manager without prior consent from Sprint PCS; and

(f) Manager and the Cellular Parties will at all times have separate agreements with their distributors.

As used in this paragraph 12, "substantially convert" means to offer, sell or distribute any wireless service that uses a digital or dual mode handset that utilizes digital technology deployed on cellular licenses and frequencies within the Service Area. The

prohibition contained in this paragraph does not prohibit the use of digital technology for the delivery or provisioning of analog cellular services that use analog handsets, nor does it prohibit Manager from offering dual mode handsets to cellular customers that send and receive (i) analog cellular products and services utilizing cellular licenses and frequencies and (ii) digital Sprint PCS Products and Services and Manager's Products and Services.

13. Right of Last Offer. Section 3.7 is modified by adding the following parenthetical phrase both between (i) "Service Area Network" and "if Manager decides to use" in the first sentence of the first paragraph and (ii) "for these services" and "and the agreement was not made" in the first sentence of the second paragraph:

> "(other than backhaul services relating to national platform and IT application connections, which Manager must purchase from Sprint as described in Section 3.4)"

14. Termination of License. The following parenthetical phrase is added at the end of the first sentence of Section 11.3.1(a):

> "(except that if the FCC revokes or fails to renew the License because of a breach of this agreement by Sprint PCS, Sprint PCS may not terminate this agreement pursuant to this Section 11.3.1(a))".

15. Non-Renewal Rights of Sprint PCS. Sprint PCS will declare, within one-hundred twenty (120) days after the occurrence of any of the events listed in Section 11.2.2, its intent to exercise its rights under Section 11.2.2.1 or, if applicable, its rights under Section 11.2.2.2.

16. Regulatory Considerations. The "deemed change of control" in Section 11.3.4(b) refers to a determination by the FCC that there has been a change of control of the License resulting from the performance by the parties of their respective obligations under the agreement.

17. Non-termination of Agreement. The following language is added at the end of Sections 11.5.3 and 11.6.4: "but such action does not terminate this agreement".

18. Regulatory Approvals for Transfers. The parties acknowledge that the transfer of either the Operating Assets or the Disaggregated License are subject to obtaining all required regulatory approvals.

19. Changes to Required Disclosures. If any federal law or regulation requires the Manager to disclose financial information that is not provided in the Type II Report, Sprint PCS, upon concurring advice of its then-current independent auditors, will provide Manager with such required information.

20. Regulatory Compliance. The following language is added at the end of the last sentence of the third paragraph of Section 16.1: "; provided, however, that Sprint PCS will bear the cost of any such requested audits and inspections that are made more often than Sprint PCS makes audits or inspections of its own network sites."

21. Transfer of Spectrum.

(a) The first sentence of Section 17.15.5 is amended by (i) deleting the words "or any of the Licenses, including" and replacing such words with "and, in connection therewith," and (ii) adding at the end thereof immediately before the period "and any related agreements".

(b) The following is added at the end of Section 17.15.5:

"Except for (i) intercompany transfers among Sprint's Related Parties and (ii) any transfer of the License that is part of a sale, transfer or assignment of the entire Sprint PCS Network (such transfer described in (i) and (ii), the "Permitted Transfers"), neither Sprint PCS nor any Sprint Related Party shall sell, transfer or assign any of the Licenses, or any spectrum under the Licenses, except as follows:

(A) Sprint PCS may sell, transfer or assign up to ten (10) MHz of spectrum under the Licenses in the aggregate during the term of this agreement to a third party without Manager's consent; provided, that no such sale, transfer or assignment shall relieve Sprint PCS of its obligations under this agreement, the Services Agreement, or any related agreements.

(B) If Sprint PCS determines it wishes to sell, transfer or assign spectrum under the Licenses which, when added together with all prior sales, transfers and assignments of spectrum under the Licenses (other than Permitted Transfers), exceeds 10 MHz of spectrum (such spectrum proposed to be sold, assigned or transferred, the "Offered Spectrum"), then upon receiving any offer to purchase the Offered Spectrum (a "Spectrum Offer"), Sprint PCS agrees to promptly deliver to Manager a copy of such Spectrum Offer. The Spectrum Offer is deemed to constitute an offer to sell to Manager, on the terms set forth in the Spectrum Offer, all but not less than all of the Offered Spectrum. Manager will have a period of sixty (60) days from the date of receipt of the Spectrum Offer to notify Sprint PCS that Manager agrees to purchase the Offered Spectrum on such terms. If Manager timely agrees in writing to purchase the Offered Spectrum, the parties will proceed to consummate such purchase not later than the one

hundred eightieth (180th) day after the date of Manager's receipt of the Spectrum Offer. If Manager does not agree within the sixty (60) day period to purchase the Offered Spectrum, Sprint PCS will have the right, for a period of one hundred twenty (120) days after such sixtieth (60th) day, subject to restrictions set forth in this Section 17, to sell to the person or entity identified in the Spectrum Offer all of the Offered Spectrum on terms and conditions no less favorable to Sprint PCS than those set forth in the Spectrum Offer. If Sprint PCS fails to sell the Offered Spectrum to such person or entity on such terms and conditions within such one hundred twenty (120) day period, Sprint PCS will again be subject to the provisions of this Section 17.15.5(b)(ii) with respect to the Offered Spectrum.

22. Announced Transactions. Section 17.24 is deleted in its entirety.

23. Additional Terms and Provisions. (a) The following phrase is added after the first parenthetical in Section 17.25:

"to which Manager or its Related Parties are a party"

(b) Pursuant to Section 17.25, Manager hereby represents and warrants that (a) that certain Construction and Management Agreement dated as of June 15, 1995, as amended, and (b) that certain Equipment Lease Agreement dated as of June 15, 1995, as amended, are the only contracts and arrangements (either written or verbal) to which Manager or its Related Parties are a party that relate to or affect the rights of Sprint PCS or Sprint under the Management Agreement.

24. Federal Contractor Compliance. A new Section 17.28, the text of which is attached as Exhibit B, is added and incorporated by this reference. When and to the extent required by applicable law, Manager will comply with the requirement of such Section 17.28.

25. Year 2000 Compliance. The following Section 17.29 is added:

"17.29 Year 2000 Compliance. If the Service Area Network or any system used to support the Service Area Network fails to satisfy the Sprint PCS requirements for "Year 2000 Compliance" due to defects or failures in any system or equipment selected by Manager (including systems or third party vendors and subcontractors selected by Manager rather than by Sprint PCS), Manager will, at its own expense, make the repairs, replacements or upgrades necessary to correct the failure. If the Service Area Network or any system used to support the Service Area Network fails to satisfy the Sprint PCS requirements for "Year 2000

Compliance" due to defects or failures in any systems or equipment selected by Sprint PCS (including systems or equipment of third party vendors and subcontractors that Sprint PCS selects and requires Manager to use), Sprint PCS will, at its own expense, make the repairs, replacements or upgrades necessary to correct the failure.

"Year 2000 Compliance" means the functions, calculations, and other computing processes of the Service Area Network (collectively "Processes") that perform and otherwise process, date-arithmetic, display, print or pass date/time data in a consistent manner, regardless of the date in time on which the Processes are actually performed or the dates used in such data or the nature of the date/time data input, whether before, during or after January 1, 2000, and whether or not the date/time data is affected by leap years. To the extent any part of the Service Area Network is intended to be used in combination with other software, hardware or firmware, it will properly exchange date/time data with such software, hardware or firmware. The Service Area Network will accept and respond to two-digit year-date input, correcting or supplementing as necessary, and store, print, display or pass date/time data in a manner that is unambiguous as to century. No date/time data will cause any part of the Service Area Network to perform an abnormally ending routine or function within the Processes or generate incorrect final values or invalid results."

26. Payment of Fees Under Services Agreement. The second sentence of Section 3.1 of the Services Agreement is deleted in its entirety and replaced by the following two sentences:

"Except with respect to fees paid for billing-related services, the monthly charge for any fees based on the number of subscribers of the Service Area Network will be determined based on the number of subscribers as of the 15th day of the month for which the charge is being calculated. With respect to fees paid for billing-related services, the monthly charge for any fees based on the number of subscribers will be based on the number of gross activations in the month for which the charge is being calculated plus the number of subscribers of the Service Area Network on the last day of the prior calendar month."

27. Result of Services Agreement Breach. Sprint PCS agrees not to terminate the Management Agreement for a breach thereof by Manager that results directly from Sprint PCS's failure to perform its obligations under the Services Agreement so long as Manager has notified Sprint PCS, within ten (10) days after Manager discovers a breach, of Sprint PCS's failure to perform such obligations.

28. Definition of Operating Assets. The definition of "Operating Assets" in the Schedule of Definitions is amended to remove the Phrase "or its Related Parties" as such phrase appears throughout said definition. The following sentences are added after the second sentence in the definition of "Operating Assets" in the Schedule of Definitions: "`Operating Assets' includes any contracts or agreements between Manager and its Related Parties that are necessary to operate the Service Area Network. 'Operating Assets' does not include any logos or trademarks registered to Manager or its Related Parties or any rights of Manager that survive termination of the agreement."

29. Trademark License Agreements Changes. The following sentence is added at the end of Section 2.3 to both Trademark License Agreements: "Licensor shall advise Licensee periodically as to the appropriate designations for each Licensed Mark." Section 11.5 of both Trademark License Agreements are amended by adding at the end of the first sentences thereof "which incorporate the Licensed Marks".

30. Changes to Exhibit 11.8. The following changes are made to Exhibit 11.8:

(a) The definition "Operating Assets" in paragraph 1.1.1 is deleted in its entirety.

(b) Paragraph 1.7 is amended to read in its entirety as follows:

"Title Insurance. This paragraph 1.7 will apply if the Property includes any real estate property (including leasehold interests) ("Real Property"), but with respect to leasehold interests, only to the extent title insurance is available."

(b) Paragraph 1.8 is amended to read in its entirety as follows:

"Survey. This paragraph 1.8 will apply if the Property includes any Real Property, but with respect to leasehold interests, only to the extent surveys are available."

(c) Paragraph 1.9.8 is modified by adding the phrase: "To the knowledge of Seller," at the beginning of the paragraph.

(d) Paragraph 1.9.11 is amended by replacing the term "five (5)" with the term "three (3)".

(f) Paragraph 1.16.2 is amended by adding the following phrase at the end of the first sentence: "offered by Sprint PCS as of the date of termination of the Management Agreement."

EXHIBIT 10.8

Exhibit A

Exhibit 2.6

Asset Purchase Agreement

EXHIBIT 10.8

Exhibit B

Section 17.28. Federal Contractor Compliance.

(1) The Manager will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Manager will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Manager agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Manager will, in all solicitations or advertisements for employees placed by or on behalf of the Manager, state that all qualified applicants will receive considerations for employment without regard to race, color, religion, sex, or national origin.

(3) The Manager will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Manager's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Manager will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The Manager will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Manager's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part and the Manager may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Manager will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Manager will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance. Provided, however, that in the event a Manager becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency the Manager may request the United States to enter into such litigation to protect the interests of the United States.

(8) In consideration of contracts with Sprint PCS, the Manager agrees to execute the Certificate of Compliance attached hereto as Attachment I and further agrees that this certification shall be part of each contract between Sprint PCS and Manager. The Manager will include Attachment I in every subcontract or purchase order, so that such provisions will be binding upon each subcontractor.

EXHIBIT 10.8

Attachment I

CERTIFICATE OF COMPLIANCE WITH
FEDERAL REGULATIONS

In consideration of contracts with SPRINT SPECTRUM L.P., the undersigned "contractor", "vendor" or "consultant" agrees to the following and further agrees that this Certification shall be a part of each purchase order, supply agreement, or contract between SPRINT SPECTRUM L.P. and the undersigned.

1. Equal Opportunity

Executive Order 11246 is herein incorporated by reference.

2. Affirmative Action Compliance

If undersigned Contractor has 50 or more employees and if this contract is for $50,000 or more, Contractor shall develop a written Affirmative Action Compliance Program for each of its establishments, as required by rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2).

3. Affirmative Action for Special Disabled and Vietnam Era Veterans

If this contract exceeds $10,000, the undersigned Contractor certifies that the Contractor does not discriminate against any employee or applicant because the person is a Special Disabled or Vietnam Veteran and complies with the rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Vietnam Veterans Readjustment Assistance Act of 1972, as amended.

Contractor hereby represents that it has developed and has on file, at each establishment, affirmative action programs for Special Disabled and Vietnam Era Veterans required by the rules and regulations of the Secretary of Labor (41 CFR 60-250).

4. Affirmative Action for Handicapped Workers

If this contract exceeds $2,500, the undersigned Contractor certifies that the Contractor does not discriminate against any employee or applicant because of physical or mental handicap and complies with the rules, regulations and relevant orders of the Secretary of Labor issued under the Rehabilitation Act of 1973, as amended.

Contractor hereby represents that it has developed and has on file, at each establishment, affirmative action programs for Handicapped Workers required by the rules and regulations of the Secretary of Labor (41 CFR 60-741).

5. Employer Information Report (EEO-1 Standard Form 100)

If undersigned Contractor has 50 or more employees and if this contract is for $10,000 or more, Contractor shall complete and file government Standard Form

100, Equal Employment Opportunity Employer Information Report EEO-1, in accordance with instructions contained therein.

6. Compliance Review

The undersigned Contractor certifies that it has not been subject to a Government equal opportunity compliance review. If the Contractor has been reviewed, that review occurred on _____ (date).

7. Utilization of Small Businesses, Small Disadvantaged Businesses, and Women-Owned Small Business

It is the policy of SPRINT SPECTRUM L.P., consistent with Federal Acquisition Regulations (FAR 52.219-8 and FAR 52.219-13), that small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, and women-owned businesses shall have the maximum practicable opportunity to participate in performing subcontracts under Government contracts for which SPRINT SPECTRUM L.P. is the Government's Prime Contractor. SPRINT SPECTRUM L.P. awards contracts to small businesses to the fullest extent consistent with efficient prime contract performance. The Contractor agrees to use its best efforts to carry out this policy in the award of its subcontract to the fullest extent consistent with the efficient performance of this contract.

Contractor hereby represents that it _____ is _____ is not a small business, _____ is _____ is not a small business owned and controlled by socially and economically disadvantaged individuals, and _____ is _____ is not a small business controlled and operated as a women-owned small business as defined by the regulations implementing the Small Business Act.

If the answer to any of the above is in the affirmative, Contractor will complete SPRINT SPECTRUM L.P. Small/Minority/Women Owned Business Self Certification Form. This form is available from Mr. Ron Gier, Sprint PCS, 4900 Main Street, Kansas City, Missouri 64112.

8. Certification of Nonsegregated Facilities

If this contract is expected to exceed $10,000, the undersigned Contractor certifies as follows:

The Contractor certifies that the Contractor does not or will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location, under its control, where segregated facilities are maintained. The Contractor agrees that a breach of this Certification is a violation of the Equal Opportunity provision of this contract. As used in this Certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other

storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. Contractor further agrees that (except where it has obtained identical certifications from proposed subcontracts for specific time periods) it will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 that are not exempt from the provisions of the Equal Opportunity Clause; and that it will retain such certification in its files.

9. Clean Air and Water

The undersigned Contractor certifies that any facility to be used in the performance of this contract ___ is ___ is not listed on the Environmental Protection Agency List of Violating Facilities.

The undersigned Contractor agrees to immediately notify SPRINT SPECTRUM L.P., immediately upon the receipt of any communication from the Administrator or a designee of the Environmental Protection Agency indicating that any facility that the Contractor proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities. SPRINT SPECTRUM L.P. includes this certification and agreement pursuant to FAR 52-223-1(c) which requires including such paragraph (c) in every nonexempt subcontract.

Contractor:

_____
Company Name

_____
Address

_____
City State Zip

By: _____
Name: _____
Title: _____

EXHIBIT 10.9

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") is made and entered into as of November 5, 1999, by SPRINT SPECTRUM L.P. and its subsidiaries SPRINT SPECTRUM EQUIPMENT COMPANY, L.P. and SPRINT SPECTRUM REALTY COMPANY, L.P., all of which are Delaware limited partnerships (collectively, "Seller"), and SHENANDOAH PERSONAL COMMUNICATIONS COMPANY, a Virginia corporation ("Buyer").

Recitals

A. Seller owns or leases that certain property identified on the attached Exhibit A (each a "Cell Site" and, collectively, the "Cell Sites"), the longitude and latitude location of which are estimated and subject to variations that customarily occur in building out cell sites under a radio frequency plan.

B. Buyer and Seller have entered into that certain Sprint PCS Management Agreement dated November 5,1999 (the "Management Agreement"), to which this Agreement is made an exhibit upon its execution by the parties and that provides, among other things, that Buyer will purchase and Seller will sell the Assets (as defined below), upon the terms and conditions set forth in this Agreement;

Agreements

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement the parties hereto agree as follows:

1. Transfer of Assets. Subject to the terms and conditions of this Agreement, Seller agrees to sell, convey and assign to Buyer, and Buyer agrees to purchase from Seller, all of Seller's right, title and interest in each Cell Site and all assets, rights, benefits and privileges (whether tangible or intangible) related to such Cell Site (collectively, the "Assets"), free and clear from all liens created by the Seller other than the Assumed Liabilities (as defined below). The consummation of this transaction (the "Closing") will occur, subject to the terms and conditions of this Agreement, on the first to occur of either (a) January 31, 2000, or (b) the date on which Manager obtains financing to acquire the Assets (the "Closing Date").

2. Purchase Price. The purchase price for the Assets (the "Purchase Price") will equal the sum of:

   (i) $35,000 per cell site through lease execution;

   (ii) $86,000 per cell site through notice to proceed (i.e., cell site is construction ready); and

   (iii) per cell site constructed as follows:

      (a) $349,000 per cell site tower less than 100 feet tall,

      (b) $396,000 per cell site tower between 100-200 feet tall,

      (c) $357,000 per cell- site tower greater than 200 feet tall,

      (d) $282,000 per cell site co-locate,

      (e) $297,000 per rooftop cell site, or

      (f) $195,000 per build-to-suit cell site.

   Each Cell Site will be allocated to only one stage of development completion, as described above. Cell Sites in a state of partial stage completion will be brought to full completion of such stage by Seller and will be priced accordingly.

   The parties agree that, on or before the Closing Date, they will determine the Purchase Price, based upon the then current stage of development completion of each Cell Site as set forth above, and will allocate the Purchase Price among the Assets accordingly, and neither party will make any claim or treat any item on its tax returns in a manner that is inconsistent with such allocation.

3. Review Period. (a) For a period of three weeks commencing on the date this Agreement is executed by both parties (the "Review Period"), Buyer and its representatives may review such documents and make, or cause to be made by agents or contractors of Buyer's choosing, any and all physical, mechanical, environmental, structural or other inspections of the Assets as Buyer deems appropriate and as maintained in the ordinary course by Seller. For purposes of such review and inspection, Seller will make available to Buyer and Buyer's representatives, all documents and records

relating to the Assets and the Assumed Liabilities, and shall afford Buyer and Buyer's representatives reasonable access to the Assets and Assumed Liabilities, all during normal business hours.

(b) If, in Buyer's reasonable discretion, based upon the results of Buyer's review and inspection of the Assets, Buyer determines that up to, but no more than, three individual Cell Sites are unsatisfactory to Buyer, Buyer may by written notice delivered to Seller within the Review Period, which notice contains a specific description of the unsatisfactory condition, request that such unsatisfactory condition as to such Cell Site(s) be rectified by Seller. Seller will, within 30 days after receiving Buyer's written notice described above, at Seller's election as to each unsatisfactory Cell Site individually, either (i) correct the unsatisfactory condition, (ii) renegotiate with Buyer the Purchase Price only as attributable to such unsatisfactory Cell Site, or (iii) remove the unsatisfactory Cell Site from the Assets, with a

corresponding reduction in the Purchase Price in proportion to the amount thereof attributable to the unsatisfactory Cell Site. If Buyer does not provide the above described notice to Seller within the Review Period, Buyer will be deemed to have waived its rights under this Paragraph 3. In no event will Buyer be relieved of its obligations under this Agreement, with regard to more than three Cell Sites.

4. Assumption of Liabilities. Buyer agrees to assume all liabilities, debts, expenses and obligations of Seller under the contracts and leases related to each and all of the Cell Sites, to the extent that such liabilities, debts, expenses and obligations' relate to and arise during the period after the Closing Date (the "Assumed Liabilities"). Buyer agrees to pay and perform the Assumed Liabilities when due. Buyer's assumption of the Assumed Liabilities does not enlarge any rights of third parties under contracts or arrangements with Buyer or Seller. Nothing in this Agreement prevents Buyer from contesting in good faith any of the Assumed Liabilities.

5. Condition of Assets. It is understood and agreed that Seller is not making and specifically disclaims any warranties or representations of any kind or character, express or implied, with respect to the Assets, including, but not limited to, warranties, or representations as to matters of title (except that Seller represents and warrants that Seller has authority to convey the Assets and Seller has not previously assigned, subleased or otherwise conveyed that Asset to any other party), zoning, tax consequences, physical or environmental conditions, availability of access, operating history or projections, valuation, governmental approvals, governmental regulations or any other matter or thing relating to or affecting the Assets including, without limitation: (i) the value, condition, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose of the Assets; (ii) the manner or quality of the construction or materials incorporated into any of the Assets and (iii) the manner, quality, state of repair or lack of repair of the Assets. Buyer agrees that with respect to the Assets, Buyer has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty of Seller or any agent of Seller other than as specifically set forth in this Agreement. Buyer represents that it is a knowledgeable purchaser and that it is relying solely on its own expertise and that of Buyer's consultants, and that Buyer will conduct such inspections and investigations of the Assets, including, but not limited to, the physical and environmental conditions thereof, and shall rely upon same, and, upon closing, shall assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, may not have been revealed by Buyer's inspections and investigations. Buyer acknowledges and agrees that upon closing, Seller shall sell and convey to Buyer and Buyer shall accept the Assets "as is, where is" with all faults, and Buyer further acknowledges and agrees that

there are no oral agreements, warranties or representations, collateral to or affecting the Assets by Seller, any agent of Seller or any third party. The terms and conditions of this paragraph shall expressly survive the Closing.

6. Damage or Destruction. If prior to the Closing Date, any individual Cell Site or Cell Sites are destroyed or substantially damaged by fire, lightning or any other cause, or are taken by eminent domain (or are the subject of a pending or contemplated taking which has not been consummated), Seller will immediately deliver to Buyer written notice of such event or condition, and Buyer will have the option of either (a) retaining any insurance proceeds or proceeds of the taking by eminent domain, or (b) reducing the Purchase Price by the amount thereof attributable to such Cell Site or Cell Sites by delivering written notice thereof to Seller within twenty (20) days after receiving written notice from Seller of such destruction, damage or claim. The risk of loss will be borne by Seller until the Closing Date.

7. Closing. On the Closing Date:

(a) Seller and Buyer shall execute and deliver to each other an Assignment, Assumption and Bill of Sale in the form attached hereto as Exhibit B;

(b) Buyer shall pay the Purchase Price to Seller in immediately available funds;

(c) Buyer shall provide copies of all necessary consents; if any, for the conveyance or assignment of the Assets.

If Buyer is unable to obtain from a landlord a release of Seller from its obligations under a particular lease, then Seller shall continue to administer the lease and Buyer will pay to Seller, on a monthly basis, an amount equal to $200 per month per lease until such time as the landlord grants a release to Seller.

Buyer is responsible for paying or causing to be paid all transfer, stamp, recording, sales, use, excise or similar taxes, fees or duties payable in connection with the sale, assignment or conveyance of Seller's interest in and to the Assets and Buyer's assumption of the Assumed Liabilities.

Buyer is also responsible for reporting all taxable property to the appropriate taxing authority for ad valorem tax purposes. Buyer will pay as and when due" all taxes, assessments, liens, encumbrances, levies and other charges against the real estate, personal property and intangible property that is sold, transferred, assigned or otherwise conveyer to Buyer pursuant to this Agreement.

8. Further Assurances. Seller will from time to time at the request of Buyer, do, make, execute, acknowledge and deliver all such other instruments of conveyance, assignment, and transfer, in form and substance satisfactory to Seller, as Buyer may reasonably require for the more effective conveyance and transfer of any of the Assets.

9. Indemnification. Breaches of this Agreement by either Buyer or Seller will be a breach for which the non-breaching party is entitled to indemnification in accordance with the terms and conditions and utilizing the procedures set forth in the Management Agreement.

10. Entire Agreement and Binding Effect. This Agreement and the exhibits and schedules attached to this Agreement (which are incorporated by this reference) and the Management Agreement, including all addenda thereto, contain the, entire agreement between the parties hereto with respect to the acquisition of the Assets and the other transactions contemplated herein, and supersedes all prior agreements or understandings between the parties hereto relating to the subject matter hereof.

11. Severability. In the event anyone or more of the provisions contained in this Agreement or any application thereof is invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement and any other application thereof will not in any way be affected or impaired thereby. Paragraph headings herein or in any exhibit hereto have no legal significance and are used solely for convenience of reference.

12. No Other Representations and Warranties. Seller makes no representation or warranty to Buyer with respect to the Assets, except as expressly set forth in this Agreement.

13. Waivers and Notices. Any term or condition of this Agreement may be waived at any time by the party entitled to the benefit thereof by a written instrument. No delay or failure on the part of any party in exercising any rights hereunder, and no partial or single exercise thereof, will constitute a waiver of such rights or of any other rights hereunder. All notices, consents, requests, instructions, . approvals and other communications provided for herein will be validly given, made or served if given, made or served in accordance with the Management Agreement.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which will constitute an original but all of such counterparts taken together will constitute only one Agreement.

15. Governing Law. The internal laws of the State of Missouri (without regard to principles of conflicts of law) govern the validity of this agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

[The remainder of this page has been intentionally left blank.]

IN WI1NESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

SELLER:

SPRINT SPECTRUM L.P.

By: /S/ Bernie Bianchino

Name: Bernie Bianchino
Title: Chief Business Development Officer

SPRINT SPECTRUM EQUIPMENT COMPANY, L.P.

By: /S/ Bernie Bianchino

Name: Bernie Bianchino
Title: Chief Business Development Officer

SPRINT SPECTRUM REALTY COMPANY, L.P.

By: /S/ Bernie Bianchino

Name: Bernie Bianchino
Title: Chief Business Development Officer

BUYER:

SHENANDOAH PERSONAL COMMUNICATIONS COMPANY

By: /S/ Christopher E. French

Name: Christopher E. French
Title: President

ADDENDUM II
TO SPRINT PCS MANAGEMENT AGREEMENT

Manager: Shenandoah Personal Communications Company,
A Virginia corporation

Service Area: Hagerstown, MD-Chambersburg, PA-Martinsburg, WV BTA
Winchester, VA BTA
Harrisonburg, VA BTA
Washington, DC BTA (Jefferson County, WV only)
Harrisburg, PBTA
York-Hanover, PA BTA
Altoona, PA BTA

This Addendum II (this "Addendum"), dated as of August 31, 2000), contains certain additional and supplemental terms and provisions of that certain (a) Sprint PCS Management Agreement entered into as of November 5, 1999, by the same parties as this Addendum, which Management Agreement was further amended by that certain Addendum I entered into as of November 5, 1999 (the Sprint PCS Management Agreement, as amended, being the "Management Agreement"). The terms and provisions of this Addendum control, supersede and amend any conflicting terms and provisions contained in the Management Agreement and the Other Sprint Agreements. Except for express modification made in this Addendum, the Management Agreement and the Other Sprint Agreements continue in full force and effect.

Capitalized terms used and not otherwise defined in this Addendum have the meaning ascribed to them in the Management Agreement. Section and Exhibit references are to Sections and Exhibits of the Management Agreement unless otherwise noted.

The Management Agreement and the Other Sprint Agreements are modified as follows:

1. Transfer of Spectrum. In the event that either (i) Sprint PCS puts the Disaggregated License to Manager pursuant to Section 11.6.2 of the Management Agreement or (ii) Manager purchases the Disaggregated License pursuant to Section 11.5.2 of the Management Agreement, then the NPA-NXXs listed on Exhibit A attached hereto, if then in use by Manager, will be transferred to Manager.

2. Counterparts. This Addendum may be signed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their respective authorized officers as of the date and year first above written.

Sprint Spectrum L.P.

By: /S/ Thomas E. Mateer

Name: Thomas E. Mateer
Title: Vice President - Affiliations

WirelessCo, L.P.

By: /S/ Thomas E. Mateer

Name: Thomas E. Mateer
Title: Vice President - Affiliations

APC PCS, LLC

By: /S/ Thomas E. Mateer

Name: Thomas E. Mateer
Title: Vice President - Affiliations

PhillieCo, L.P.

By: /S/ Thomas E. Mateer

Name: Thomas E. Mateer
Title: Vice President - Affiliations

Sprint Communications Company L.P.

By: /S/ Don A. Jensen

Name: Don A. Jensen
Title: Vice President - Law

Shenandoah Personal
Communications Company

By: /S/ Christopher E. French

Name: Christopher E. French
Title: President

Exhibit A to Addendum II
to Sprint PCS Management Agreement

GSM Codes *	CDMA Codes	Location
717-977	717-404	Chambersburg, PA
301-991	301-992	Hagerstown, MD
301-465	301-462	Myersville, MD
304-279	304-283	Falling Waters, WV
540-671	540-683	Washington, VA
540-664	540-327	Winchester, VA
540-335	540-325	Edinburg, VA
540-435	540-560	Harrisonburg, VA
	717-421	Harrisburg, PA
	717-542	York, PA
	717-386	Carlisle, PA

* Customers assigned GSM Codes were converted to CDMA service.

ADDENDUM III
TO
SPRINT PCS MANAGEMENT AGREEMENT

Manager: Shenandoah Personal Communications Company, a Virginia corporation

Service Area: Hagerstown, MD-Chambersburg, PA-Martinsburg, WV BTA
Winchester, VA BTA
Harrisonburg, VA BTA
Washington DC BTA (Jefferson County, WV only)
Harrisburg, PA BTA
York-Hanover, PA BTA
Altoona, PA BTA

This Addendum III (this "Addendum"), dated as of September 26, 2001), contains certain additional and supplemental terms and provisions of that certain (a) Sprint PCS Management Agreement entered into as of November 5, 1999, by the same parties as this Addendum, which Management Agreement was further amended by that certain Addendum I dated November 5, 1999 and Addendum II dated August 31, 2000 (the Sprint PCS Management Agreement, as amended, being the "Management Agreement"). The terms and provisions of this Addendum control, supersede and amend any conflicting terms and provisions contained in the Management Agreement and the Other Sprint Agreements. Except for express modification made in this Addendum, the Management Agreement and the Other Sprint Agreements continue in full force and effect.

Capitalized terms used and not otherwise defined in this Addendum have the meaning ascribed to them in the Management Agreement. Section and Exhibit references are to Sections and Exhibits of the Management Agreement unless otherwise noted.

The Management Agreement and the Other Sprint Agreements are modified as follows:

1. Revised Build-Out Plan.

(a) Revised Exhibits. The Amended Exhibit 2.1 Build-out Plan Description, Build-out Plan Table, and Build-out Plan Map (Revised Effective September 26, 2001) (the "Amended Exhibit 2.1") attached to this Addendum supersedes and replaces in its entirety the Exhibit 2.1 Build-out Plan Phase Description, Build-out Plan Table, and Build-out Plan Map in the Management Agreement dated November 5, 1999. Amended Exhibit 2.1 includes:

(i) Build-out Plan Table which sets forth the Completion Date and covered population requirements, and

(ii) Build-out Plan Description; and

(iii) Build-out Plan Map.

2. Governing Law and Jurisdiction. (a) Section 17.12 of the Management Agreement, Section 9.11 of the Services Agreement and Section 15.8 of each of the Trademark License Agreements is deleted in its entirety and replaced with the following language:

> Governing Law. The internal laws of the State of Kansas (without regard to principles of conflicts of law) govern the validity of this agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

(b) Paragraphs (a) and (b) of Section 15.13 of each of the Trademark License Agreements are deleted in their entirety and replaced with the following language:

> (a) Each party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any Kansas State court sitting in the County of Johnson or any Federal court of the United States of America sitting in the District of Kansas, and any appellate court from any such court, in any suit action, or proceeding arising out of or relating to this agreement, or for recognition or enforcement of any judgment, and each party hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such Kansas State Court or, to the extent permitted by law, in such Federal court.
>
> (b) Each party hereby irrevocably and unconditionally waives, to the fullest extent it may legally do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement in Kansas State court sitting in the County of Johnson or any Federal court sitting in the District of Kansas. Each party hereby irrevocably waives, to the fullest extent

permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court and further waives the right to object, with respect to such suit, action or proceeding, that such court does not have jurisdiction over such party.

3. Notice address. The address for all entities comprising Sprint PCS on the Notice Address Schedule is changed to the following:

Sprint PCS
6160 Sprint Parkway, Building 9
Overland Park, KS 66251
Telephone: 913-762-7100
Telecopier: 913-762-7102
Attention: President, Sprint PCS

With a copy to

Sprint PCS
6160 Sprint Parkway, Building 9
Overland Park, KS 66251
Telephone: 913-762-7400
Telecopier: 913-762-0920
Attention: General Counsel, Sprint PCS

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their respective authorized officers as of the date and year first above written.

Sprint Spectrum L.P.

By: /S/ Thomas E. Mateer

Thomas E. Mateer
Vice President - Affiliations

WirelessCo, L.P.

By: /S/ Thomas E. Mateer

Thomas E. Mateer
Vice President - Affiliations

APC PCS, LLC

By: /S/ Thomas E. Mateer

Thomas E. Mateer
Vice President - Affiliations

PhillieCo, L.P.

By: /S/ Thomas E. Mateer

Thomas E. Mateer
Vice President - Affiliations

Sprint Communications Company L.P.

By: /S/ Ed Mattix

Ed Mattix
Senior Vice President - Public Affairs

Shenandoah Personal
Communications Company

By: /S/ Christopher E. French

Christopher E. French
President

ADDENDUM IV
TO
SPRINT PCS MANAGEMENT AGREEMENT

Manager: Shenandoah Personal Communications Company, a Virginia corporation

Service Area: Hagerstown, MD-Chambersburg, PA-Martinsburg, WV BTA
Winchester, VA BTA
Harrisonburg, VA BTA
Washington, DC BTA (Jefferson County, WV only)
Harrisburg, PA BTA
York-Hanover, PA BTA
Altoona, PA BTA

This Addendum IV (this "Addendum"), dated as of May 22, 2003, contains certain additional and supplemental terms and provisions of that certain Sprint PCS Management Agreement entered into as of November 5, 1999, by the same parties as this Addendum, which Management Agreement was further amended by that certain Addendum I dated November 5, 1999, Addendum II dated August 31, 2000 and Addendum III dated September 26, 2001 (the Sprint PCS Management Agreement, as amended, being the "Management Agreement"). The terms and provisions of this Addendum control, supersede and amend any conflicting terms and provisions contained in the Management Agreement and the Other Sprint Agreements. Except for express modification made in this Addendum, the Management Agreement and the Other Sprint Agreements continue in full force and effect.

Capitalized terms used and not otherwise defined in this Addendum have the meaning ascribed to them in the Management Agreement. Section and Exhibit references are to Sections and Exhibits of the Management Agreement unless otherwise noted.

The Management Agreement is modified as follows:

1. Transfer of Spectrum - Deleted. Section 1 of Addendum II to the Management Agreement is deleted in its entirety.

2. NPA-NXX-X Transfer. In the event that either (i) Sprint PCS puts the Disaggregated License to Manager pursuant to Section 11.6.2 or (ii) Manager purchases the Disaggregated License pursuant to Section 11.5.2, then the NPA-NXX-Xs then in use by Manager, will be transferred to the Manager. The NPA-NXX-Xs used by Manager will be mutually determined by Sprint and Shenandoah Personal Communications Company in their reasonable discretion.

3. Counterparts. This Addendum may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one agreement.

[the remainder of this page is intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed by their respective authorized officers as of the date and year first above written.

SPRINT SPECTRUM L.P.

By: /S/ Thomas E. Mateer

Thomas E. Mateer,
Vice President - Affiliates/Private Label Services

WIRELESSCO, L.P.

By: /S/ Thomas E. Mateer

Thomas E. Mateer,
Vice President - Affiliates/Private Label Services

APC PCS, LLC

By: /S/ Thomas E. Mateer

Thomas E. Mateer,
Vice President - Affiliates/Private Label Services

PHILLIECO, L.P.

By: /S/ Thomas E. Mateer,

Thomas E. Mateer,
Vice President - Affiliates/Private Label Services

SPRINT COMMUNICATIONS COMPANY, L.P.

By: /S/ Mike Goff

Mike Goff
Vice President - Corporate Brand Management

SHENANDOAH PERSONAL COMMUNICATIONS COMPANY

By: /S/ Christopher E. French

Christopher E. French
President

ADDENDUM V
TO
SPRINT PCS MANAGEMENT AGREEMENT AND
SPRINT PCS SERVICES AGREEMENT

Amending these agreements further and restating certain paragraphs in Addenda I and IV

Dated as of January 30, 2004

Manager: SHENANDOAH PERSONAL COMMUNICATIONS COMPANY

Service Area BTAs: Altoona, PA #12
Hagerstown, MD-Chambersburg, PA-Martinsburg, WV #179
Harrisburg, PA #181
Harrisonburg, VA #183
Washington, DC (Jefferson County, WV only) #471
Winchester, VA #479
York-Hanover, PA #483

This Addendum V (this "Addendum") contains amendments of the Sprint PCS Management Agreement, the Sprint PCS Services Agreement, the Sprint Trademark and Service Mark License Agreement and the Sprint Spectrum Trademark and Service Mark License Agreement, each of which was entered into on November 5, 1999 by Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., Sprint Communications Company L.P. and Shenandoah Personal Communications Company. The Management Agreement, Services Agreement and Trademark License Agreements were amended by:

(1) Addendum I dated as of November 5, 1999,

(2) Addendum II dated as of August 31, 2000,

(3) Addendum III dated as of September 26, 2001, and

(4) Addendum IV dated as of May 22, 2003.

The purposes of this Addendum are to (1) amend the Management Agreement, the Services Agreement, the Trademark License Agreements and the Schedule of Definitions and restate those paragraphs in the addenda executed previously that amend the Management Agreement, the Services Agreement, the Trademark License Agreements and the Schedule of Definitions (see section A below), and (2) provide cross-references to those paragraphs in addenda executed previously that are not restated in this Addendum (see section B below).

The terms and provisions of this Addendum control over any conflicting terms and provisions contained in the Management Agreement, the Services Agreement, the Trademark License Agreements and the Schedule of Definitions. The Management Agreement, the Services Agreement, the Trademark Licenses Agreements, the Schedule of Definitions and all prior

addenda continue in full force and effect, except for express modifications made in this Addendum. This Addendum does not change the effective date of any prior amendment made to the Management Agreement, the Services Agreement, the Trademark License Agreements or the Schedule of Definitions through previously executed addenda.

Capitalized terms used and not otherwise defined in this Addendum have the meaning ascribed to them in the Schedule of Definitions or in prior addenda. Section and Exhibit references are to sections and Exhibits of the Management Agreement unless otherwise noted.

The parties are executing this Addendum as of the date noted above, but the terms of this Addendum become effective on (the "Effective Date"): (1) January 1, 2004, if on or before January 31, 2004, the Settlement Agreement and Mutual Release between Sprint Spectrum L.P., WirelessCo, L.P., APC PCS, LLC, PhillieCo, L.P., Sprint Communications Company L.P. and Shenandoah Personal Communications Company is executed and delivered, and the payment required under the Settlement Agreement and Mutual Release is paid and received; or (2) the first calendar day of the first calendar month after both of the events described in clause (1) occur, if either of the events in clause (1) occur after January 31, 2004.

On the Effective Date of Addendum V the Management Agreement, the Services Agreement, the Trademark License Agreements and the Schedule of Definitions are amended and restated as follows:

A. New Amendments and Restatement of Previous Amendments to Sprint PCS Agreements.

Management Agreement

1. Access to Service Area Network [Addm I,ss.2]. The last paragraph of section 1.1 is amended to read as follows:

Subject to the terms and conditions of this agreement, including, without limitation, sections 1.9, 9.5 and 12.1.2, Sprint PCS has the right to unfettered access to the Service Area Network to be constructed by Manager under this agreement. The fee to be paid to Manager by Sprint PCS under section 10 is for all obligations of Manager under this agreement.

2. Vendor Purchase Agreements - Software Fees [NEW]. Section 1.3 is amended to read as follows:

Insert: "1.3.1 Discounted Volume-Based Pricing." before the first paragraph.

Insert: "1.3.2 Subscriber and Infrastructure Equipment." before the second paragraph.

Insert: "1.3.3 Exclusive Use." before the third paragraph.

Add a new section 1.3.4 as follows:

1.3.4 Software Fees.

(a) Manager acknowledges that Sprint PCS administers the testing and implementation of the Software (i.e., pushing of the Software) into the Service Area Network.

(b) Sprint PCS, when obtaining software for its own use that is identical to the Software, will use commercially reasonable efforts to obtain a license from vendors providing for the right of Manager to use the Software in connection with telecommunications equipment manufactured by the vendor (collectively the software obtained by Sprint PCS for its own use and the Software that operates on telecommunications equipment manufactured by the vendor are for purposes of this section 1.3.4, the "Vendor Software"; when the term "Vendor Software" is used with respect to Manager, it means only the Software, and not the software used only by Sprint PCS).

(c) Manager will arrange independently with the vendor to obtain a license to the Vendor Software if Sprint PCS cannot reasonably obtain a license for Manager. Any license that Manager obtains from a vendor must require the Vendor Software to be tested in Sprint PCS test beds by Sprint PCS and require Sprint PCS, not the vendor or Manager, to push the Vendor Software to the Service Area Network unless Sprint PCS otherwise consents in advance in writing. Sprint PCS agrees to test the Vendor Software in Sprint PCS test beds within a reasonable period after Manager reasonably requests the tests in writing.

(d) Sprint PCS will:

(i) notify Manager in writing at least 60 days before the date of an automatic renewal of, or Sprint PCS' unilateral act to renew or extend, an agreement that provides Sprint PCS the right to use the Vendor Software, or

(ii) use reasonable efforts to notify Manager in writing before the date Sprint PCS intends to start negotiations with a vendor regarding extension, renewal, pricing or other material terms relating to Sprint PCS' and Manager's right to use the Vendor Software (whether for new Software or renewal of an existing license), and at least 60 days before the date Sprint PCS executes an agreement, extension or renewal.

The notice by Sprint PCS will include the material terms and conditions of any such agreement or negotiations to the extent known at the time of the notice, including the network elements to be covered by the right to use the Vendor Software. Manager must notify Sprint PCS in writing within 30 days after

receiving the notice described in the first sentence of this section 1.3.4(d) if Manager wants Sprint PCS to attempt to obtain or continue the right for Manager to use the Vendor Software. Sprint PCS will renew or negotiate the agreement as if Manager will not be a user of the Vendor Software if Manager does not provide notice to Sprint PCS within the 30-day period. However, Sprint PCS may obtain pricing from the vendor for the Vendor Software that includes Manager as a user if obtaining the pricing does not obligate Manager to be a user.

Sprint PCS will advise Manager upon Manager's reasonable request of the status of the Software negotiations if Manager requested Sprint PCS to obtain or continue the right for Manager to use the Vendor Software under Sprint PCS' agreement with the vendor. Sprint PCS will use commercially reasonable efforts to give Manager notice of the final pricing for the right to use the Vendor Software no less than 20 days before the expected execution or renewal of the agreement; provided that, in any event, Sprint PCS will give Manager notice of the final pricing no less than 10 Business Days before the expected execution or renewal of the agreement. If necessary, Manager agrees to use commercially reasonable efforts to enter into a nondisclosure agreement with the vendor to facilitate providing such final pricing to Manager.

Manager may give Sprint PCS notice by the time set forth in Sprint PCS' notice to Manager (which time will not be less than 10 calendar days after Sprint PCS provides Manager with the final pricing and terms and conditions of such license agreement) that Manager does not intend to use the Vendor Software through the agreement between Sprint PCS and the vendor. If Manager does not give this final notice to Sprint PCS, Manager is deemed to agree to be a user of the Vendor Software through the agreement between Sprint PCS and the vendor and will pay the Allocable Software Fee. Within 15 Business Days after execution of an agreement between Sprint PCS and the vendor, Sprint PCS will provide to Manager a forecast of Manager's Allocable Software Fee, the estimated payment due dates relating to the Allocable Software Fee, and the proportion of Manager's Allocable Software Fee forecast to be due on each payment due date.

Sprint PCS does not have to obtain a license for Vendor Software for Manager, even if Manager requests Sprint PCS to obtain such license, if at any time before execution of the agreements granting the license Sprint PCS reasonably believes that Manager is more likely than not to unreasonably refuse to pay the Allocable Software Fee or Sprint PCS reasonably believes that the Manager is in such financial condition that Manager is more likely than not to be unable to pay the Allocable Software Fee.

If Manager accepts the Vendor Software, Sprint will give Manager, Manager's proportional share of (i) any cash benefits relating specifically to the Vendor Software that Sprint PCS obtains from the vendor, and (ii) to the extent reasonably able to be made available to Manager, other benefits, including training, relating specifically to the Vendor Software.

(e) Sprint PCS will pay all Software Fees relating to the Vendor Software to the vendor if Sprint PCS obtains a license from the vendor that provides Manager the right to use the Vendor Software and Manager agrees to pay any applicable Allocable Software Fee in accordance with this section 1.3.4(e). Manager will be deemed to agree to pay any applicable Allocable Software Fee if both:

(i) Manager has notified Sprint PCS that it wants Sprint PCS to attempt to obtain or continue the right for Manager to use the Vendor Software under the third paragraph of section (d), and has not taken the action described in the fifth paragraph of section (d) above to decline obtaining the right to use the Vendor Software through the agreement between Sprint PCS and the vendor, and

(ii) Sprint PCS obtains a license providing for the right of Manager to use the Vendor Software.

Manager will pay Sprint PCS the Allocable Software Fee (as defined below) within 30 days after receipt of an invoice. Sprint PCS will invoice Manager only after Sprint PCS pays the underlying Software Fee to the vendor. The Allocable Software Fee will not include any amount for Software that is the same as or functionally equivalent to any Software (y) that is a component of any service for which a fee is charged under the Services Agreement or (z) for which Sprint PCS otherwise charges Manager under this agreement.

Sprint PCS will calculate the "Allocable Software Fee" as follows:

For each vendor, multiply:

(i) the Net Software Cost of the Software Fees attributable to the Vendor Software for which Sprint PCS has obtained for itself, Manager and Other Managers a license or other right to use, by

(ii) the quotient of:

(A) the number of Customers and Reseller Customers with an NPA-NXX assigned to the Service Area that are assigned to a system using the Vendor Software, as reported in the most recent monthly report that Sprint PCS issues before the date that Sprint PCS prepares an Allocable Software Fee invoice, divided by:

(B) the number of Customers and Reseller Customers that are assigned to any system using the Vendor Software, as reported in the most recent monthly report that

Sprint PCS issues before the date that Sprint PCS prepares an Allocable Software Fee invoice.

(f) Sprint PCS will include with the invoice for the Allocable Software Fee a list of the component charges, if available from the Vendor. The Software Fees that Sprint PCS pays to the vendor will reflect rates no greater than commercial rates negotiated at arms' length, and Sprint will use reasonable efforts to obtain the most favorable rates for the Software. For purposes of clarification, the parties acknowledge the vendor may insist on a comprehensive fee without listing each component, but rather asserting that the fee covers all software necessary to operate the equipment. But Sprint PCS will provide to Manager a description of all the features and functionality in reasonable detail for all Software for which Manager is to pay an Allocable Software Fee.

(g) Manager will not be charged the Allocable Software Fee for the Vendor Software after Manager:

(i) either: (x) does not notify Sprint PCS in writing within the period allowed in the third paragraph of section 1.3.4(d) that Manager desires to have Sprint PCS obtain a right for Manager to use the Vendor Software, or (y) notifies Sprint PCS in writing within the period allowed in the fifth paragraph that it declines to have Sprint PCS obtain such right,

(ii) obtains its own license providing for Manager's right to use the Vendor Software, and

(iii) complies with the requirements of section 1.3.4(h).

(h) Manager will obtain its own license providing for Manager's right to use the Vendor Software from the vendor if Manager elects not to have Sprint PCS attempt to obtain a right for Manager to use the Vendor Software under section 1.3.4(d). Manager will notify Sprint PCS in writing and deliver to Sprint PCS within 10 Business Days after Manager's execution of Manager's separate license, a signed document from the vendor confirming that:

(i) the vendor has provided Manager a separate license for the Vendor Software and the term of that license, which term with appropriate renewal rights, must be at least as long as the license Sprint PCS has from the vendor,

(ii) the fees paid by Manager to the vendor reflect commercial rates negotiated at arms' length,

(iii) the Vendor Software covered by Manager's license provides the usage and functionality necessary for Manager to

operate the Service Area Network in compliance with the Sprint PCS Technical Program Requirements, and

(iv) the Vendor Software may be tested in Sprint PCS test beds by Sprint PCS and will be pushed to the Service Area Network by Sprint PCS, not the vendor or Manager, unless Sprint PCS otherwise consents in advance in writing. Sprint PCS agrees to test the Vendor Software in Sprint PCS test beds within a reasonable period after Manager reasonably requests in writing.

3. Interconnection [NEW]. Section 1.4 is amended to read as follows:

If Manager desires to interconnect a portion of the Service Area Network with another carrier and Sprint PCS can interconnect with that carrier at a lower rate, then to the extent that applicable laws, tariffs and agreements permit, Sprint PCS will use commercially reasonable efforts to arrange for the interconnection under its agreements with the carrier within a commercially reasonable period. Sprint PCS will bill the interconnection fees to Manager at the actual cost paid by Sprint PCS to the carrier.

4. Forecasting [NEW]. Section 1.6 is amended to read as follows:

1.6 Forecasting. Manager and Sprint PCS will work cooperatively to generate mutually acceptable forecasts of important business metrics that they agree upon. The forecasts are for planning purposes only and do not constitute either party's obligation to meet the quantities forecast.

5. Financing [Addm I, ss.3].

(a) Section 1.7 is amended to read as follows:

1.7 Financing. The construction and operation of the Service Area Network requires a substantial financial commitment by Manager. The manner in which Manager will finance the build-out of the Service Area Network and provide the necessary working capital to operate the business is described in detail on Exhibit 1.7. Manager will allow Sprint PCS an opportunity to review before filing any registration statement or prospectus or any amendment or supplement thereto and before distributing any offering memorandum or amendment or supplement thereto, and will not file or distribute any such document if Sprint PCS reasonably objects in writing on a timely basis to any portion of the document that refers to Sprint PCS, its Related Parties, their respective businesses, this agreement or the Services Agreement.

(b) Section 3(b) of Addendum I is deleted.

6. Ethical Conduct and Related Covenants [Addm I, ss.4]. Section 1.8 is deleted.

7. Information [NEW]. Section 19 of Addendum I is deleted. A new section 1.9 is added to the Management Agreement.

1.9 Access to Information.

1.9.1 Network Operations. Manager and Sprint PCS will have access to, and may monitor, record or otherwise receive, information processed through equipment, including switches, packet data switching nodes and cell site equipment, that relates to the provision of Sprint PCS Products and Services or to the provision of telecommunications services to Reseller Customers in the Service Area Network, if the access, monitoring, recording or receipt of the information is accomplished in a manner that:

(i) Does not unreasonably impede Manager or Sprint PCS from accessing, monitoring, recording or receiving the information,

(ii) Does not unreasonably encumber Manager's or Sprint PCS' operations (including, without limitation, Sprint PCS' real-time monitoring of the Sprint PCS Network status, including the Service Area Network),

(iii) Does not unreasonably threaten the security of the Sprint PCS Network,

(iv) Does not violate any law regarding the information,

(v) Complies with technical requirements applicable to the Service Area Network,

(vi) Does not adversely affect any warranty benefiting Manager or Sprint PCS (e.g., software warranties), and

(vii) With respect to the information processed through Manager's equipment, including its switches, does not result in a material breach of any agreement regarding the information (e.g., national security agreements).

Sprint PCS and Manager will immediately notify the other party and reasonably cooperate to establish new procedures for allowing both Manager and Sprint PCS to access, monitor, record and receive the information in a manner that meets the criteria in clauses (i) through (vii) above if either Manager or Sprint PCS reasonably determines that the other party is accessing, monitoring, recording or receiving the information described in this section 1.9.1 in a manner that does not meet the criteria in clauses (i) through (vii) above. For the avoidance of doubt, all such information will be deemed Confidential Information under section 12.2.

Manager owns the information processed through its equipment and regarding the performance of its equipment, except the Customer information owned by Sprint PCS as described in section 1.9.2. Each of Manager and Sprint PCS may use the information obtained under this section 1.9.1 for any reasonable internal business purpose, during the term of and after termination of this agreement, the Services Agreement and the Trademark License Agreements, so long as the use would be in accordance with those agreements if those agreements were still in effect.

1.9.2 Customer Information. Manager is entitled to receive information Sprint PCS accesses, monitors, compiles, records or receives concerning the Service Area Network or the Customers with NPA-NXXs assigned to Manager's Service Area, subject to the terms of this section 1.9.2 and section 1.9.3 and Manager's compliance with CPNI requirements imposed by the FCC and any other legal requirements applicable to the information.

Sprint PCS will provide the information in the format that Manager requests at no additional charge to Manager if Sprint PCS accesses, monitors, compiles, records, receives or reports for its own use the information specific to Manager that Manager requests in the same format as Manager requests. Sprint PCS will use commercially reasonable efforts to provide the information within 5 Business Days.

Sprint PCS will provide the information in the format that Manager requests if Sprint PCS accesses, monitors, compiles, records, receives or reports for its own use the information that Manager requests, but not in the same format that Manager requests, if Manager agrees to pay or reimburse Sprint PCS for the costs Sprint PCS reasonably incurs to reformat the information into the format requested by Manager. Sprint PCS will use commercially reasonable efforts to provide such requested information within 15 Business Days.

If Sprint PCS accesses, monitors, compiles, records or receives the information requested by Manager, but not in the same format that Manager requests, then Sprint PCS will provide the requested information as raw data, if:

(i) Sprint PCS chooses not to provide the information as described in the preceding paragraph, and

(ii) Manager agrees to pay or reimburse Sprint PCS for the costs Sprint PCS reasonably incurs.

Sprint PCS will use commercially reasonable efforts to provide the raw data within 15 Business Days.

Sprint PCS owns the information regarding the Customers as it pertains to the use of a Sprint communications service subscribed to by any Customer. Each of Manager and Sprint PCS may use the information obtained

under this section 1.9.2 during the term of and after termination of this agreement, the Services Agreement and the Trademark License Agreements so long as the use would be in accordance with those agreements if those agreements were still in effect.

1.9.3 Limitations and Obligations. Sprint PCS does not have to provide any information that Manager reasonably requests under this agreement or the Services Agreement that:

(i) Manager can obtain itself in accordance with section 1.9.1 (if Sprint PCS has provided Manager with any necessary specifications requested by Manager as to how to obtain the information), unless Sprint PCS already has the information in its possession and has not previously delivered it to Manager,

(ii) Sprint PCS no longer maintains,

(iii) Manager has already received from Sprint PCS or its Related Parties,

(iv) Sprint PCS does not access, monitor, record, receive or report, or

(v) Sprint PCS must make system modifications to provide the raw data, including without limitation modifying or adding data fields or modifying code.

Sprint PCS will provide Manager a copy of the then-current Sprint PCS document retention policy from time to time upon reasonable request.

1.9.4 Contracts. Sprint PCS will disclose to Manager the relevant terms and conditions of any agreement between Sprint PCS and any third party:

(i) with which Manager must comply, directly or indirectly, under the Management Agreement, the Services Agreement or any Program Requirement,

(ii) from which Manager is entitled to any benefit, or

(iii) that relate to any pass-through amounts that Sprint PCS charges Manager under this agreement or Settled-Separately Manager Expenses under the Services Agreement.

In each case Sprint PCS' disclosure will be in sufficient detail to enable Manager to determine the obligations or benefits with which Manager must comply or benefit or the charges or expenses to be paid by Manager. Sprint PCS may provide to Manager copies of the agreements or the relevant terms and conditions of such

agreements in electronic format upon notice to Manager, including by posting the copies or relevant terms and conditions to a secure website to which Manager has access. Once each calendar year and from time to time when a change is effected to any relevant term or condition, Manager may request copies of the agreements that are not posted to the secure website or whose relevant terms and conditions are not posted to the secure website.

Sprint PCS will provide a copy of the agreement to Manager to the extent permissible by the terms of the agreement. Sprint PCS will allow Manager or its representatives to review a copy of the agreement to the extent permissible by the agreement if the agreement prohibits Sprint PCS from providing Manager a copy. Sprint PCS will satisfy the requirements of this section 1.9.4 if it chooses to provide a copy of the agreement in electronic form on a server that Sprint PCS designates. Sprint PCS will use commercially reasonable efforts to obtain the right from the third party, if required, to provide a complete copy to Manager of any agreement between Sprint PCS and any third party of the type described in this section 1.9.4.

8. Most Favored Nation [NEW]. A new section 1.10 is added to the Management Agreement:

1.10 Subsequent Amendments to Other Managers' Management Agreements and Services Agreements. Manager has the right to amend the terms in its Management Agreement and Services Agreement as described in this section 1.10 if during the period beginning on the date of this Addendum and ending December 31, 2006, any of the terms of an Other Manager's Management Agreement or Services Agreement are amended in any manner for any reason to be more favorable to the Other Manager than the terms of Manager's Management Agreement or Services Agreement are to Manager, subject to the following:

(a) Manager must elect to accept all, but not less than all, of the terms of the Other Manager's Management Agreement and Services Agreement agreed to since the Effective Date (including accepting existing terms that relate to the changes or terms that were previously changed and not previously accepted by Manager but that remain a part of the latest version of the Other Manager's agreement) (collectively, but excluding the changes described in paragraphs (b) and (c) below, the "Overall Changes").

(b) Manager will not be required to accept any changes involving payment of specific disputed amounts arising under the Management Agreement or Services Agreement of the Other Manager, and

(c) No amendments in Manager's Management Agreement and Services Agreement will be made to reflect changes made in an Other Manager's Management Agreement and Services Agreement if such changes are:

(i) made solely because the Other Manager owns spectrum on which all or a portion of its network operates, unless the Other Manager acquired this spectrum from Sprint PCS or its Related Parties after the Effective Date, or

(ii) compelled by a law, rule or regulation that applies to the Other Manager, but not to Manager, or

(iii) made solely to modify the build-out plan.

Sprint PCS will prepare and deliver to Manager either an addendum containing the Overall Changes that have been made to the Other Manager's agreements in all of its addenda or copies of the Other Manager's amended and restated Management Agreement, Services Agreement and Trademark License Agreements (in each case redacted to protect the identity of the Other Manager) within 10 Business Days after the later of (i) the effective date of the amendment or other instrument containing these changes, and (ii) the date of the amendment or other instrument. Manager then has 30 days to notify Sprint PCS that Manager wants the Overall Changes.

If Manager does not notify Sprint PCS in this 30-day time period in writing that it wants the Overall Changes, no changes will be made in the agreements between Manager and Sprint PCS and Manager will be deemed to have waived its rights under this section 1.10 with respect to the Overall Changes.

If Manager notifies Sprint PCS within the 30-day time period in writing that it wants the Overall Changes, Sprint PCS will prepare, execute and deliver to Manager an addendum reflecting the Overall Changes. The new addendum will have the same effective date as the addendum or the restated Management Agreement, Services Agreement and Trademark License Agreements between Sprint PCS and the Other Manager that gave rise to the new addendum. Manager will have 15 days to review the new addendum and notify Sprint PCS if Manager determines any inaccuracies are reflected in the new addendum. Sprint will correct those inaccuracies and provide a corrected new addendum to Manager within 10 Business Days after Manager's notification.

No changes will be made in the agreements between Manager and Sprint PCS if Manager does not execute and return the signed addendum within 30 days after receipt of the signed addendum (or the corrected signed addendum, if applicable, pursuant to the previous paragraph), in which case Manager will be deemed to have waived its rights under this section 1.10 with respect to the Overall Changes contained in the addendum presented.

If Manager and Sprint PCS disagree as to whether the terms of the signed addendum accurately reflect the Overall Changes, then the parties will submit to binding arbitration in accordance with section 14.2, excluding the escalation

process set forth in section 14.1. If the arbiter rules in favor of Manager, then Sprint PCS will make changes to the signed addendum that are necessary to reflect the arbiter's ruling, submit the revised signed addendum to Manager within 10 days after receipt of the arbiter's ruling and pay all of Manager's expenses and attorneys' fees related to the arbitration. If the arbiter rules in favor of Sprint PCS, then Manager may: (i) execute the signed addendum as proffered to Manager within 10 days after Manager's receipt of the arbiter's ruling or (ii) decline to accept the addendum and pay all of Sprint PCS' expenses and attorneys' fees related to the arbitration.

The parties acknowledge that Sprint PCS can disclose to Manager who the Other Manager is that gave rise to the proposed addendum only if the Other Manager agrees to the disclosure.

Sprint PCS represents and warrants to Manager that this Addendum V in all material respects reflects the terms of the most recently executed addendum between an Other Manager and Sprint PCS to implement the new simplified pricing and cash settlement process and the other modifications to the Management Agreement, the Services Agreement, the Trademark License Agreements and the Schedule of Definitions, except for the provisions in this Addendum V that have been revised because of negotiations between Sprint and Manager.

9. Revised Build-Out Plan. [Addm III, ss.1; revised by this Addendum]. The Exhibit 2.1 Build-out Plan Phase Description, Build-out plan Table, and Build-Out Plan Map in the Management Agreement dated November 5, 1999, was: (a) amended by the Amended Exhibit 2.1 Build-out Plan Description, Build-out Plan Table, and Build-out Plan Map (revised effective September 26, 2001) attached to Addendum III and (b) supplemented on July 17, 2002, by a supplemental Build-out Plan Description and a new Build-out Map through the Build-out Plan Approval Process. Sprint PCS acknowledges that Manager has complied with all of the Build-out Plan requirements as of the Effective Date of this Addendum V. Any additional Build-out Plan requirements will be subject to section 2.5.

10. Exclusivity of Service Area [Addm I, ss.5]. Section 2.3 is amended to read as follows:

2.3 Exclusivity of Service Area. Manager will be the only person or entity that is a manager or operator for Sprint PCS with respect to the Service Area and neither Sprint PCS nor any of its Related Parties will own, operate, build, manage or contract with any other person or entity to own, operate, build or manage another wireless mobility communications network in the Service Area so long as this agreement remains in full force and effect and there is no Event of Termination that has occurred giving Sprint PCS the right to terminate this agreement, except that:

(a) Sprint PCS may cause Sprint PCS Products and Services to be sold in the Service Area through the Sprint PCS National Accounts Program

Requirements and Sprint PCS National or Regional Distribution Program Requirements;

(b) A reseller of Sprint PCS Products and Services may sell its products and services in the Service Area so long as such resale is not contrary to the terms and conditions of this agreement; and

(c) Sprint PCS and its Related Parties may engage in the activities described in sections 2.4(a) and 2.4(b) with Manager in the geographic areas within the Service Area in which Sprint PCS or any of its Related Parties owns an incumbent local exchange carrier as of the date of this agreement.

11. Coverage Enhancement [New]. Section 2.5 is replaced by the following language:

2.5 Manager's Right of First Refusal For New Coverage Build-out. Sprint PCS grants to Manager the right of first refusal to build-out New Coverage. Sprint PCS will give to Manager a written notice of a New Coverage within the Service Area that Sprint PCS decides should be built-out. Manager must communicate to Sprint PCS within 90 days after receipt of the notice whether it will build-out the New Coverage, otherwise Manager's right of first refusal terminates with regard to the New Coverage described in the notice.

If Manager decides to build-out the New Coverage, then Manager and Sprint PCS will diligently negotiate and execute an amendment to the Build-out Plan and proceed as set forth in sections 2.1 and 2.2. The amended Build-out Plan will contain critical milestones that provide Manager a commercially reasonable period in which to implement coverage in the New Coverage. In determining what constitutes a "commercially reasonable period" as used in this paragraph, the parties will consider several factors, including local zoning processes and other legal requirements, weather conditions, equipment delivery schedules, the need to arrange additional financing, and other construction already in progress by Manager. Manager will construct and operate the network in the New Coverage in accordance with the terms of this agreement. For avoidance of doubt, the New Coverage area will be included in the Service Area Network.

If Manager declines to exercise its right of first refusal or Manager fails to build out the New Coverage in accordance with the amended Build-out Plan, then Sprint PCS may construct the New Coverage itself or allow a Sprint PCS Related Party or an Other Manager to construct the New Coverage. Sprint PCS has the right, in a New Coverage that it constructs or that a Sprint PCS Related Party or an Other Manager constructs, to manage the network, allow a Sprint PCS Related Party to manage the network, or hire an Other Manager to operate the network in the New Coverage. Any New Coverage that Sprint PCS, a Sprint PCS Related Party or an Other Manager builds out is deemed removed from the Service Area

and the Service Area Exhibit is deemed amended to reflect the change in the Service Area.

Notwithstanding the preceding paragraphs in this section 2.5, the capacity and footprint parameters contained in the amended Build-out Plan will not be required to exceed the parameters adopted by Sprint PCS in building out all of its comparable service area, unless such build-out relates to an obligation regarding the Service Area Network mandated by law. When necessary for reasons related to new technical standards, new equipment or strategic reasons, Sprint PCS decides that New Coverage within the Service Area should be built-out concurrently with Sprint PCS' build-out, Sprint PCS will reimburse Manager for its costs and expenses if Sprint PCS discontinues its related build-out.

If Manager does not exercise its right of first refusal with respect to a New Coverage, Manager's right of first refusal does not terminate with respect to the remainder of the Service Area.

At Manager's request, Sprint PCS and Manager will discuss Manager's interest in expanding its Service Area and its build-out plans with respect to the expanded area.

12. Long-Distance Pricing [NEW]. Section 7 of Addendum I is deleted. Additionally, section 3.4 of the Management Agreement is amended to read as follows:

3.4 IXC Services.

3.4.1. Customer Long Distance. Sprint PCS and Manager will from time to time mutually define local calling areas in the Service Areas of Manager that Sprint PCS and Manager will use to determine when a customer will be billed for a "long distance call" under the applicable rate plan of the Customer. The parties acknowledge that these local calling areas (i) may change in geographic scope in response to competitive pressures or perceived market opportunities, and (ii) may not be able to be changed because of regulatory, industry, or system limitations. The parties will not use local calling areas to determine "long distance telephony services" under section 3.4.2. If the parties cannot agree on the extent of the local calling area they will resolve the matter through the dispute resolution process in section 14.

3.4.2. Long Distance Services

(a) Required purchase. Manager must obtain (i) long-distance telephony services through Sprint PCS or its Related Parties to provide long-distance service to users of the Sprint PCS Network and (ii) telephony services through Sprint PCS or its Related Parties to connect the Service Area Network with the national platforms that Sprint PCS uses to provide services to Manager under this agreement or the Services Agreement. The term "long distance telephony service" means any

inter-LATA call for purposes of section 3.4.2 as it relates to long-distance telephony services provided to users of the Sprint PCS Network.

(b) Pricing and procedure. Sprint PCS will purchase for Sprint PCS, Manager and Other Managers telephony services used in the Sprint PCS Network from Sprint Communications Company L.P. or its Related Parties ("SCCLP") as described in section 3.4.2(a) above. Sprint PCS will purchase these telephony services at a price and terms at least as favorable to Sprint PCS, Manager and the Other Managers (considering Sprint PCS, Manager and the Other Managers as a single purchaser) as the best prices and terms SCCLP offers to any wholesale customer of SCCLP in similar situations when taking into account all relevant factors (e.g., volume, peak/off-peak usage, length of commitment). Sprint PCS will pay the invoice from SCCLP, except for items that SCCLP directly bills under section 3.4.2(c). Sprint PCS will bill long-distance telephony services to Manager as an activity settled separately under the Services Agreement the portion of the fees billed to Sprint PCS that relate to Manager's operations and the activity of all Customers and Reseller Customers in the Service Area, except for items SCCLP directly bills under section 3.4.2(c). Sprint PCS will recover charges associated with telephony services described in section 3.4.2(a)(ii) within the CCPU Services under the Services Agreement.

If Sprint Corporation no longer has its "PCS" tracking stock, Sprint PCS will include the volume of telephony services of Manager and Other Managers with the volume of Sprint PCS when negotiating the Sprint PCS rate with the long distance division of Sprint Corporation (currently SCCLP). The long distance division will continue to provide telephony services to Sprint PCS for a price and upon terms based on the same relevant factors described in the preceding paragraph and in the same manner that it has under the present tracking stock policy.

(c) Call routing. Manager, acting as a single purchaser, may purchase private line capacity (or other forms of capacity) from SCCLP for inter-LATA calls to the extent that this capacity can be obtained on terms more favorable to Manager (acting as a single purchaser). SCCLP will sell that capacity to Manager at the best price that SCCLP offers to third parties in similar situations when taking into account all relevant factors. SCCLP will directly bill Manager for any purchase by Manager of capacity under this section 3.4.2(c). The terms of section 1.3 do not apply to purchases of capacity in this section 3.4.2(c).

(d) Pre-existing agreement. If before the date Addendum V to this agreement is signed, Manager is bound by an agreement for long distance services or an agreement for private line service and the agreement was not made in anticipation of this agreement or Addendum V, then the requirements of this section 3.4.2 do not apply during the term of the other agreement. If the other agreement terminates for any reason, then the requirements of this section 3.4.2 do apply from and after the termination.

(e) Resale. Manager may not resell the long-distance telephony services acquired under this section 3.4.2. For purposes of clarification, resale under this section 3.4.2(e) includes Manager selling minutes to carriers for ultimate resale to end users under a brand other than "Sprint" or selling minutes to end users under a brand other than "Sprint". Manager may engage in the following activities (i.e., these activities are not treated as resale of long-distance telephony services):

(1) the transport of long-distance calls for Customers under section 3.4.2(a),

(2) the transport of long-distance calls for resellers under section 3.5, and

(3) the transport of long-distance calls for roaming under section 4.3.

13. Voluntary Resale of Products and Services [Addm I, ss.9]. The second sentence of the second paragraph of section 3.5.2 is amended to read as follows: "If Manager wants handsets of subscribers of resellers with NPA-NXXs of Manager to be activated, Manager must agree to comply with the terms of the program, including its pricing provisions."

14. Intra-LATA Calls and Backhaul Services [NEW]. Section 13 of Addendum I is deleted. Additionally, section 3.7 of the Management Agreement is amended to read as follows:

3.7 Intra-LATA Calls and Backhaul Services. Manager, acting as a single purchaser, may purchase capacity (including private line capacity) from SCCLP for (a) intra-LATA calls and (b) backhaul services. SCCLP will sell that capacity to Manager at the best price that SCCLP offers to third parties in similar situations when taking into account all relevant factors.

Manager will offer to Sprint PCS or one of its Related Parties the right to make to Manager the last offer to provide capacity for (a) intra-LATA calls and (b) backhaul services for the Service Area Network if:

(i) Manager decides to use third parties for (a) intra-LATA calls and (b) backhaul services rather than self-provisioning the capacity or purchasing the capacity from Related Parties of Manager, and

(ii) Sprint PCS or one of its Related Parties has provided evidence to Manager that SCCLP or one of its Related Parties has facilities to provide the capacity requested.

Manager will deliver to Sprint PCS the terms under which the third party will provide the capacity. For the avoidance of doubt, such information will be deemed Confidential Information under section 12.2. Sprint PCS or one of its Related Parties will have a reasonable time to respond to Manager's request for last

offer to provide pricing for capacity for (a) intra-LATA calls and (b) backhaul services, which will be no greater than 5 Business Days after receipt of the request for the pricing and the third party's terms from Manager. Manager will acquire capacity for (a) intra-LATA calls and (b) backhaul services from Sprint PCS or one of its Related Parties if Sprint PCS or one of its Related Parties offers Manager pricing and other terms for (a) intra-LATA calls and (b) backhaul services for the Service Area Network that matches the terms, including pricing, or is better than the terms and lower than the pricing offered by the third party. For purposes of this section 3.7, the term "backhaul" means the provision of services from a cell site of Manager to the corresponding switch associated with the cell site. For avoidance of doubt, backhaul includes both inter-LATA and intra-LATA services.

If Manager has an agreement for these services in effect as of the date Addendum V is signed and the agreement was not made in anticipation of this agreement or Addendum V, then the requirements of this section 3.7 do not apply during the term of the other agreement. If the other agreement terminates for any reason, then the requirements of this section 3.7 do apply from and after the termination.

The requirements of this section 3.7 do not apply at any time with respect to such services so long as such services are provided by a Related Party of Manager or by Valley Network Partnership and so long as Sprint PCS or Manager is a partner of Valley Network Partnership.

15. Sprint PCS Roaming and Inter Service Area Program Requirements [NEW]. The second paragraph of section 4.3 is amended to read as follows:

Section 10.4.1 sets forth the settlement process that distributes between the members making up the Sprint PCS Network (i.e., Sprint PCS, Manager and all Other Managers) a fee for use of the Sprint PCS Network and the Service Area Network (the "Inter Service Area Fee").

16. Changes to Program Requirements [NEW].

(a) The first sentence of section 9.2(e) is amended to read as follows:

Manager must implement any changes in the Program Requirements within a commercially reasonable period of time unless Sprint PCS otherwise consents, subject to section 9.3.

(b) The last sentence of section 9.2 is amended to read as follows:

Subject to Sprint PCS' obligation to reimburse Manager under section 9.3, any costs and expenses incurred by Manager in connection with conforming to any change to the Program Requirements during the term of this agreement are the responsibility of Manager.

(c) Section 9.3 is amended to read as follows:

9.3 Manager's Rights regarding Changes to Program Requirements.

9.3.1 Parameters for Required Program Requirement Implementation. (a) Manager may decline to implement a Non-Capital Program Requirement Change if Manager determines that the Non-Capital Program Requirement Change will satisfy any of the following tests:

(A) individually cause the combined peak negative cash flow of Manager to be an amount greater than 3% of Manager's Enterprise Value, or

(B) when combined with original assessments made under clause (A) above of all other Program Requirement Changes that Sprint PCS announced and Manager agreed to implement or Manager otherwise was required to implement in accordance with section 9.3.4, both within the preceding 12 calendar months, cause the combined cumulative peak negative cash flow of Manager to be an amount greater than 5% of Manager's Enterprise Value, or

(C) individually cause a decrease in the forecasted 5-year discounted cash flow of Manager (at Manager's appropriate discount rate) of more than 3% on a combined net present value basis, or

(D) when combined with original assessments made under clause (C) above of all other Program Requirement Changes that Sprint PCS announced and Manager agreed to implement or Manager otherwise was required to implement in accordance with section 9.3.4, both within the preceding 12 calendar months, cause a decrease in the forecasted 5-year discounted cash flow of Manager's (at Manager's appropriate discount rate) of more than 5% on a combined net present value basis.

The term "Non-Capital Program Requirement Change" means a Program Requirement Change that does not require Manager to make any capital expenditures in excess of 5% of Manager's capital budget as approved by the Manager's board of directors for the fiscal year in which the Program Requirement Change is requested, but does not include changes to the Trademark Usage Guidelines, the Marketing Communications Guidelines, and the Sprint PCS National or Regional Distribution Program Requirements.

If Manager declines to implement any Non-Capital Program Requirement Change, Manager must give Sprint PCS within 10 Business Days after Sprint PCS provides Manager with notice of the Program Requirement Change:

(i) written notice that Manager declines to implement the Non-Capital Program Requirement Change, and

(ii) a written assessment of the impact of the Non-Capital Program Requirement Change on Manager using the parameters set forth in subparagraphs (A) through (D) above.

(b) Manager has the right to decline to implement any Capital Program Requirement Change if Manager determines that the Capital Program Requirement Change will have a negative net present value applying a 5-year discounted cash flow model.

The term "Capital Program Requirement Change" means any Program Requirement Change that requires an expenditure of capital by Manager that is greater than 5% of Manager's capital budget as approved by the Manager's board of directors for the fiscal year in which the Program Requirement Change is requested, but does not include changes to the Trademark Usage Guidelines, the Marketing Communications Guidelines, and the Sprint PCS National or Regional Distribution Program Requirements.

If Manager declines to implement any Capital Program Requirement Change, Manager must give Sprint PCS within 10 Business Days after Sprint PCS provides Manager with notice of the Program Requirement Change:

(i) written notice that Manager declines to implement the Capital Program Requirement Change, and

(ii) a written assessment of the impact of the Capital Program Requirement Change on Manager using the parameter set forth above.

Manager must implement a Capital Program Requirement Change if:

(i) the capital requirement associated with such Program Requirement Change is for a network capacity expansion due to a change in a service plan, provided that implementing the Program Requirement Change will not exceed any of the parameters described in section 9.3.1(a), or

(ii) the capital requirement associated with such Program Requirement Change is necessary to comply with network performance standards required under this agreement.

If Manager has the right to decline a Non-Capital Program Requirement Change, Sprint PCS may modify the scope of the Non-Capital Program Requirement Change in all or certain of Manager's markets so that the modified Non-Capital Program Requirement Change does not satisfy any of the tests in

section 9.3.1(a), in which case Manager will implement the modified Non-Capital Program Requirement Change. Section 9.3.2 governs any disagreement between the parties regarding the determination if the Non-Capital Program Requirement Change satisfies any of the tests in section 9.3.1(a).

If Manager has the right to decline a Capital Program Requirement Change, Sprint PCS may modify the scope of the Capital Program Requirement Change in all or certain of Manager's markets so that the modified Capital Program Requirement Change does not satisfy the test in section 9.3.1(b), in which case Manager will implement the modified Capital Program Requirement Change. Section 9.3.2 governs any disagreement between the parties regarding the determination if the Capital Program Requirement Change satisfies the test in section 9.3.1(b).

9.3.2. Disagreement with Assumptions or Methodology. Sprint PCS must notify Manager of any disagreement with Manager's assumptions or methodology within 10 days after its receipt of Manager's assessment under section 9.3.1. Manager will not be required to implement the Program Requirement Change if Sprint PCS fails to notify Manager of any disagreement within this 10-day period unless Sprint PCS requires such compliance under section 9.3.3 below. Either party may escalate the review of the assumptions and methodology underlying the assessment to the parties' respective Chief Financial Officers if Sprint PCS disagrees with Manager's assessment and the parties are unable to agree on the assumptions and methodology within 20 days after Sprint PCS notifies Manager of the disagreement.

The parties will mutually select an independent investment banker in the wireless telecommunications industry ("Investment Banker") to determine whether the implementation of the Program Requirement Change will exceed one of the parameters if Sprint PCS and Manager are unable to agree on the assumptions and methodology to perform the calculations within 30 days after Sprint PCS notifies Manager of the disagreement. The American Arbitration Association will select the Investment Banker if the parties do not select the Investment Banker within 50 days after Sprint PCS notifies Manager of the disagreement. Sprint PCS and Manager will cooperate fully and provide all information that the Investment Banker reasonably requests. But any Investment Banker that the American Arbitration Association selects, and its investment bank, must have no current engagement with either Manager or Sprint PCS and must not have been engaged by either such party within the 12 calendar months preceding the engagement under this section. A business relationship between Manager or Sprint PCS and a commercial bank or other organization affiliated with an investment bank will not disqualify the investment bank. The Investment Banker will have 20 days from the date of engagement to make its decision.

Manager will pay any Investment Banker's fees and implement the Program Requirement Change if the parties agree or the Investment Banker determines that

implementing the Program Requirement Change will not exceed any of the parameters described in section 9.3.1.

9.3.3 One or More Parameters Exceeded. Sprint PCS will pay the Investment Banker's fees if the parties agree or the Investment Banker determines that implementing the Program Requirement Change will exceed at least one of the parameters described in section 9.3.1. Sprint PCS may require Manager to implement the Program Requirement Change whether the parties agree or disagree or the Investment Banker determines that implementing the Program Requirement Change will exceed at least one of the parameters described in section 9.3.1, if Sprint PCS agrees to compensate Manager the amount necessary to prevent Manager from exceeding the parameters set forth in section 9.3.1.

9.3.4 Changes with Respect to Pricing Plans and Roaming Program Requirements. Manager will implement a change with respect to the following in the manner requested by Sprint PCS, even if Manager determines that implementing the change will have an adverse impact on Manager that meets or exceeds the tests set forth in section 9.3.1(a) or section 9.3.1(b):

(i) relates to a pricing plan under section 4.4 or a roaming program, and

(ii) Sprint PCS reasonably determines must be implemented on an immediate or expedited basis to respond to competitive market forces.

Manager's implementation of the change will not adversely affect Manager's right to object to the implementation of the change. Manager will continue to comply with the change if the parties agree or the Investment Banker determines (using the procedure described in section 9.3.2) that implementing the change will not exceed any of the parameters described in section 9.3.1(a) or section 9.3.1(b). If Sprint PCS does not successfully challenge Manager's assessment of the adverse impact of the change on Manager in accordance with section 9.3.2, Sprint PCS can require Manager either to:

(i) continue to comply with the change and compensate Manager in the amount necessary to reimburse Manager for any reasonable costs, expenses or losses that Manager incurs as a result of its implementation of the change net of any benefit that Manager receives, to the extent the costs, expenses and losses net of the benefits exceed the parameters set forth in section 9.3.1(a) or section 9.3.1(b), or

(ii) terminate its continued compliance with the change and compensate Manager in the amount necessary to reimburse Manager for any reasonable costs, expenses or losses that Manager

incurs as a result of its implementation of the change net of any benefit that Manager receives.

Manager cannot terminate its continued compliance if Sprint PCS elects to require Manager's continued compliance with the change under section 9.3.3 above.

For the avoidance of doubt, Sprint PCS' right to receive revenue under section 9.4 does not apply to any change with respect to which Manager is reimbursed under section 9.3.

(d) A new section 9.7 is added to the Management Agreement:

9.7 Review of Program Requirements; Unilateral Changes.

(a) Within 120 days after the Effective Date of Addendum V Sprint PCS will review all outstanding Program Requirements to determine if they need to be revoked, amended or left in place. Any amendment to a Program Requirement will be implemented in accordance with section 9.2, subject to section 9.3 with respect to amendments.

(b) Sprint PCS and Manager will in good faith attempt to mutually agree on how to mitigate the adverse economic impact on Manager of the exercise of any unilateral right of Sprint PCS under this agreement, the Services Agreement and either Trademark License Agreement to the extent Manager believes such change will have a significant adverse economic impact on Manager's operations, except with respect to changes involving Sprint PCS National or Regional Distribution Program Requirements. For purposes of clarification, the parties intend the preceding sentence to obligate them to a robust discussion and open dialogue but understand the discussion and dialogue may not lead to any particular solution of the issues raised by Manager or Sprint PCS. By way of illustration, under the second preceding sentence if Manager believed that the exercise of the unilateral right to change the Trademark Usage Guidelines or the designation of Sprint PCS Products and Services had an adverse economic impact on Manager, then Manager and Sprint PCS will in good faith attempt to mutually agree on how to mitigate the adverse impact on Manager.

(c) Sprint PCS will use reasonable efforts to discuss with Manager new proposed pricing plans and marketing initiatives and other significant proposed changes in business operations. Sprint PCS will consider reasonable requests by Manager to opt out of pricing plans and marketing initiatives. Nothing in this Addendum V is intended to supersede prior agreements between Sprint PCS and Manager with respect to current pricing plans and promotions, but subsequent significant changes to such prior pricing plans and promotions are subject to the terms of this Addendum V.

(f) A new section 9.8 is added to the Management Agreement.

9.8 Breach for Failure to Implement Program Requirement.

Manager will be in material breach of a material term and Sprint PCS may exercise its rights under section 11 if Manager declines to implement a Program Requirement when required to do so under this agreement, subject to Manager's rights under section 11.3.3.

17. Fees [NEW]. Article 10 of the Management Agreement is amended to read as follows:

10. FEES

10.1 General. Sprint PCS and Manager will pay to each other the fees and apply the credits in the manner described in this section 10. The amounts that Sprint PCS is paid or retains are for all obligations of Manager under this agreement. Many of the definitions for the fees in section 10.2 are found in section 10.3.

10.2 Fees.

10.2.1 Fee Based on Billed Revenue. Sprint PCS will pay to Manager the Fee Based on Billed Revenue as determined in this section 10.2.1.

"Billed Revenue" is all customer account activity (e.g., all activity billed, attributed or otherwise reflected in the customer account but not including Customer Credits) during the calendar month for which the fees and payments are being calculated (the "Billed Month") for Sprint PCS Products and Services related to all Customer accounts within a customer service area ("CSA") assigned to the Service Area, except (i) Outbound Roaming Fees, (ii) amounts handled separately in this section 10 (including the amounts in sections 10.2.3 through 10.2.6, 10.4 and 10.8), (iii) amounts collected from Customers and paid to governmental or regulatory authorities (e.g., Customer Taxes and USF Charges), and (iv) other amounts identified in this agreement as not included in Billed Revenue (these Customer accounts being "Manager Accounts").

Billed Revenue does not include new activity billed to the Customer solely to recover costs incurred by Sprint PCS, Manager or both related solely to such new activity. Manager and Sprint PCS will share the revenues from this billing in proportion to the costs they incur.

For purposes of clarification, the parties have in place procedures to assign Customers to CSAs and expect those procedures to remain in place after the Effective Date.

If Sprint PCS or Manager develops products or services that bundle Sprint PCS Products and Services with other products or services (e.g., local service or broadband wireline service), then Sprint PCS and Manager will use commercially reasonable efforts to agree on the proper allocation of revenue, bad debt expenses, credits and promotions for the bundled products and services. To the extent that such bundled services are included on the same Customer invoice, the parties will negotiate in good faith to determine how credits, deposits and payments for such services are to be applied. If the parties are unable to agree, Manager may decline to participate in the bundling of such services.

Sprint PCS will reasonably determine the amount of credits applied to Manager Accounts during the Billed Month ("Customer Credits").

"Net Billed Revenue" for a Billed Month is the amount of the Billed Revenue less the Customer Credits.

The "Fee Based on Billed Revenue" for a Billed Month is equal to 92% of (a) Net Billed Revenue, less (b) the Allocated Write-offs for Net Billed Revenue.

10.2.2 Outbound Roaming Fee. Sprint PCS will pay to Manager a fee equal to the amount of Outbound Roaming Fees that Sprint PCS or its Related Parties bills to Manager Accounts, less the Allocated Write-offs for Outbound Roaming Fees. For purposes of clarification, Sprint PCS will settle separately with Manager the direct cost of providing the capability for the Outbound Roaming, including any amounts payable to the carrier that handled the roaming call and the clearinghouse operator for Outbound Roaming.

10.2.3 Phase II E911 Surcharges. Sprint PCS will pay to Manager a fee equal to a portion of the E911 Phase II Surcharges (attributable to incremental costs for Phase II E911, including but not limited to related handset costs, routing costs, implementation costs, trunks and testing costs, and anticipated write-offs for bad debt) billed during the Billed Month to Customers with an NPA-NXX assigned to the Service Area, less the Allocated Write-offs for that portion of E911 Phase II Surcharges in the Billed Month. The portion of the billed amount attributed to Manager will be based on Manager's proportional cost (as compared to Sprint PCS' proportional cost) to comply with Phase II of the E911 requirements. Sprint PCS will determine from time to time the rate billed to Customers related to Phase II E911 and the portion payable to Manager.

10.2.4 Wireless Local Number Portability Surcharges. Sprint PCS will pay to Manager a fee equal to a portion of the Wireless Local Number Portability Surcharges ("WLNP Surcharges") billed during the Billed Month to Customers with an NPA-NXX assigned to the Service Area, less the Allocated Write-offs for that portion of the WLNP Surcharges in the Billed Month. The portion of the billed amount attributed to Manager will be based on Manager's proportional cost (as compared to Sprint PCS' proportional cost) to comply with

Wireless Local Number Portability requirements. Sprint PCS will determine from time to time the rate billed to Customers related to WLNP Surcharges and the portion payable to Manager.

10.2.5 Customer Equipment Credits. Sprint PCS will apply as a credit to any other fees under this section 10.2 owing by Sprint PCS to Manager an amount equal to the amount of the Customer Equipment Credits less the Allocated Write-offs for Customer Equipment Credits.

10.2.6 Write-offs for Customer Equipment Charges. Sprint PCS will apply as a credit to any other fees under this section 10.2 owing by Sprint PCS to Manager an amount equal to the amount of the Allocated Write-offs for Customer Equipment Charges.

10.3 Definitions used in fee calculations

10.3.1 Write-offs. Sprint PCS will determine, in its reasonable discretion, the amounts written off net of deposits applied (the "Write-offs") in the Sprint PCS billing system during the Billed Month relating to Manager Accounts.

10.3.2 Billed Components. Each of the following amounts is referred to as a "Billed Component" and collectively they are referred to as the "Billed Components".

10.3.2.1 Net Billed Revenue. The amount determined as described in section 10.2.1.

10.3.2.2 Customer Equipment Credits. The reductions of amounts billed to Manager Accounts related to the sale of handsets and handset accessories from Sprint PCS inventory are referred to as "Customer Equipment Credits". This is a negative amount that reduces the Amount Billed (Net of Customer Credits).

10.3.2.3 100% Affiliate Retained Amounts. The amounts referred to as "100% Affiliate Retained Amounts" on Exhibit 10.3, to which Manager is entitled to 100% of the amounts that Customers are billed for such items.

10.3.2.4 100% Sprint PCS Retained Amounts. The amounts referred to as "100% Sprint PCS Retained Amounts" on Exhibit 10.3, to which Sprint PCS is entitled to 100% of the amounts that Customers are billed for such items.

10.3.2.5 Customer Equipment Charges. The amounts that Sprint PCS bills to Manager Accounts for subscriber equipment and accessories sold or leased are referred to as "Customer Equipment Charges".

10.3.2.6 E911 Phase II Surcharges. The amounts that Sprint PCS bills to Manager Accounts to recover all costs related to Phase II E911 functionality are referred to as "E911 Phase II Surcharges".

10.3.2.7 USF Charges. The amounts that Sprint PCS bills to Manager Accounts relating to Universal Service Funds are referred to as "USF Charges".

10.3.2.8 WLNP Surcharges. The amounts that Sprint PCS bills to Manager Accounts to recover costs related to WLNP activities.

10.3.3 Amount Billed (Net of Customer Credits). The "Amount Billed (Net of Customer Credits)" for a Billed Month is equal to the sum of the Billed Components.

10.3.4 The Allocated Write-offs. The "Allocated Write-offs" for all or a portion of a Billed Component in a Billed Month is the Write-offs for the Billed Month times the amount of the Billed Component (or portion thereof) divided by the Amount Billed (Net of Customer Credits).

10.4 Other Fees and Payments. Sprint PCS and Manager will pay to each other the fees and payments described below:

10.4.1 Inter Service Area Fees and Reseller Customer Fees.

10.4.1.1 Inter Service Area Fee and Reseller Customer Fee Paid. Manager will pay to Sprint PCS an Inter Service Area Fee as set forth in this section 10.4.1 for each billed minute or kilobyte of use that a Customer with an NPA-NXX assigned to the Service Area uses a portion of the Sprint PCS Network other than the Service Area Network. Sprint PCS will pay to Manager an Inter Service Area Fee for each billed minute or kilobyte of use that a Customer whose NPA-NXX is not assigned to the Service Area Network uses the Service Area Network. Sprint PCS will pay to Manager the fees set forth in this Section 10.4.1 for each billed minute or kilobyte of use that a Reseller Customer uses the Service Area Network unless otherwise negotiated (such fees are referred to in this agreement as "Reseller Customer Fees").

Sprint may not amend, modify or change in any manner the Inter Service Area Fees between Sprint PCS and Manager or Reseller Customer Fees and other matters set forth in this section 10.4.1 without Manager's prior written consent. For purposes of clarification, the parties do not intend the above sentence to limit Sprint PCS' ability to negotiate fees with resellers.

Sprint PCS will not be obligated to pay Manager those Inter Service Area Fees not received by Sprint PCS from an Other Manager who is a debtor in a bankruptcy proceeding with respect to Inter Service Area Fees that Sprint PCS owes Manager because of CSAs assigned to such Other Manager's

Service Area traveling in the Service Area. For clarification purposes, Sprint PCS does not have to advance the Inter Service Area Fees for the Other Manager who is involved in the bankruptcy proceeding to Manager, to the extent that the Other Manager fails to pay the Inter Service Area Fees. Manager bears the risk of loss of the Other Manager who is involved in the bankruptcy proceeding not paying the Inter Service Area Fees to Sprint PCS.

If relief is ordered under title 11 of the United States Code for an Other Manager or an Other Manager files a voluntary petition for relief under title 11 of the United States Code and such Other Manager fails to pay to Sprint PCS amounts that such Other Manager owes to Sprint PCS with respect to the Inter Service Area Fees for travel into Manager's Service Area, Sprint PCS will immediately assign to Manager any claim Sprint PCS has against the Other Manager who is a debtor in a bankruptcy proceeding for those amounts owed with respect to Inter Service Area Fees for travel in Manager's Service Area. Sprint PCS agrees to take all actions necessary to effect this assignment of rights to Manager, and further agrees that Manager will not be responsible for any expenses related to such assignment.

Sprint PCS will use reasonable efforts to obtain the right to setoff Inter Service Area Fee amounts owing to an Other Manager who is a debtor in a bankruptcy proceeding. To the extent that, on the date such Other Manager files for relief under title 11 of the United States Code, Sprint PCS owes Inter Service Area Fees to Other Manager and Other Manager owes Inter Service Area Fees to Sprint PCS for travel into Manager's Service Area, Sprint PCS will refrain from paying such Inter Service Area Fees to Other Manager, absent a court order specifically directing the turnover of such funds to Sprint PCS. Sprint PCS will give Manager reasonable notice of any motion seeking such turnover. Sprint PCS will oppose such motion or authorize Manager to oppose such motion on Sprint PCS' behalf.

To the extent that, on the date (the "Petition Date") such Other Manager files for relief under title 11 of the United States Code, Sprint PCS owes Inter Service Area Fees to Other Manager for travel by Customers assigned to Manager's Service Area into such Other Manager's service area, and such Other Manager owes Inter Service Area Fees to Sprint PCS for travel by Customers assigned to such Other Manager's service area into Manager's Service Area, Sprint PCS will refrain from paying such Inter Service Area Fees to Other Manager, absent a court order specifically directing the turnover of such funds to Sprint PCS. Sprint PCS will give Manager reasonable notice of any motion seeking such turnover. Sprint PCS will oppose such motion or authorize Manager to oppose such motion on Sprint PCS' behalf.

Sprint PCS will use reasonable efforts to obtain a court order allowing Sprint PCS to exercise the setoff of Inter Service Area Fee amounts, accruing prior to the Petition Date, owing to an Other Manager who is a debtor in a

bankruptcy proceeding, against Inter Service Area Fee amounts, accruing prior to the Petition Date, owing by such Other Manager to Sprint PCS.

Sprint PCS will use reasonable efforts to setoff Inter Service Area Fee amounts, accruing on and after the Petition Date, owing to such Other Manager against Inter Service Area Fee amounts, accruing on and after the Petition Date, owing by such Other Manager to Sprint PCS, in a timely manner, absent a court order specifically prohibiting Sprint PCS from exercising such setoff. Sprint PCS will give Manager reasonable notice of any motion seeking such prohibition. Sprint PCS will oppose such motion or authorize Manager to oppose such motion on Sprint's behalf.

If Sprint PCS receives any amounts from an Other Manager who is a debtor in a bankruptcy proceeding with respect to Inter Service Area Fees for travel into the Service Area, Sprint PCS will immediately remit those amounts to Manager.

If a court order allows Sprint PCS to setoff amounts it owes an Other Manager who is a debtor in a bankruptcy proceeding with amounts that such Other Manager owes Sprint PCS, then:

(a) Sprint PCS will distribute any setoff amounts relating to Inter Service Area Fees to Manager, all Other Managers and Sprint PCS on a pro rata basis;

(b) Sprint PCS will use all setoff amounts not related to Inter Service Area Fees to setoff all other amounts not related to Inter Service Area Fees that such Other Manager owes Sprint PCS; and

(c) Sprint PCS will distribute any setoff amounts not related to Inter Service Area Fees to Manager, all Other Managers and Sprint PCS on a pro rata basis only if (i) the Other Manager who is a debtor in a bankruptcy proceeding still owes Inter Service Area Fees to Manager, any Other Manager and Sprint PCS and (ii) all amounts that such Other Manager owes Sprint PCS, other than Inter Service Area Fees, are completely setoff against the amounts Sprint PCS owes such Other Manager.

The pro rata calculation will be the Inter Service Area Fees owed to Manager divided by aggregate amount of all Inter Service Area Fees owed to Manager, all Other Managers and Sprint PCS. However, the pro rata amount owed to Manager will be reduced by any amount relating to Inter Service Area Fees that Manager collected through the bankruptcy proceeding. If Manager, through the pro rata distribution described above and any individual collection efforts by Manager, collects more than the pro rata amount to which it is entitled for Inter Service Area Fees using the

above pro rata calculation, Manager will immediately pay that excess amount to Sprint PCS and Sprint PCS will distribute the excess amount to the Other Managers and Sprint PCS in accordance with the above pro rata calculation.

If relief is ordered under title 11 of the United States Code for Sprint PCS or Sprint PCS files a voluntary petition for relief under title 11 of the United States Code, then Sprint PCS will be deemed a trustee for Manager's benefit with respect to any Inter Service Area Fees that Sprint PCS collects from Other Managers for travel into Manager's Service Area, and Sprint PCS has no rights to Manager's portion of such Inter Service Area Fees.

Manager acknowledges that if the manner in which the CSAs are assigned changes because of changes in the manner in which the NPA NXX is utilized, the manner in which the Inter Service Area Fees and Reseller Customer Fees, if any, will be calculated might be changed accordingly.

10.4.1.2 Voice and 2G Data Rate. The amount of the Inter Service Area Voice and 2G Data Fee and Reseller Customer Voice and 2G Data Fee will be as follows:

(a) The Inter Service Area Voice and 2G Data Fee for each billed minute of use that a Customer uses an Away Network (the "Voice and 2G Standard Travel Rates") and the Reseller Customer Fee for each billed minute of use that a Reseller Customer uses the Service Area Network, will be $0.058 from the Effective Date of Addendum V to December 31, 2006, except as described below in section 10.4.1.2(b).

(b) The following describes the conditions in which either the "Adjusted Travel Rate" alternative fee arrangement described below in (i) or the "Cumulative Travel Fees" alternative fee arrangement described below in (ii) will apply rather than the Inter Service Area Voice and 2G Data Fee described in section 10.4.1.2(a). Manager must elect by delivering a written notice of election to Sprint PCS within 10 Business Days after Manager receives written notice from Sprint PCS that the Voice and 2G Net Travel Amount is negative as determined in accordance with paragraph four (4) of section 10.4.1.2(b)(ii)(A), whether the "Adjusted Travel Rate" alternative fee arrangement or the "Cumulative Travel Fees" alternative fee arrangement will apply when appropriate under this section 10.4.1.2(b).

(i) Adjusted Travel Rate alternative fee arrangement.

(A) If the Voice and 2G Travel Ratio for the calendar year 2003 is less than 1.0, then the Inter Service Area Voice and 2G Data Fee for each billed minute of use that a Customer uses an Away Network and the Reseller Customer Fee for

each billed minute of use that a Reseller Customer uses the Service Area Network, will be $0.058 for 2004, except that the Inter Service Area Voice and 2G Data Fee for each billed minute of use that a Customer whose NPA-NXX is assigned to the Service Area Network uses the Sprint PCS Network (excluding usage of the Away Network of the Other Managers by Customers with an NPA-NXX assigned to the Service Area Network), will be reduced to $0.0525 for the calendar year 2004 (the "Voice and 2G Adjusted Travel Rates").

(B) If the Voice and 2G Adjusted Travel Rates are in effect during 2004 and the Voice and 2G Travel Ratio for 2004 is less than 1.0, then the Voice and 2G Adjusted Travel Rates will continue in effect during 2005.

If the Voice and 2G Adjusted Travel Rates are in effect during 2004 and the Voice and 2G Travel Ratio for 2004 is greater than or equal to 1.0, then the Voice and 2G Standard Travel Rates apply for 2005. Manager will pay Sprint PCS by January 31, 2005, the difference between the amount Manager paid for 2004 with the Voice and 2G Adjusted Travel Rates and the amount Manager would have paid for 2004 with the Voice and 2G Standard Travel Rates.

If the Voice and 2G Adjusted Travel Rates are not in effect during 2004 and the Voice and 2G Travel Ratio for 2004 is less than 1.0, then the Voice and 2G Adjusted Travel Rates will apply for 2005. Sprint PCS will pay Manager by January 31, 2005, the difference between the amount Manager paid for 2004 with the Voice and 2G Standard Travel Rates and the amount Manager would have paid for 2004 with the Voice and 2G Adjusted Travel Rates. If the Voice and 2G Travel Ratio for 2004 is greater than or equal to 1.0, then the Voice and 2G Standard Travel Rates apply for 2005 and no adjustment to 2004 travel payments is necessary.

(C) If the Voice and 2G Adjusted Travel Rates are in effect during 2005 and the Voice and 2G Travel Ratio for 2005 is less than 1.0, then the Voice and 2G Adjusted Travel Rates will continue in effect during 2006.

If the Voice and 2G Adjusted Travel Rates are in effect during 2005 and the Voice and 2G Travel Ratio for 2005 is greater than or equal to 1.0, then the Voice and 2G Standard

Travel Rates apply for 2006. Manager will pay Sprint PCS by January 31, 2006, the difference between the amount Manager paid for 2005 with the Voice and 2G Adjusted Travel Rates and the amount Manager would have paid for 2005 with the Voice and 2G Standard Travel Rates.

If the Voice and 2G Adjusted Travel Rates are not in effect during 2005 and the Voice and 2G Travel Ratio for 2005 is less than 1.0, then the Voice and 2G Adjusted Travel Rates will apply for 2006. Sprint PCS will pay Manager by January 31, 2006, the difference between the amount Manager paid for 2005 with the Voice and 2G Standard Travel Rates and the amount Manager would have paid for 2005 with the Voice and 2G Adjusted Travel Rates. If the Voice and 2G Travel Ratio for 2005 is greater than or equal to 1.0, then the Voice and 2G Standard Travel Rates apply for 2005 and no adjustment to 2005 travel payments is necessary.

(D) If the Voice and 2G Adjusted Travel Rates are in effect during 2006 and the Voice and 2G Travel Ratio for 2006 is greater than or equal to 1.0, then Manager will pay Sprint PCS by January 31, 2007, the difference between the amount Manager paid for 2006 with the Voice and 2G Adjusted Travel Rates and the amount Manager would have paid for 2006 with the Voice and 2G Standard Travel Rates.

If the Voice and 2G Adjusted Travel Rates are not in effect during 2006 and the Voice and 2G Travel Ratio for 2006 is less than 1.0, then Sprint PCS will pay Manager by January 31, 2007, the difference between the amount Manager paid for 2006 with the Voice and 2G Standard Travel Rates and the amount Manager would have paid for 2006 with the Voice and 2G Adjusted Travel Rates.

(ii) Cumulative Travel Fees alternative fee arrangement.

(A) Sprint PCS will determine within 15 Business Days after the Effective Date or by January 15, 2004, which ever is later, and by January 15 of 2005 and 2006, the difference between:

(1) the amount Sprint PCS billed Manager for Inter Service Area Voice and 2G Data Fees during the previous calendar year (excluding Inter Service Area Voice and 2G Data Fees for usage

of the Away Network of the Other Managers by Customers with an NPA-NXX assigned to the Service Area Network), and

(2) the amount Sprint PCS owed to Manager for Inter Service Area Voice and 2G Data Fees (excluding Inter Service Area Voice and 2G Data Fees that Sprint PCS owed to Manager during the previous calendar year for usage of the Service Area Network by Customers with an NPA-NXX assigned to the Service Area of Other Managers).

The difference between (1) and (2) is referred to as the "Voice and 2G Net Travel Amount". The Voice and 2G Net Travel Amount is considered to be negative if the amount of (1) is greater than the amount of (2). The Voice and 2G Net Travel Amount is considered to be positive if the amount of (2) is greater than the amount of (1). The Voice and 2G Net Travel Amount will be determined based on monthly amounts rather than annual amounts where appropriate as provided below.

(B) If the Voice and 2G Net Travel Amount for the calendar years 2003, 2004 or 2005 is negative, then beginning in February after that year ends and until the following January, Sprint PCS will determine by the 15th day of each calendar month, the Voice and 2G Net Travel Amount for the previous calendar month based on Voice and 2G Standard Travel Rates.

If the Voice and 2G Net Travel Amount for the calendar years 2003, 2004 or 2005 is positive, Sprint PCS will not determine the Voice and 2G Net Travel Amount on a monthly basis for the next calendar year.

(C) If Sprint PCS determines the Voice and 2G Net Travel Amount on a monthly basis as required under (B) above and the Voice and 2G Net Travel Amount for the previous calendar month is positive, Sprint PCS will receive a credit for the amount by which it is positive.

If Sprint PCS determines the Voice and 2G Net Travel Amount on a monthly basis as required under (B) above and the Voice and 2G Net Travel Amount for the previous calendar month is negative, Sprint PCS will pay Manager the amount by which it is negative by the last day of the calendar

month, after applying any remaining cumulative credits Sprint PCS received during the previous months in the calendar year.

By January 31 of 2005, 2006 and 2007, Manager will pay Sprint PCS the amount of any remaining cumulative credit for the previous calendar year, but not to exceed the aggregate amount of payments made by Sprint PCS for that previous calendar year pursuant to this subsection (C).

(D) If Sprint PCS is not required to determine the Voice and 2G Net Travel Amount on a monthly basis because the Voice and 2G Net Travel Amount for the previous calendar year is positive, then if Sprint PCS determines (when calculating the Voice and 2G Net Travel Amount under (A) above) that the Voice and 2G Net Travel Amount for the previous calendar year is negative, then by January 31 of 2005, 2006 or 2007, as the case may be, Sprint PCS will pay Manager the amount by which the Voice and 2G Net Travel Amount is negative, and Sprint PCS will begin determining the Voice and 2G Net Travel Amount monthly and complying with (B) and (C) above, until no longer required as provided in this section.

(c) For each calendar year during the Term of this agreement beginning January 1, 2007, the Inter Service Area Voice and 2G Data Fee for each billed minute of use that a Customer uses an Away Network and the Reseller Customer Fee for each billed minute of use that a Reseller Customer uses the Service Area Network, will each be an amount equal to 90% of Sprint PCS' Retail Yield for Voice and 2G Data Usage for the previous calendar year; provided that such amount for any period will not be less than Manager's network costs (including a reasonable return using Manager's weighted average cost of capital applied against Manager's net investment in the Service Area Network) to provide the services that are subject to the Inter Service Area Voice and 2G Data Fee. If the parties have a dispute relating to the determination of the foregoing fees for any period, then the parties will submit the dispute to binding arbitration as set forth in section 10.4.1.3(b).

10.4.1.3 3G Data Rate. The amount of the Inter Service Area 3G Data Fee and Reseller Customer 3G Data Fee will be as follows:

(a) From the Effective Date to December 31, 2006 ("Initial 3G Data Fee Period"), the Inter Service Area 3G Data Fee for each kilobyte of use that a Customer uses an Away Network (the "3G Standard Travel Rate") and the Reseller Customer 3G Data Fee for each kilobyte of use that

a Reseller Customer uses the Service Area Network, will be $0.0020, except as described below in section 10.4.1.3(b).

(b) the following describes the conditions in which the "Cumulative Travel Fees" alternative fee arrangement described below in (i) will apply rather than the Inter Service Area 3G Data Fee as described in section 10.4.1.3(a).

(i) Cumulative Travel Fees alternative fee arrangement.

(A) Sprint PCS will determine within 15 Business Days after the Effective Date or by January 15, 2004, which ever is later, and by January 15 of 2005 and 2006, the difference between:

(1) the amount Sprint PCS billed Manager for Inter Service Area 3G Data Fees during or the previous calendar year (excluding Inter Service Area 3G Data Fees for usage of the Away Network of the Other Managers by Customers with an NPA-NXX assigned to the Service Area Network), and

(2) the amount Sprint PCS owed to Manager for Inter Service Area 3G Data Fees (excluding Inter Service Area 3G Data Fees that Sprint PCS owed to Manager during the previous calendar year for usage of the Service Area Network by Customers with an NPA-NXX assigned to the Service Area of Other Managers).

The difference between (1) and (2) is referred to as the "3G Net Travel Amount". The 3G Net Travel Amount is considered to be negative if the amount of (1) is greater than the amount of (2). The 3G Net Travel Amount is considered to be positive if the amount of (2) is greater than the amount of (1). The 3G Net Travel Amount will be determined based on monthly amounts rather than annual amounts where appropriate as provided below.

(B) If the 3G Net Travel Amount for the calendar year 2003, 2004 or 2005 is negative, then beginning in February after that year ends and until the following January, Sprint PCS will determine by the 15th day of each calendar month, the 3G Net Travel Amount for the previous calendar month based on 3G Standard Travel Rates.

If the 3G Net Travel Amount for the calendar years 2003, 2004 or 2005 is positive, Sprint PCS will not determine the 3G Net Travel Amount on a monthly basis for the next calendar year.

(C) If Sprint PCS determines the 3G Net Travel Amount on a monthly basis as required under (B) above and the 3G Net Travel Amount for the previous calendar month is positive, Sprint PCS will receive a credit for the amount by which it is positive.

If Sprint PCS determines the 3G Net Travel Amount on a monthly basis as required under (B) above and the 3G Net Travel Amount for the previous calendar month is negative, Sprint PCS will pay Manager the amount by which it is negative by the last day of the calendar month, after applying any remaining cumulative credits Sprint PCS received during the previous months in the calendar year.

By January 31 of 2005, 2006 and 2007, Manager will pay Sprint PCS the amount of any remaining cumulative credit for the previous calendar year, but not to exceed the aggregate amount of payments made by Sprint PCS for that previous calendar year pursuant to this subsection (C).

(D) If Sprint PCS is not required to determine the 3G Net Travel Amount on a monthly basis because the 3G Net Travel Amount for the previous calendar year is positive, then if Sprint PCS determines (when calculating the 3G Net Travel Amount under (A) above) that the 3G Net Travel Amount for the previous calendar year is negative, then by January 31 of 2005, 2006 or 2007, as the case may be, Sprint PCS will pay Manager the amount by which the 3G Net Travel Amount is negative, and Sprint PCS will begin determining the 3G Net Travel Amount monthly and complying with (B) and (C) above, until no longer required as provided in this section.

(c) The parties will reset the Inter Service Area 3G Data Fee and the Reseller Customer 3G Data Fee after the Initial 3G Data Fee Period ends. The Inter Service Area 3G Data Fee and the Reseller Customer 3G Data Fee will be based on an appropriate discount from the Sprint PCS Retail Yield for 3G Data Usage for the previous calendar year to be negotiated before December 31, 2006. Each subsequent fee period will last three years with, for example, the second pricing period beginning on January 1, 2007 and ending on December 31, 2009.

The process for resetting the fees is as follows:

(i) Sprint PCS will give Manager a proposal for the appropriate discount from the Sprint PCS Retail Yield for 3G Data Usage by March 31 of the final year of the then current pricing period. Manager's representative and the Sprint PCS representative will begin discussions regarding the proposed schedule of fees within 20 days after Manager receives the proposed schedule of fees from Sprint PCS.

(ii) Manager may escalate the discussion to the Chief Financial Officer of Sprint PCS or Sprint PCS may escalate the discussion to Manager's Chief Executive Officer or Chief Financial Officer if the parties do not agree on a new schedule of fees within 30 days after the discussions begin.

(iii) If the parties cannot agree on a new schedule of fees within 20 days after a party escalates the discussion, then Manager may either agree to the fees set forth in the Inter Service Area 3G Data Fee and Reseller Customer 3G Data Fee proposal or submit the determination of the Inter Service Area 3G Data Fee and Reseller Customer 3G Data Fee to binding arbitration based on a market-rate determination of an appropriate Inter Service Area 3G Data Fee and Reseller Customer 3G Data Fee in accordance with section 14.2, excluding the escalation process set forth in section 14.1.

(iv) If Manager submits the matter to arbitration the fees that Sprint PCS proposed will apply starting after December 31 of the first year of the appropriate period as described in section 10.4.1.4 and will continue in effect unless modified by the final decision of the arbitrator. If the arbitrator imposes a fee different than the ones in effect the new fees will be applied as if in effect after December 31 of the first year of the appropriate period as described in section 10.4.1.4 and if on application of the new fees one party owes the other party any amount after taking into account payments the parties have already made then the owing party will pay the other party within 30 days of the date of the final arbitration order.

10.4.1.4 Rate Changes - Effective Date. All rate changes related to Inter Service Area Fees and Reseller Customer Fees will be applied to all activity in a bill cycle regardless of when the activity occurred, if the bill cycle ends after the effective date of the rate change.

10.4.1.5 Long Distance. The long distance rates associated with the Inter Service Area and Reseller Customer usage will be equal to the actual wholesale transport and terminating costs associated with the originating

and terminating locations. The rates are then applied to cumulative usage at a BID level for settlement purposes.

10.4.2 Interconnect Fees. Manager will pay to Sprint PCS (or to other carriers as appropriate) monthly the interconnect fees, if any, as provided under section 1.4.

10.4.3 Terminating and Originating Access Fee. Sprint PCS will pay Manager 92% of any terminating or originating access fees Sprint PCS collects from an IXC that are not subject to refund or dispute (but it will not be Billed Revenue). For purposes of clarification, Sprint Corporation's Related Parties are obligated to pay terminating access to Sprint PCS only if MCI and AT&T pay terminating or originating access to Sprint PCS. At the Effective Date of Addendum V, neither MCI nor AT&T pays terminating access to Sprint PCS. The ability of wireless carriers to collect access fees is currently subject to legal challenge. The parties acknowledge that Sprint PCS has limited ability to require IXCs to pay access fees.

10.4.4 Reimbursements for Mistaken Payments. If one party mistakenly pays an amount that the other party is obligated to pay then the other party will reimburse the paying party, if the paying party identifies the mistake and notifies the receiving party within 9 calendar months after the date on which the paying party makes the mistaken payment.

10.5 Taxes and Payments to the Government. Manager will pay or reimburse Sprint PCS for any sales, use, gross receipts or similar tax, administrative fee, telecommunications fee or surcharge for taxes or fees that a governmental authority levies on the fees and charges payable by Sprint PCS to Manager.

Manager will report all taxable property to the appropriate taxing authority for ad valorem tax purposes. Manager will pay as and when due all taxes, assessments, liens, encumbrances, levies and other charges against the real estate and personal property that Manager owns or uses in fulfilling its obligations under this agreement.

Manager is responsible for paying all sales, use or similar taxes on the purchase and use of its equipment, advertising and other goods or services in connection with this agreement.

Sprint PCS will be solely responsible for remitting to government agencies or their designees any and all fees or other amounts owed as a result of the services provided to the Customers under the Management Agreement. As a consequence of this responsibility, Sprint PCS is entitled to 100% of any amounts that Manager, Sprint PCS or their Related Parties receives from Customers (including Customers whose NPA-NXX is assigned to the Service Area) comprising these fees or other amounts.

10.6 Universal Service Funds.

10.6.1 Paid by Government. Manager is entitled to 100% of any federal and state subsidy funds (the "Subsidy Funds"), including Universal Service Funds, that Manager or Sprint PCS receives from government disbursements based on customers with mailing addresses located in the Service Area and with NPA-NXXs assigned to the Service Area, or such other method then in effect under the rules of the FCC, Universal Service Administrative Company or other federal or state administrator. For purposes of clarity, Universal Service Funds provide support payments to Eligible Telecommunications Carriers ("ETC") serving in high cost areas or providing services to low income individuals. Sprint PCS will file on behalf of itself or Manager appropriate ETC documentation in those jurisdictions in which Sprint PCS determines to make the filing.

If Manager asks Sprint PCS to make a filing in a jurisdiction and Sprint PCS reasonably determines not to make the filing because making the filing is detrimental to Sprint's best interests, then Sprint does not have to make the filing. If Manager disagrees with the reasonableness of Sprint PCS' determination not to make the filing, then the parties will submit to binding arbitration in accordance with section 14.2, excluding the escalation process set forth in section 14.1.

If the process set forth in the previous paragraph results in Sprint PCS making a filing, Manager will pay all of Sprint PCS' reasonable out-of-pocket costs associated with the filing and any compliance obligations that arise from the filing or that are imposed by the jurisdiction in which the filing is made (e.g. filing fees, legal fees, expert witness retention, universal lifeline service, enhancing customer care quality, and including, without limitation, network upgrades). Sprint PCS will remit to Manager 50% of any Subsidy Funds that Sprint PCS receives from filings Sprint PCS is required to make under the preceding paragraph that are not payable to Manager under the first paragraph of this section 10.6.1, until the aggregate amount of the payments to Manager under this sentence equal 50% of the amount Manager has paid Sprint PCS under the preceding sentence.

All Subsidy Funds received must be used to support the provision, maintenance and upgrading of facilities and services for which the funds are intended. Sprint PCS will use reasonable efforts to recover from the appropriate governmental authority Subsidy Funds and will remit the appropriate recoveries to Manager.

10.6.2 Paid by Customers. Sprint PCS will be solely responsible for remitting to government agencies or their designees, including but not limited to the Universal Service Administrative Company, all universal service fees. As a consequence of this responsibility, Sprint PCS is entitled to 100% of any amounts that Manager, Sprint PCS or their Related Parties receives from Customers (including Customers whose NPA-NXX is assigned to the Service Area) comprising the Universal Service Funds.

10.7 Equipment Replacement Program. Sprint PCS is entitled to 100% of the amounts that Customers pay for participating in any equipment replacement program (e.g., an insurance program) billed on their Sprint PCS bills. Manager will not be responsible for or in any way billed for any costs or expenses that Sprint PCS or any Sprint PCS Related Party incurs in connection with any such equipment replacement program.

10.8 Customer Equipment. Sprint PCS is entitled to 100% of the amounts that Customers pay for subscriber equipment and accessories sold or leased by Sprint PCS, and Manager is entitled to 100% of the amounts that Customers pay for subscriber equipment and accessories that Manager sold or leased, subject to the equipment settlement process in section 4.1.2.

10.9 Phase I E911. Sprint PCS is entitled to collect 100% of amounts paid by Customers related to the E911 Phase I Surcharges (e.g., for equipment other than handsets, such as platforms and networks). Sprint PCS will attempt to recover from the appropriate governmental authority Phase I E911 reimbursements and will remit the appropriate amounts to Manager.

10.10 Manager Deposits into Retail Bank Accounts. Each Business Day, Manager will deposit into bank accounts and authorize Sprint PCS or a Related Party that Sprint PCS designates to sweep from such accounts the amounts collected from Customers on behalf of Sprint PCS and its Related Parties for Sprint PCS Products and Services. Manager will allow the funds deposited in the bank accounts to be transferred daily to other accounts that Sprint PCS designates. Manager will also provide the daily reports of the amounts collected that Sprint PCS requires. Manager will not make any changes to the authorizations and designations Sprint PCS designates for the bank accounts without Sprint PCS' prior written consent.

10.11 Monthly Statements.

10.11.1 Section 10.2 Statement. Each month Sprint PCS will determine the amount payable to or due from Manager for a Billed Month under section 10.2. Sprint PCS will deliver a monthly statement to Manager that reports the amount due to Manager, the manner in which the amount was calculated, the amount due to Sprint PCS and its Related Parties under this agreement and the Services Agreement, and the net amount payable to or due from Manager.

10.11.2 Other Statements. Sprint PCS will deliver a monthly statement to Manager that reports amounts due to Manager or from Manager, other than amounts described in section 10.12.1, the manner in which the amounts were calculated, the amount due to Manager or to Sprint PCS and its Related Parties under this agreement and the Services Agreement, and the net amount payable to Manager.

10.11.3 Third Party Charges. Sprint PCS will include any third

party charges for which Manager is responsible under the terms of this agreement on Manager's statements within three calendar months after the end of the calendar month during which Sprint PCS receives the third party charge. Sprint PCS' failure to include these charges on Manager's statements within the three calendar month-period will mean that Sprint PCS cannot collect those third party charges from Manager.

10.12 Payments.

10.12.1 Weekly Payments. Sprint PCS will pay the amount payable to Manager for a Billed Month under section 10.2 in equal weekly payments on consecutive Thursdays beginning the second Thursday of the calendar month following the Billed Month and ending on the first Thursday of the second calendar month after the Billed Month. If Sprint PCS is unable to determine the amount due to Manager in time to make the weekly payment on the second Thursday of a calendar month, then Sprint PCS will pay Manager for that week the same weekly amount it paid Manager for the previous week. Sprint PCS will true-up any difference between the actual amount due for the first weekly payment of the Billed Month and amounts paid for any estimated weekly payments after Sprint PCS determines what the weekly payment is for that month. Sprint PCS will use reasonable efforts to true-up within 10 Business Days after the date on which Sprint PCS made the estimated weekly payment.

10.12.2 Monthly Payments. The amounts payable to Manager and Sprint PCS and its Related Parties under this agreement and the Services Agreement, other than the payments described in section 10.12.1, will be determined, billed and paid monthly in accordance with section 10.12.3.

10.12.3 Transition of Payment Methods. (a) Sprint PCS and Manager wish to conduct an orderly transition from making weekly payments to Manager based on Collected Revenues to weekly payments based on Billed Revenue. The method of calculating the weekly payments will change on the first day of the calendar month after the Effective Date of Addendum V (the "Transition Date"). The weekly amounts paid to Manager during the calendar month before the Transition Date and on the first Thursday after the Transition Date will be based on the Collected Revenues method. The weekly amounts paid to Manager beginning on the second Thursday of the second calendar month after the Transition Date will be based on the Billed Revenue method described in this section 10. To effect an orderly transition, Sprint PCS will pay Manager for the period beginning on the second Thursday after the Transition Date and ending on the first Thursday of the calendar month after the Transition Date an amount calculated as described below in section 10.12.3(b).

(b) Sprint PCS will apply the estimated collection percentages that Sprint PCS uses before the Transition Date to the gross accounts receivable aging categories for Customers with an NPA-NXX assigned to the Service Area as of the

close of business on the day before the Transition Date to calculate the amount Sprint PCS anticipates collecting on those accounts receivable. Sprint PCS will pay Manager the amount estimated to be collected in equal weekly payments on consecutive Thursdays beginning the second Thursday after the Transition Date and ending the first Thursday of the calendar month after the Transition Date. Sprint PCS will also pay to Manager no later than the second Thursday after the Transition Date any Collected Revenues received after the Saturday before the Transition Date and before the Transition Date.

(c) Sprint PCS will recalculate the estimated collection percentages and apply the recalculated estimated collection percentages to the gross accounts receivable aging categories described in the first sentence of section 10.12.3(b) when all applicable data is available. Sprint PCS will increase or decrease a weekly payment by the amount of the difference between the amount paid to Manager based on the initial estimated collection percentages and the amount that would have been paid to Manager using the newer estimated collection percentages.

10.13 Dispute or Correction of Statement Amount. A party can only dispute or correct an amount on a statement in good faith. If a party disputes or corrects an amount on a statement, the disputing or correcting party must give the other party written notice of the specific item disputed or corrected, the disputed or corrected amount with respect to that item and the reason for the dispute or correction within three calendar months after the end of the calendar month during which the disputed or erroneous statement was delivered.

Any dispute regarding a statement will be submitted for resolution under the dispute resolution process in section 14. The parties must continue to pay to the other party all amounts, except disputed amounts (subject to the next paragraph), owed under this agreement and the Services Agreement during the dispute resolution process. If the aggregate disputed amount, combined with any aggregate disputed amount under section 10.14, exceeds $100,000, and upon the written request of the other party, the party disputing the amount (the "Disputing Party") will deposit the portion of the disputed amount in excess of $100,000 into an escrow account that will be governed by an escrow agreement in a form to be mutually agreed upon by the parties. The Disputing Party will deposit the amount into the escrow account within 10 Business Days after its receipt of the written request from the other party in accordance with the foregoing. If the Disputing Party complies with the requirements of this paragraph, then the other party or its Related Parties may not declare the Disputing Party in breach of this agreement or the Services Agreement because of nonpayment of the disputed amount, pending completion of the dispute resolution process.

The escrow agent will be an unrelated third party that is in the business of serving as an escrow agent for or on behalf of financial institutions. The parties will share evenly the escrow agent's fees. The escrow agent will invest and reinvest the escrowed funds in interest-bearing money market accounts or as the parties

otherwise agree. The escrow agent will disburse the escrowed funds in the following manner based on the determination made in the dispute resolution process:

(a) If the Disputing Party does not owe any of the disputed amounts, then the escrow agent will return all of the escrowed funds to the Disputing Party with the interest earned on the escrowed funds.

(b) If the Disputing Party owes all of the disputed amounts, then the escrow agent will disburse all of the escrowed funds with the interest earned on the escrowed funds to the non-disputing party. If the interest earned is less than the amount owed based on the Default Rate, then the Disputing Party will pay the non-disputing party the difference between those amounts.

(c) If the Disputing Party owes a portion of the disputed amounts, then the escrow agent will disburse to the non-disputing party the amount owed with interest at the Default Rate from the escrowed funds and disburse the balance of the escrowed funds to the Disputing Party. The Disputing Party will pay the non-disputing party the amount owed for interest at the Default Rate if the amount of the escrowed funds is insufficient.

Manager and Sprint PCS will take all reasonable actions necessary to allow the Disputing Party to continue to reflect the amounts deposited into the escrow account by the Disputing Party as assets in the Disputing Party's financial statements.

The parties will use the dispute resolution process under section 14.2 of this agreement, excluding the escalation process set forth in section 14.1, if they cannot agree on the form of escrow agreement.

The parties agree that, despite this section 10.13, Manager will pay all disputed amounts due to Sprint PCS or any Related Party for fees for CCPU Services and CPGA Services payable under the Services Agreement for periods ending on or before December 31, 2006, subject to any other rights and remedies that Manager has under this agreement and the Services Agreement.

The dispute of an item in a statement does not stay or diminish a party's other rights and remedies under this agreement, except that a party must complete the dispute resolution process in section 14 before taking any legal or equitable action against the other party.

10.14 Dispute or Correction of a Third Party Invoice Amount. Sprint PCS will include the applicable portion of any amount based on a third party invoice in a statement to Manager within three calendar months after Sprint PCS' receipt of the third party invoice. Sprint PCS' failure to include the amount in a

statement to Manager within the three calendar month-period will mean that the third party charges will not be collectible from Manager.

A party can dispute or correct an amount based on a third party invoice only in good faith. Modified invoices received by Sprint PCS from a third party vendor and then sent by Sprint PCS to Manager will be treated as a new statement for purposes of this section, so long as the modification affects the amount owed by Manager and the modified statement was revised in good faith and not simply to provide Sprint PCS additional time to resubmit a previous invoice.

If a party disputes or corrects an amount on a third party invoice or the amount Sprint PCS attributed to Manager, the disputing party must give the other party written notice of the specific item disputed or corrected, the disputed or corrected amount with respect to that item and the reason for the dispute or correction within three calendar months after the end of the calendar month during which the disputed or erroneous statement was delivered. Sprint PCS and Manager will cooperate with each other to obtain the information needed to determine if the amounts billed by the third party and allocated to Manager were correct.

Any dispute regarding the amount of the third party invoice Sprint PCS attributed to Manager will be submitted for resolution under the dispute resolution process in section 14. Manager must continue to pay to Sprint PCS all amounts, except disputed amounts, owed under this agreement and the Services Agreement during the information gathering and dispute resolution process. If the aggregate disputed amount, combined with any aggregate disputed amount under section 10.13, exceeds $100,000, and upon the written request of Sprint PCS, Manager will deposit the portion of the disputed amount in excess of $100,000 into an escrow account that will be governed by an escrow agreement containing terms similar to the general terms described in section 10.13 and in a form to be mutually agreed upon by the parties. Manager will deposit the amount into the escrow account within 10 Business Days after its receipt of the written request from Sprint PCS in accordance with the foregoing. If Manager complies with the requirements of this paragraph, then none of Sprint PCS or its Related Parties may declare Manager in breach of this agreement or the Services Agreement because of nonpayment of the disputed amount pending completion of the dispute resolution process.

The dispute of an item in a statement does not stay or diminish a party's other rights and remedies under this agreement, except that the parties must complete the dispute resolution process in section 14 before taking any legal or equitable action against each other.

10.15 Late Payments. Any amount due under this agreement or the Services Agreement without a specified due date will be due 20 days after the paying party receives an invoice. Any amount due under this agreement and the Services Agreement (including without limitation any amounts disputed under those agreements that are ultimately

determined to be due) that is not paid by one party to the other party in accordance with the terms of the applicable agreement will bear interest at the Default Rate beginning (and including) the 5th day after the payment due date until (and including) the date paid.

10.16 Setoff Right If Failure To Pay Amounts Due. If Manager fails to pay any undisputed amount due Sprint PCS or a Related Party of Sprint PCS under this agreement, any undisputed amount due Sprint PCS or a Related Party of Sprint PCS under the Services Agreement or any other agreement with Sprint PCS or a Related Party of Sprint PCS, or any disputed amount due to Sprint PCS or a Related Party for fees for CCPU Services or CPGA Services payable under the Services Agreement, then 5 days after the payment due date Sprint PCS may setoff against its payments to Manager under this section 10 any such undisputed amount that Manager owes to Sprint PCS or a Related Party of Sprint PCS. This right of setoff is in addition to any other right that Sprint PCS or a Related Party of Sprint PCS might have under this agreement, the Services Agreement or any other agreement with Sprint PCS or a Related Party of Sprint PCS.

10.17 Effect of Number Portability. The parties acknowledge that, before wireless local number portability, Customers who received Sprint PCS Products and Services through Manager were assigned a NPA-NXX that was unique to the Service Area, but due to wireless local number portability Customers will now have a unique identification, the MSID, assigned to them that associates the NPA-NXX through the MSID with the Service Area. Revenue and expenses associated with such Customers with an MSID associated with the Service Area will be allocated in the same manner that, prior to wireless local number portability, revenue and expenses were associated with Customers with an NPA-NXX assigned to the Service Area. Sprint will modify its accounting systems to properly allocate such amounts. In addition, any NPA-NXX-Xs associated with a Customer with an MSID associated with the Service Area will be deemed to be "used by Manager" under Addendum IV, Section 2.

18. Non-Renewal Rights of Sprint PCS [Addm I, ss.15]. The following sentence is added at the end of each of section 11.2.2.1 and section 11.2.2.2:

Sprint PCS will declare, within one-hundred twenty (120) days after the occurrence of any of the events listed in section 11.2.2, its intent to exercise its rights under this subsection.

19. Termination of License [Addm I, ss.14]. Section 11.3.1(a) is amended to read as follows:

> (a) At the election of either party this agreement may be terminated at the time the FCC revokes or fails to renew the License (except that if the FCC revokes or fails to renew the License because of a breach of this agreement by Sprint PCS, Sprint PCS may not terminate this agreement pursuant to this section 11.3.1(a)). Unless Manager has the right to terminate this agreement under section 11.3.1(b), neither party has any claim against the other party if the FCC revokes or fails to renew the License, even if circumstances would otherwise permit one party

to terminate this agreement based on a different Event of Termination, except that the parties will have the right to pursue claims against each other as permitted under section 11.4(b).

20. Regulatory Considerations [Addm I, ss.16]. The following sentence is added at the end of section 11.3.4(b): "A `deemed change of control' in this section refers to a determination by the FCC that there has been a change of control of the License resulting from the performance by the parties of their respective obligations under the agreement."

21. Termination Rights [NEW]. Section 11.3.7 is deleted, and all references in the agreement to section 11.3.7 are also deleted.

22. Non-termination of Agreement [Addm I, ss.17]. Sections 11.5.3 and 11.6.4 are replaced with the following paragraphs:

11.5.3 Manager's Action for Damages or Other Relief. Manager, in accordance with the dispute resolution process in section 14, may seek damages or other appropriate relief, but such action does not terminate this agreement.

11.6.4 Sprint PCS' Action for Damages or Other Relief. Sprint PCS, in accordance with the dispute resolution process in section 14, may seek damages or other appropriate relief, but such action does not terminate this agreement.

23. Changes to Exhibit 11.8 [Addm I,ss.30; revised by this Addendum]. The following changes are made to Exhibit 11.8:

(a) The definition "Operating Assets" in paragraph 1.1.1 is deleted.

(b) Paragraph 1.7 is amended to read as follows:

"Title Insurance. This paragraph 1.7 will apply if the Property includes any real estate property (including leasehold interests) ("Real Property"), but with respect to leasehold interests, only to the extent title insurance is available."

(c) Paragraph 1.8 is amended to read as follows:

"Survey. This paragraph 1.8 will apply if the Property includes any Real Property, but with respect to leasehold interests, only to the extent surveys are available."

(d) Paragraph 1.9.8 is amended to read as follows:

1.9.8 Hazardous Materials. To the knowledge of Seller, there is no condition of the Property or of any substance located on, in, under or near the Property (including but not limited to any asbestos or any hazardous substance) that could lead to liability of the owner of the Property for damages or clean-up costs

under any federal, state or local statute or common law except as disclosed in writing to Buyer.," at the beginning of the paragraph.

(e) Paragraph 1.9.11 is amended to read as follows:

1.9.11 Survival of Representations and Warranties. The representations and warranties of the parties contained in the Transaction Documents will survive the Closing and will continue in effect for a period three (3) years. A waiver of any misrepresentation or breach of any warranty will not constitute a waiver of any other misrepresentation or breach of any other warranty under the Transaction Documents.

(f) Paragraph 1.16.2 is amended is amended to read as follows:

1.16.2 For purposes of this paragraph 1.16, "compete" means engaging in any business that offers products and services that are similar to or competitive with the Sprint PCS Products and Services offered by Sprint PCS as of the date of termination of the Management Agreement. Manager and its Related Parties will be deemed to be engaging in a competing business in violation of this paragraph regardless of whether Manager and its Related Parties are acting (i) individually or jointly or on behalf of or in concert with any other individual or entity, or (ii) as a proprietor, partner, shareholder, member, director, officer, employee, agent or consultant, or is acting in any other capacity or manner whatsoever, for any individual or entity that competes with Sprint PCS and its Related Parties.

24. Audit [NEW]. Section 12.1.2 is amended to read as follows:

12.1.2 Audits. On reasonable advance notice by one party, the other party must provide its independent or internal auditors access to its appropriate financial and operating records, including, without limitation, vendor and distribution agreements, for purposes of auditing the amount of fees (including the appropriateness of items excluded from the Fee Based on Billed Revenue), costs, expenses (including operating metrics referred to in this agreement and the Services Agreement relating to or used in the determination of Inter Service Area Fees, Reseller Customer Fees, CCPU Services or CPGA Services) or other charges payable in connection with the Service Area for the period audited. The party that requested the audit may decide if the audit is conducted by the other party's independent or internal auditors. Manager and Sprint PCS may each request no more than one audit per year.

(a) If the audit shows that Sprint PCS was underpaid then, unless the amount is contested, Manager will pay to Sprint PCS the amount of the underpayment within 10 Business Days after Sprint PCS gives Manager written notice of the underpayment determination.

(b) If the audit determines that Sprint PCS was overpaid then, unless the amount is contested, Sprint PCS will pay to Manager the amount of the overpayment within 10 Business Days after Manager gives Sprint PCS written notice of the overpayment determination.

The auditing party will pay all costs and expenses related to the audit unless the amount owed to the audited party is reduced by more than 10% or the amount owed by the audited party is increased by more than 10%, in which case the audited party will pay the costs and expenses related to the audit.

Sprint PCS will provide a report issued in conformity with Statement of Auditing Standard No. 70 "Reports on the Processing of Transactions by Service Organizations" ("Type II Report" or "Manager Management Report") to Manager annually. If Manager, on the advice of its independent auditors or its legal counsel, determines that a statute, regulation, rule, judicial decision or interpretation, or audit or accounting rule, policy or literature published by the accounting or auditing profession or other authoritative rule making body (such as the Securities and Exchange Commission, the Public Company Accounting Oversight Board or the Financial Accounting Standards Board) requires additional assurances beyond SAS 70, then Sprint PCS will cooperate with Manager to provide the additional assurances. Sprint PCS' independent auditors will prepare any Type II Report or Manager Management Report provided under this section 12.1.2 and will provide an opinion on the controls placed in operation and tests of operating effectiveness of those controls in effect at Sprint PCS over Manager Management Processes. "Manager Management Processes" include those services generally provided within this agreement, primarily billing and collection of revenues. Sprint PCS or Sprint PCS' auditors will provide information to Manager or Manager's auditors to perform analysis procedures requested by Manager in accordance with this paragraph.

25. Regulatory Compliance [Addm I, ss.20]. Section 16.1 is amended to read as follows:

16.1 Regulatory Compliance. Manager will construct, operate, and manage the Service Area Network in compliance with applicable federal, state, and local laws and regulations, including Siting Regulations. Nothing in this section 16.1 will limit Manager's obligations under section 2.2 and the remainder of this section 16. Manager acknowledges that failure to comply with applicable federal, state, and local laws and regulations in its construction, operation, and management of the Service Area Network may subject the parties and the License to legal and administrative agency actions, including forfeiture penalties and actions that affect the License, such as license suspension and revocation, and accordingly, Manager agrees that it will cooperate with Sprint PCS to maintain the License in full force and effect.

Manager will write and implement practices and procedures governing construction and management of the Service Area Network in compliance with Siting Regulations.

Manager will make its Siting Regulations practices and procedures available upon request to Sprint PCS in the manner specified by Sprint PCS for its inspection and review, and Manager will modify those Siting Regulations practices and procedures as may be requested by Sprint PCS. Every six months, and at the request of Sprint PCS, Manager will provide a written certification from one of Manager's chief officers that Manager's Service Area Network complies with Siting Regulations. Manager's first certification of compliance with Siting Regulations will be provided to Sprint PCS six months after the date of this agreement.

Manager will conduct an audit and physical inspection of its Service Area Network at the request of Sprint PCS to confirm compliance with Siting Regulations, and Manager will report the results of the audit and physical inspection to Sprint PCS in the form requested by Sprint PCS. Manager will bear the cost of Siting Regulations compliance audits and physical inspections requested by Sprint PCS; provided, however, that Sprint PCS will bear the cost of any such requested audits and inspections that are made more often than Sprint PCS makes audits or inspections of its own network sites.

Manager will retain for 3 years records demonstrating compliance with Siting Regulations, including compliance audit and inspection records. Manager will make those records available upon request to Sprint PCS for production, inspection, and copying in the manner specified by Sprint PCS. Sprint PCS will bear the cost of production, inspection, and copying.

26. Notices [NEW]. Paragraph 3 of Addendum III is deleted. (a) Section 17.1 is amended to read as follows:

17.1 Notices. (a) Any notice, payment, invoice, demand or communication required or permitted to be given by any provision of this agreement must be in writing and mailed (certified or registered mail, postage prepaid, return receipt requested), sent by hand or overnight courier, charges prepaid or sent by facsimile or email (in either instance with acknowledgement or read receipt received), and addressed as described below, or to any other address or number as the person or entity may from time to time specify by written notice to the other parties. Sprint PCS may give notice of changes to a Program Requirement by sending an email that directs Manager to the changed Program Requirement on the affiliate intranet website.

The subject line of any email notice that purports to amend any Program Requirement must read "Program Requirement Change" and the first paragraph must indicate (i) which Program Requirement is being modified, (ii) what is being modified in the Program Requirement, and (iii) when the Program Requirement will take effect. The email must also include either a detailed summary of the Program Requirement Change or a redline comparison between the old Program Requirement and the new Program Requirement.

Any notice, demand or communication intended to be notice of a breach of

an agreement or notice of an Event of Termination must:

(A) clearly indicate that intent,

(B) state the section(s) of the agreements allegedly breached, and

(C) be mailed or sent by overnight courier in the manner described in the first paragraph in this section 17.1.

Manager will promptly give Sprint PCS a copy of any notice of default Manager receives from the Administrative Agent or any Lender, and a copy of any related notice Manager gives to the Administrative Agent or any Lender. Sprint PCS will promptly give Manager a copy of any notice of default that Sprint PCS receives from the Administrative Agent or any Lender and a copy of any related notice that Sprint PCS gives to the Administrative Agent or any Lender.

All notices and other communications given to a party in accordance with the provisions of this agreement will be deemed to have been given when received.

(b) The parties' notice addresses are as follows:

For all entities comprising Sprint PCS:

Sprint PCS
KSOPHF0402-4B101
6200 Sprint Parkway
Overland Park, KS 66251
Telephone: 913-794-1530
Telecopier: 913-523-2759
Email: dbotto01@sprintspectrum.com
Attention: Vice President - Wireless Alliances Group

with a copy to:

Sprint Law Department
KSOPHT0101-Z2020
6391 Sprint Parkway
Overland Park, KS 66251
Telephone: 913-315-9315
Telecopier: 913-523-9823
Email: john.w.chapman@mail.sprint.com
Attention: John Chapman

For Manager:

Shenandoah Personal Communications Company
124 South Main Street
Post Office Box 459
Edinburg, Virginia 22824-0459
Telephone: (540) 984-5209
Telecopier: (540) 984-8192
Email: cfrench@shentel.net
Attention: Mr. Christopher E. French

and with copies to the following individuals' email addresses if a notice of a Program Requirement Change is sent by email:

Mr. William L. Pirtle
Email: wpirtle@shentel.net

Mr. Laurence F. Paxton
Email: lfpaxton@shentel.net

Mr. Earle A. MacKenzie
Email: eam@shentel.net

27. Force Majeure [NEW]. The second paragraph of section 17.9.3 is amended to read as follows:

Neither Manager nor Sprint PCS, as the case may be, is in breach of any covenant in this agreement, and no Event of Termination will occur as a result of the failure of such party to comply with any covenant, if the party's non-compliance with the covenant results primarily from:

(i) any FCC order or any other injunction that any governmental authority issues that impedes the party's ability to comply with the covenant;

(ii) the failure of any governmental authority to grant any consent, approval, waiver or authorization or any delay on the part of any governmental authority in granting any consent, approval, waiver or authorization;

(iii) the failure of any vendor to deliver in a timely manner any equipment or service; or

(iv) any act of God, act of war or insurrection, riot, fire, accident, explosion, labor unrest, strike, civil unrest, work stoppage, condemnation or any similar cause or event not reasonably within the control of the party;

28. Governing Law, Jurisdiction and Consent to Service of Process [NEW and Addm III, ss.2]. Section 17.12 of the Management Agreement is replaced with the following language:

17.12 Governing Law, Jurisdiction and Consent to Service of Process.

17.12.1 Governing Law. The internal laws of the State of Kansas (without regard to principles of conflicts of law) govern the validity of this agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

17.12.2 Jurisdiction; Consent to Service of Process.

(a) Each party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any Kansas State court sitting in the County of Johnson or any Federal court of the United States of America sitting in the District of Kansas, and any appellate court from any such court, in any suit action or proceeding arising out of or relating to this agreement, or for recognition or enforcement of any judgment, and each party hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such Kansas State Court or, to the extent permitted by law, in such Federal court.

(b) Each party hereby irrevocably and unconditionally waives, to the fullest extent it may legally do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement in Kansas State court sitting in the County of Johnson or any Federal court sitting in the District of Kansas. Each party hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court and further waives the right to object, with respect to such suit, action or proceeding, that such court does not have jurisdiction over such party.

(c) Each party irrevocably consents to service of process in the manner provided for the giving of notices pursuant to this agreement, provided that such service shall be deemed to have been given only when actually received by such party. Nothing in this agreement shall affect the right of a party to serve process in another manner permitted by law.

29. Transfer of Spectrum [Addm I, ss.21]. Section 17.15.5 is amended to read as follows:

17.15.5 Transfer of Sprint PCS Network. Sprint PCS may sell, transfer or assign the Sprint PCS Network and, in connection therewith its rights and obligations under this agreement, the Services Agreement and any related agreements, to a third party without Manager's consent so long as the third party assumes the rights and obligations under this agreement and the Services Agreement and any related agreements. Manager

agrees that Sprint PCS and Sprint PCS' Related Parties will be released from any and all obligations under and with respect to any and all such agreements upon such sale, transfer or assignment in accordance with this section 17.15.5, without the need for Manager to execute any document to effect such release.

Except for (i) intercompany transfers among Sprint's Related Parties and (ii) any transfer of the License that is part of a sale, transfer or assignment of the entire Sprint PCS Network (such transfer described in (i) and (ii), the "Permitted Transfers"), neither Sprint PCS nor any Sprint Related Party shall sell, transfer or assign any of the Licenses, or any spectrum under the Licenses, except as follows:

(A) Sprint PCS may sell, transfer or assign up to ten (10) MHz of spectrum under the Licenses in the aggregate during the term of this agreement to a third party without Manager's consent; provided, that no such sale, transfer or assignment shall relieve Sprint PCS of its obligations under this agreement, the Services Agreement, or any related agreements.

(B) If Sprint PCS determines it wishes to sell, transfer or assign spectrum under the Licenses which, when added together with all prior sales, transfers and assignments of spectrum under the Licenses (other than Permitted Transfers), exceeds 10 MHz of spectrum (such spectrum proposed to be sold, assigned or transferred, the "Offered Spectrum"), then upon receiving any offer to purchase the Offered Spectrum (a "Spectrum Offer"), Sprint PCS agrees to promptly deliver to Manager a copy of such Spectrum Offer. The Spectrum Offer is deemed to constitute an offer to sell to Manager, on the terms set forth in the Spectrum Offer, all but not less than all of the Offered Spectrum. Manager will have a period of sixty (60) days from the date of receipt of the Spectrum Offer to notify Sprint PCS that Manager agrees to purchase the Offered Spectrum on such terms. If Manager timely agrees in writing to purchase the Offered Spectrum, the parties will proceed to consummate such purchase not later than the one hundred eightieth (180th) day after the date of Manager's receipt of the Spectrum Offer. If Manager does not agree within the sixty (60) day period to purchase the Offered Spectrum, Sprint PCS will have the right, for a period of one hundred twenty (120) days after such sixtieth (60th) day, subject to restrictions set forth in this section 17, to sell to the person or entity identified in the Spectrum Offer all of the Offered Spectrum on terms and conditions no less favorable to Sprint PCS than those set forth in the Spectrum Offer. If Sprint PCS fails to sell the Offered Spectrum to such person or entity on such terms and conditions within such one hundred twenty (120) day period, Sprint PCS will again be subject to the provisions of this section 17.15.5(b)(ii) with respect to the Offered Spectrum.

30. Announced Transactions [Addm I, ss.22]. Section 17.24 is deleted.

31. Additional Terms and Provisions [Addm I, ss.23]. Section 17.25 is amended to read as follows:

17.25 Additional Terms and Provisions. Certain additional and supplemental terms and provisions of this agreement, if any, are set forth in Addendum I. Manager represents and warrants that the Addendum I also describes all existing contracts and arrangements (written or verbal) to which Manager or its Related Parties are a party that relate to or affect the rights of Sprint PCS or Sprint under this agreement (e.g., agreements relating to long distance telephone services (section 3.4)).

32. Federal Contractor Compliance [Addm I, ss.24]. A new section 17.28, the text of which is attached as Exhibit B to Addendum I, is added and incorporated by this reference. When and to the extent required by applicable law, Manager will comply with the requirement of this section 17.28.

33. Year 2000 Compliance [Addm I,ss.25]. A new section 17.29 is added to the Management Agreement:

17.29 Year 2000 Compliance. If the Service Area Network or any system used to support the Service Area Network fails to satisfy the Sprint PCS requirements for "Year 2000 Compliance" due to defects or failures in any system or equipment selected by Manager (including systems or third party vendors and subcontractors selected by Manager rather than by Sprint PCS), Manager will, at its own expense, make the repairs, replacements or upgrades necessary to correct the failure. If the Service Area Network or any system used to support the Service Area Network fails to satisfy the Sprint PCS requirements for "Year 2000 Compliance" due to defects or failures in any systems or equipment selected by Sprint PCS (including systems or equipment of third party vendors and subcontractors that Sprint PCS selects and requires Manager to use), Sprint PCS will, at its own expense, make the repairs, replacements or upgrades necessary to correct the failure.

"Year 2000 Compliance" means the functions, calculations, and other computing processes of the Service Area Network (collectively "Processes") that perform and otherwise process, date-arithmetic, display, print or pass date/time data in a consistent manner, regardless of the date in time on which the Processes are actually performed or the dates used in such data or the nature of the date/time data input, whether before, during or after January 1, 2000, and whether or not the date/time data is affected by leap years. To the extent any part of the Service Area Network is intended to be used in combination with other software, hardware or firmware, it will properly exchange date/time data with such software, hardware or firmware. The Service Area Network will accept and respond to two-digit year-date input, correcting or supplementing as necessary, and store, print, display or pass date/time data in a manner that is unambiguous as to century. No date/time data will cause any part of the Service Area Network to perform an abnormally ending routine or function within the Processes or generate incorrect final values or invalid results.

34. Non-Exclusive Service [NEW] Section 1.3 of the Services Agreement is amended and restated in its entirety to read as follows:

1.3 Non-Exclusive Services. Nothing contained in this agreement confers upon Manager an exclusive right to any of the Services. Sprint Spectrum may contract with others to provide expertise and services identical or similar to those to be made available or provided to Manager under this agreement.

35. Services Agreement [NEW]. Article 2 of the Services Agreement is amended to read as follows:

2. SERVICES

2.1 Services.

2.1.1 Services. Subject to the terms of this agreement, through December 31, 2006, Manager will obtain the services set forth on Schedule 2.1.1 attached to this agreement ("Services") from Sprint Spectrum in accordance with this section 2.1, and Sprint Spectrum will provide all or none of the Services. For purposes of clarification, as of the Effective Date of Addendum V through December 31, 2006, Sprint Spectrum is providing all of the Services to Manager and Sprint Spectrum will not provide individual Services.

The fees charged for the Services and the process for setting the fees charged for the Services are set forth in section 3.2. Sprint Spectrum may designate additional Services upon at least 60 days' prior written notice to Manager by providing an amended Schedule 2.1.1 to Manager in accordance with the provisions of section 9.1.

Without Manager's prior written consent, neither Sprint Spectrum nor any of its Related Parties will require Manager to pay for:

(A) any of those additional CCPU Services or CPGA Services to the extent that they are the same as or functionally equivalent to any service or benefit that Manager currently receives from Sprint Spectrum or its Related Parties or Sprint PCS or its Related Parties but for which Manager does not pay a separate fee immediately after the Effective Date, or

(B) any other additional CCPU Services or CPGA Services through December 31, 2006. After that date the fee for those other additional Services will be included in the fees based on Sprint PCS CCPU and Sprint PCS CPGA as set forth in section 3.2.

2.1.2 Discontinuance of Services. If Sprint Spectrum determines to no longer offer a Service, then Sprint Spectrum must

(i) notify Manager in writing a reasonable time before discontinuing the Service, except Sprint will notify Manager at least 9 months before Sprint plans to discontinue a significant Service (e.g., billing, collection and customer care), and

(ii) discontinue the Service to all Other Managers.

If Manager determines within 90 days after receipt of notice of discontinuance that it wants to continue to receive the Service, Sprint Spectrum will use commercially reasonable efforts to:

(a) help Manager provide the Service itself or find another vendor to provide the Service, and

(b) facilitate Manager's transition to the new Service provider.

The fees charged by Sprint Spectrum for the CCPU Services and CPGA Services will be reduced by any fees payable by Manager to a vendor or new Service provider in respect of discontinued CCPU Services and CPGA Services, if (x) Sprint Spectrum procures such CCPU Services or CPGA Services from a vendor or a new Service provider and bills those items as Settled-Separately Manager Expenses (as defined in subsection 3.2.5 of this agreement), or (y) Manager procures such CCPU Services or CPGA Services from a vendor or a new provider of Services, or (z) Manager self-provisions the Service. No adjustment to the fees will be made if Sprint Spectrum discontinues a CCPU Service or CPGA Service and Sprint Spectrum does not provide the CCPU Service or CPGA Service to end users.

2.1.3 Performance of Services. Sprint Spectrum may select the method, location and means of providing the Services. If Sprint Spectrum wishes to use Manager's facilities to provide the Services, Sprint Spectrum must obtain Manager's prior written consent.

2.2 Third Party Vendors. Some of the Services might be provided by third party vendors under arrangements between Sprint Spectrum and the third party vendors. In some instances, Manager may receive Services from a third party vendor under the same terms and conditions that Sprint Spectrum receives those services. In other instances, Manager may receive Services under the terms and conditions set forth in an agreement between Manager and the third party vendor.

36. Payment of Fees Under Services Agreement [NEW]. Paragraph 26 of Addendum I is deleted. Article 3 of the Services Agreement is amended to read as follows:

3. FEES FOR SERVICES

3.1 Services. Manager will pay Sprint Spectrum a fee for the Services provided by or on behalf of Sprint Spectrum now or in the future, subject to Section 2.1.1. Manager may not obtain these Services from other sources, except as provided in this agreement.

If a change to Sprint PCS' accounting classifications for the CCPU Services or CPGA Services materially changes the amount of the Sprint PCS CCPU or Sprint PCS CPGA relative to the amount immediately before the change, then the rates outlined in section 3 of the Services Agreement will be adjusted to reflect the change.

If the accounting classification change has the effect of moving a Service from a CCPU Service or CPGA Service to a Settled-Separately Manager Expense, the fees for the CCPU Services or CPGA Services, as applicable, charged by Sprint Spectrum will be reduced by the fees payable by Manager for the new Settled-Separately Manager Expense.

3.2 Fees for Services.

3.2.1 Initial Pricing Period. The fees Manager will pay Sprint Spectrum for the CCPU Services and CPGA Services provided to Manager by or on behalf of Sprint Spectrum each month from the first day of the calendar month following the Effective Date of Addendum V until December 31, 2006 ("Initial Pricing Period"), will be:

(a) for the CCPU Services: $7.70 per subscriber multiplied by the Number of Customers in Manager's Service Area, and

(b) for the CPGA Services: an amount equal to, but not to exceed $25.00 per Gross Customer Addition in Manager's Service Area:

(i) the most recently publicly reported Sprint PCS CPGA, multiplied by a percentage equal to the lesser of:

(A) Manager's current percentage of the most recently publicly reported Sprint PCS CPGA, and

(B) 6.3% of the most recently publicly reported Sprint PCS CPGA;

multiplied by

(ii) the Gross Customer Additions in Manager's Service Area.

The fees will be paid as set forth in section 10 of the Management Agreement.

3.2.2 Pricing Process. After the Initial Pricing Period, the fee for

CCPU Services will become a percentage of Sprint PCS CCPU and the fee for CPGA Services will be adjusted to a new percentage of Sprint PCS CPGA. The parties will reset the CCPU and CPGA percentages to be applied in each pricing period after the Initial Pricing Period ends. Each subsequent pricing period will last three years (if Manager continues to use Sprint Spectrum or a Related Party to provide these Services) with, for example, the second pricing period beginning on January 1, 2007 and ending on December 31, 2009.

The process for resetting the percentages is as follows:

(a) Sprint Spectrum will give Manager proposed CCPU and CPGA percentages by October 31 of the calendar year before the calendar year in which the then current pricing period ends (e.g. if the pricing period ends on December 31, 2006 then the percentages have to be presented by October 31, 2005). The proposed percentages will be based on the amount necessary to recover Sprint PCS' reasonable costs for providing the CCPU Services and CPGA Services to Manager and the Other Managers. Manager's representative and the Sprint PCS representative will begin discussions regarding the proposed CCPU and CPGA percentages within 20 days after Manager receives the proposed CCPU and CPGA percentages from Sprint Spectrum.

(b) The fee Manager will pay Sprint Spectrum for the CCPU Services provided to Manager by or on behalf of Sprint Spectrum each month beginning on January 1, 2007 until December 31, 2008 under the pricing process described in this section 3.2.2 will not exceed $8.50 per subscriber multiplied by the Number of Customers in Manager's Service Area.

(c) If the parties do not agree on new CCPU and CPGA percentages within 30 days after the discussions begin, then Manager may escalate the discussion to the Sprint PCS Chief Financial Officer or Sprint Spectrum may escalate the discussion to Manager's Chief Executive Officer or Chief Financial Officer.

(d) If the parties cannot agree on the new CCPU and CPGA percentages through the escalation process within 20 days after the escalation process begins, then Manager may either

(i) submit the determination of the CCPU and CPGA percentages to binding arbitration under section 14.2 of this agreement, excluding the escalation process set forth in section 14.1 and continue obtaining all of the CCPU Services and CPGA Services from Sprint Spectrum at the CCPU and CPGA percentages the arbitrator determines, or

(ii) procure from a vendor other than Sprint Spectrum or self-provision all of the Services.

Manager will begin paying Sprint Spectrum under the CCPU and CPGA percentages that Sprint Spectrum presents for discussion at the beginning of the new pricing period until the date on which the parties agree or until the arbitrator determines the new CCPU and CPGA percentages, whichever occurs first. Within 30 days after the percentages are determined (either by agreement or by arbitration), Sprint PCS will recalculate the fees from the beginning of the new pricing period and give notice to Manager of what the fees are and the amount of any adjusting payments required. If Sprint PCS owes Manager a refund of fees already paid, Sprint PCS may pay the amount to Manager or Sprint PCS, in its sole discretion, may credit the amount of the refund against any amounts Manager then owes to Sprint PCS. If Sprint PCS chooses to pay the refund, it will make the payment at the time it sends the notice to Manager; If Sprint PCS chooses to credit the refund, it will in the notice indicate the amounts owing to which the credit will be applied. If Manager owes Sprint PCS additional fees Manager will pay those fees to Sprint PCS within 10 days after receipt of the notice.

By December 1, 2006, the parties will agree on a service level agreement for customer care services and collection services ("Customer-Related Services") that will apply to Customer-Related Services delivered by Sprint Spectrum starting on January 1, 2007. If the parties cannot agree on a service level agreement by December 1, 2006, either party may submit a proposed service level agreement to binding arbitration under section 14.2 of the Management Agreement, excluding the escalation process set forth in section 14.1. If the arbitration concludes after January 1, 2007 the service level agreement, as agreed upon through the arbitration process, will be effective as of January 1, 2007. The agreement will set forth 5 metrics for Customer-Related Services and will provide that Sprint Spectrum will use commercially reasonable efforts to meet the industry averages for those metrics as in effect on December 1, 2006. The 5 metrics are:

a) Service Grade Rate defined as percentage of calls answered in 60 seconds or less after the customer enters the call queue.

b) Average Hold Time defined as average time a customer waits to talk to a customer service representative once the customer enters the call queue.

c) Abandoned Call Rate defined as the percentage of calls that disconnect prior to talking to a customer service representative after the customer enters the call queue.

d) Net Write-Offs Rate defined as monthly write-offs of accounts receivable, net of customer deposits, divided by monthly subscriber revenue.

e) Past-Due Accounts Receivable Aging Rates defined as percentage of accounts receivable greater than 60 days from due date.

The service level agreement will provide that Sprint Spectrum will give Manager a quarterly report on the above metrics. Beginning in 2008, Manager will have the right to opt out of Sprint Spectrum providing the Customer Related Services if the average of the metrics reflected in the four quarterly reports for the prior calendar year indicate that Sprint Spectrum is not in compliance with any 2 of the 5 metrics. To exercise the opt-out right, Manager must give its opt-out notice to Sprint Spectrum during the first quarter of any calendar year that Manager has an opt-

out right. Upon receipt of an opt-out notice, Manager and Sprint Spectrum will use commercially reasonable efforts to transition the Customer-Related Services to Manager or a third party vendor within 9 months after the opt-out notice date. Upon the parties' completion of the transition, the parties will agree to an adjustment to the CCPU Service Fee being charged by Sprint Spectrum to Manager. If the parties cannot agree to an adjustment, Manager has the right to submit the determination to binding arbitration under section 14.2 of the Management Agreement, excluding the escalation process set forth in section 14.1, and continue obtaining all the CPGA Services and remaining CCPU services from Sprint Spectrum. Manager will reimburse Sprint Spectrum for transition and continuing operation costs in accordance with Section 3.2.4.

Manager's opt-out right described above is its sole remedy if Sprint Spectrum is not in compliance with the metrics; Sprint Spectrum's non-compliance with the metrics does not constitute a breach of this agreement or any other agreement between the parties.

Manager has the right to propose to Sprint Spectrum that Manager self-provision or procure from a vendor some, but not all, of the Services. Sprint Spectrum will discuss the proposal with Manager, but Manager can only self-provision or procure from a vendor some of the Services if Sprint Spectrum agrees.

3.2.3 Sprint Spectrum First Right of Refusal. Manager must give Sprint Spectrum written notice of Manager's decision to procure the Services from a third party vendor the Services at least 120 days before the end of the Initial Pricing Period or any subsequent three-year pricing period and provide the third party vendor terms to Sprint Spectrum. Sprint Spectrum will have 30 days from the date it receives the third party vendor's terms to decide if it will provide those Services to Manager under those terms.

Manager must agree to receive the Services from Sprint Spectrum if Sprint Spectrum gives notice to Manager that it will provide the Services to Manager on the third party vendor terms. If Sprint Spectrum does not exercise its first right of refusal, Manager must sign the agreement with the third party vendor on the same terms and conditions as presented to Sprint Spectrum within 10 Business Days after Sprint Spectrum notifies Manager of its decision not to exercise the first right of refusal or the expiration of the 30-day period, whichever occurs first. The procedure set forth in this section 3.2.3 will begin again if Manager does not sign the agreement with the third party vendor as required in the preceding sentence.

3.2.4 Transition and Continuing Operating Costs. Sprint Spectrum will cooperate with Manager and work diligently and in good faith to implement the transition to another service provider (including Manager, if applicable), in a reasonably efficient and expeditious manner.

Manager will pay for all reasonable out-of-pocket costs that Sprint Spectrum and its Related Parties actually incur to (i) transfer any Service(s) provided to Manager to a third party vendor or to enable Manager to self-provide any Service(s), and (ii) operate and maintain systems, processes, licenses and

equipment to support those Services. Sprint Spectrum will bill Manager monthly for these costs.

3.2.5 Settled-Separately Manager Expenses. Manager will pay to or reimburse Sprint Spectrum for any amounts that Sprint Spectrum or its Related Parties pays for Settled-Separately Manager Expenses. "Settled-Separately Manager Expenses" means those items the parties choose to settle separately between themselves (e.g. accessory margins, reciprocal retail store cost recovery) that are listed in sections C and D of Schedule 2.1.1.

Sprint Spectrum will give Manager at least 60 days' prior written notice by providing an amended Schedule 2.1.1 to Manager in accordance with the provisions of section 9.1 of any additional Services added to sections C and D of Schedule 2.1.1, but no additional service may be added to the extent it is the same as, or functionally equivalent to, either:

(a) any service that Sprint Spectrum or any of its Related Parties currently provides to Manager as a CCPU Service or a CPGA Service (unless the fees payable by Manager to Sprint Spectrum hereunder are correspondingly reduced) or

(b) any service or benefit that Manager currently receives from Sprint Spectrum or its Related Parties but for which Manager does not pay a separate fee before the Effective Date.

For each Settled-Separately Manager Expense, Sprint Spectrum will provide sufficient detail to enable Manager to determine how the expense was calculated, including the unit of measurement (e.g., per subscriber per month or per call) and the record of the occurrences generating the expense (e.g., the number of calls attributable to the expense). If an expense is not reasonably subject to occurrence level detail, Sprint Spectrum will provide reasonable detail on the process used to calculate the fee and the process must be reasonable. A detail or process is reasonable if it is substantially in the form as is customarily used in the wireless industry. The Settled-Separately Manager Expenses will be paid as set forth in section 10 of the Management Agreement. Sprint Spectrum and its Related Parties may arrange for Manager to pay any of the Settled-Separately Manager Expenses directly to the vendor after giving Manager reasonable notice.

Unless Manager specifically agrees otherwise, any Settled-Separately Manager Expense that Sprint Spectrum or any of its Related Parties is entitled to charge or pass through to Manager under this agreement or the Management Agreement will reflect solely out-of-pocket costs and expenses that Sprint Spectrum or its Related Parties actually incur, will be usage-based or directly related to revenue-generating products and services, and will not include any allocation of Sprint PCS' or its Related Parties' internal costs or expenses (including, but not limited to, allocations of general and administrative expenses or allocations of employee compensation or related expenses). For clarity, Sprint

Spectrum's or its Related Parties' out-of-pocket costs for handset and accessory inventory consist of actual inventory invoice costs less any volume incentive rebates and price protection credits that Sprint Spectrum or its Related Parties receive from a vendor.

3.3 Late Payments. Any payment due under this section 3 that Manager fails to pay to Sprint Spectrum in accordance with this agreement will bear interest at the Default Rate beginning (and including) the 6th day after the due date stated on the invoice until (and including) the date on which the payment is made.

3.4 Taxes. Manager will pay or reimburse Sprint Spectrum for any sales, use, gross receipts or similar tax, administrative fee, telecommunications fee or surcharge for taxes or fees that a governmental authority levies on the fees and charges that Manager pays to Sprint Spectrum or a Related Party.

37. Audit [NEW]. Section 5.1.2 of the Services Agreement is amended to read as follows:

5.1.2 Audits. On reasonable advance notice by one party, the other party must provide its independent or internal auditors access to its appropriate financial and operating records, including, without limitation, vendor and distribution agreements, for purposes of auditing the amount of fees, costs, expenses (including operating metrics referred to in this agreement and the Services Agreement relating to or used in the determination of Inter Service Area Fees, Reseller Customer Fees, CCPU Services or CPGA Services) or other charges payable in connection with the Service Area for the period audited. The party that requested the audit may decide if the audit is conducted by the other party's independent or internal auditors. Manager and Sprint Spectrum may each request no more than one audit per year.

(a) If the audit shows that Sprint Spectrum was underpaid then, unless the amount is contested, Manager will pay to Sprint Spectrum the amount of the underpayment within 10 Business Days after Sprint Spectrum gives Manager written notice of the underpayment determination.

(b) If the audit determines that Sprint Spectrum was overpaid then, unless the amount is contested, Sprint Spectrum will pay to Manager the amount of the overpayment within 10 Business Days after Manager gives Sprint Spectrum written notice of the overpayment determination.

The auditing party will pay all costs and expenses related to the audit unless the amount owed to the audited party is reduced by more than 10% or the amount owed by the audited party is increased by more than 10%, in which case the audited party will pay the costs and expenses related to the audit.

If either party disputes the auditor's conclusion then the dispute will be submitted to binding arbitration in accordance with section 14.2 of the Management

Agreement, excluding the escalation process set forth in section 14.1 of the Management Agreement.

Sprint PCS will provide a Type II Report to Manager annually. If Manager, on the advice of its independent auditors or its legal counsel, determines that a statute, regulation, rule, judicial decision or interpretation, or audit or accounting rule, policy or literature published by the accounting or auditing profession or other authoritative rule making body (such as the Securities and Exchange Commission, the Public Company Accounting Oversight Board or the Financial Accounting Standards Board) requires additional assurances beyond SAS 70, then Sprint Spectrum will cooperate with Manager to provide the additional assurances. Sprint Spectrum's independent auditors will prepare any Type II Report or Manager Management Report provided under this section 5.1.2 and will provide an opinion on the controls placed in operation and tests of operating effectiveness of those controls in effect at Sprint PCS over Manager Management Processes. Sprint PCS or Sprint PCS' auditors will provide information to Manager or Manager's auditors to perform analysis procedures requested by Manager in accordance with this paragraph.

38. Emailing Notices [NEW]. Section 9.1 of the Services Agreement is amended to read as follows:

9.1 Notices. Any notice, payment, invoice, demand or communication required or permitted to be given by any provision of this agreement must be in writing and mailed (certified or registered mail, postage prepaid, return receipt requested), sent by hand or overnight courier, charges prepaid or sent by facsimile or email (in either instance with acknowledgement or read receipt received), and addressed as described in section 17.1(b) of the Management Agreement, or to any other address or number as the person or entity may from time to time specify by written notice to the other parties.

The subject line of any email notice that purports to add any additional service to Schedule 2.1.1 must read "Additional Service to Schedule 2.1.1". The new Schedule 2.1.1 must also be attached to the email, and notice will also be provided to those individuals listed for notices for Manager regarding Program Requirement Changes set forth in section 17.1(b) of the Management Agreement.

Any notice, demand or communication intended to be notice of a breach of an agreement or notice of an Event of Termination must clearly indicate that intent, state the section(s) of the agreements allegedly breached, and in addition to any other form of notice it must be mailed or sent by overnight courier in the manner described in the first paragraph of this section 9.1.

Manager will promptly give Sprint Spectrum a copy of any notice Manager receives from the Administrative Agent or any Lender, and a copy of any notice Manager gives to the Administrative Agent or any Lender. Sprint Spectrum will promptly give Manager a copy of any notice that Sprint Spectrum receives from the

Administrative Agent or any Lender and a copy of any notice that Sprint Spectrum gives to the Administrative Agent or any Lender.

All notices and other communications given to a party in accordance with the provisions of this agreement will be deemed to have been given when received.

39. Force Majeure [NEW]. The second paragraph of section 9.8 of the Services Agreement is amended to read as follows:

Neither Manager nor Sprint Spectrum, as the case may be, is in breach of any covenant in this agreement and no Event of Termination will occur as a result of the failure of such party to comply with any covenant, if the party's non-compliance with the covenant results primarily from:

(i) any FCC order or any other injunction that any governmental authority issues that impedes the party's ability to comply with the covenant;

(ii) the failure of any governmental authority to grant any consent, approval, waiver or authorization or any delay on the part of any governmental authority in granting any consent, approval, waiver or authorization;

(iii) the failure of any vendor to deliver in a timely manner any equipment or service; or

(iv) any act of God, act of war or insurrection, riot, fire, accident, explosion, labor unrest, strike, civil unrest, work stoppage, condemnation or any similar cause or event not reasonably within the control of the party;

40. Governing Law [Addm III, ss.2]]. Section 9.11 of the Services Agreement is replaced with the following language:

9.11 Governing Law. The internal laws of the State of Kansas (without regard to principles of conflicts of law) govern the validity of this agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

Trademark License Agreements

41. Marking: Compliance with Trademark Laws [Addm I, ss.29]. The following sentence is added at the end of section 2.3 to both Trademark License Agreements: "Licensor shall advise Licensee periodically as to the appropriate designations for each Licensed Mark."

42. Ownership of Advertising Materials [Addm I, ss.29]. The first sentence of section 11.5 of both Trademark License Agreements are amended to read as follows: "All agreements entered into by Licensee with advertising agencies shall provide that Licensor shall own all

advertising materials (including concepts, themes, characters and the like) created or developed thereunder which incorporate the Licensed Marks."

43. Notices [NEW]. Section 15.1 of each of the Trademark License Agreements is amended to read as follows:

Section 15.1. Notices. Any notice, payment, invoice, demand or communication required or permitted to be given by any provision of this agreement must be in writing and mailed (certified or registered mail, postage prepaid, return receipt requested), sent by hand or overnight courier, or sent by facsimile (with acknowledgment received), charges prepaid and addressed as described in section 17.1(b) of the Management Agreement, or to any other address or number as the person or entity may from time to time specify by written notice to the other parties.

Any notice, demand or communication intended to be notice of a breach of an agreement or notice of an Event of Termination must clearly indicate that intent, state the section(s) of the agreements allegedly breached, and be mailed or sent by overnight courier in the manner described in the preceding paragraph.

Licensee will promptly give Licensor a copy of any notice Licensee receives from any Administrative Agent or any Lender, and a copy of any notice Licensee gives to any Administrative Agent or any Lender. Licensor will promptly give Licensee a copy of any notice that Licensor receives from the Administrative Agent or any Lender and a copy of any notice that Licensor gives to the Administrative Agent or any Lender.

All notices and other communications given to a party in accordance with the provisions of this agreement will be deemed to have been given when received.

44. Governing Law and Jurisdiction [Addm III, ss.2]. (a) Section 15.8 of each of the Trademark License Agreements is replaced by the following language:

15.8 Governing Law. The internal laws of the State of Kansas (without regard to principles of conflicts of law) govern the validity of this agreement, the construction of its terms and the interpretation of the rights and duties of the parties.

(b) Section 15.13 of each of the Trademark License Agreements is replaced by the following language:

15.13 Jurisdiction; Consent to Service of Process.

(a) Each party hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of any Kansas State court sitting in the County of Johnson or any Federal court of the United States of America sitting in the District of Kansas, and any appellate court from any such

court, in any suit action or proceeding arising out of or relating to this agreement, or for recognition or enforcement of any judgment, and each party hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such Kansas State Court or, to the extent permitted by law, in such Federal court.

(b) Each party hereby irrevocably and unconditionally waives, to the fullest extent it may legally do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement in Kansas State court sitting in the County of Johnson or any Federal court sitting in the District of Kansas. Each party hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court and further waives the right to object, with respect to such suit, action or proceeding, that such court does not have jurisdiction over such party.

(c) Each party irrevocably consents to service of process in the manner provided for the giving of notices pursuant to this agreement, provided that such service shall be deemed to have been given only when actually received by such party. Nothing in this agreement shall affect the right of a party to serve process in another manner permitted by law.

Schedule of Definitions

45. Deleted Definitions [NEW]. The definition of "Available Services is deleted.

46. Additional, Amended or Supplemented Definitions [NEW]. The following are new or amended definitions, unless otherwise indicated.

"Allocable Software Fee" has the meaning set forth in section 1.3.4(f) of the Management Agreement.

"Allocated Write-offs" has the meaning set forth in section 10.3.4 of the Management Agreement. "Amended Exhibit 2.1" has the meaning set forth in section 1 of Addendum III.

"Amount Billed (Net of Customer Credits)" has the meaning set forth in section 10.3.3 of the Management Agreement.

"Away Network" means:

(i) any portion of the Sprint PCS Network other than Manager's Service Area Network, in the case of Customers with an NPA-NXX assigned to the Service Area (or any other such designation in accordance with section 17.17 of the Management Agreement), and

(ii) Manager's Service Area Network, in the case of Customers with an NPA-NXX assigned to an area outside the Service Area (or any other designation in accordance with section 17.17 of the Management Agreement).

"Billed Component(s)" has the meaning set forth in section 10.3.2 of the Management Agreement.

"Billed Month" has the meaning set forth in section 10.2.1 of the Management Agreement.

"Billed Revenue" has the meaning set forth in section 10.2.1 of the Management Agreement.

"Capital Program Requirement Change" has the meaning set forth in section 9.3.1(b) of the Management Agreement.

"CCPU Services" means those Services listed in section A of Schedule 2.1.1 to the Services Agreement.

"Chief Financial Officer of Sprint PCS", "Sprint PCS Chief Financial Officer" and other references to the Chief Financial Officer of Sprint PCS mean the Senior Vice President - Finance of Sprint Corporation designated to serve as the chief financial officer of Sprint PCS or if none, the individual serving in that capacity.

"CPGA Services" means those Services listed in section B of Schedule 2.1.1 to the Services Agreement.

"CSA" has the meaning set forth in section 10.2.1 of the Management Agreement.

"Customer" means any customer, except Reseller Customers or customers of third parties for which Manager provides solely switching services, who purchases Sprint PCS Products and Services, regardless of where their NPA-NXX is assigned.

"Customer Credits" has the meaning set forth in section 10.2.1 of the Management Agreement.

"Customer Equipment Charges" has the meaning set forth in section 10.3.2.5 of the Management Agreement.

"Customer Equipment Credits" has the meaning set forth in section 10.3.2.2 of the Management Agreement.

"Customer-Related Services" has the meaning set forth in section 3.2.2 of the Services Agreement.

"Customer Taxes" means the amounts that Sprint PCS bills to Manager Accounts for taxes, including, without limitation, federal, state, and local sales, use, gross and excise tax.

"Effective Date" has the meaning set forth in the preamble of Addendum V.

"Enterprise Value" means the combined book value of an entity's outstanding debt and equity less cash.

"E911 Phase I Surcharges" means all costs related to Phase I E911 functionality.

"E911 Phase II Surcharges" has the meaning set forth in section 10.3.2.6 of the Management Agreement.

"ETC" has the meaning set forth in section 10.6.1 of the Management Agreement.

"Fee Based on Billed Revenue" has the meaning set forth in section 10.2.1 of the Management Agreement.

"Gross Customer Additions in Manager's Service Area" means the average number of Customers activated (without taking into consideration the number of Customers lost) during the previous month with an NPA-NXX assigned to the Service Area as reported in Sprint PCS' most recent monthly KPI report.

"Initial 3G Data Fee Period" has the meaning set forth in section 10.4.1.3(a) of the Management Agreement.

"Initial Pricing Period" has the meaning set forth in section 3.2.1 of the Services Agreement.

"Inter Service Area Fee" has the meaning set forth in section 4.3 of the Management Agreement.

"Investment Banker" has the meaning set forth in section 9.3.2 of the Management Agreement.

"Manager Accounts" has the meaning set forth in section 10.2.1 of the Management Agreement.

"Manager Management Process" has the meaning set forth in section 12.1.2 of the Management Agreement.

"Manager Management Report" has the meaning set forth in section 12.1.2 of the Management Agreement.

"Net Billed Revenue" has the meaning set forth in section 10.2.1 of the Management Agreement.

"Net Software Cost" means the amount paid by Sprint PCS to the vendor directly associated with the Software used by Manager in the Service Area for

which Manager is not obligated to pay the Software vendor directly, net of any discounts or rebates and excluding any mark-up by Sprint PCS for administrative or other fees, and is limited to that proportionate amount attributable to Manager.

"New Coverage" means the build-out in the Service Area that is in addition to the build-out required under the then-existing Build-out Plan, which build-out Sprint PCS or Manager decides should be built-out.

"NPA-NXX" means NPA-NXX or an equivalent identifier, such as a network access identifier (NAI).

"Non-Capital Program Requirement Change" has the meaning set forth in section 9.3.1(a) of the Management Agreement.

"Number of Customers in Manager's Service Area" means the average number of Customers with NPA-NXXs assigned to the Service Area reported in Sprint PCS' most recent monthly KPI report.

"Offered Spectrum" has the meaning set forth in section 17.15.5 of the Management Agreement.

"Operating Assets" [Addm I, ss.28] means the assets Manager owns and uses in connection with the operation of the Service Area Network, at the time of termination, to provide the Sprint PCS Products and Services. Operating Assets does not include items such as furniture, fixtures and buildings that Manager uses in connection with other businesses. Operating Assets includes any contracts or agreements between Manager and its Related Parties that are necessary to operate the Service Area Network. Operating Assets does not include any logos or trademarks registered to Manager or its Related Parties or any rights of Manager that survive termination of the agreement. Examples of Operating Assets include without limitation: switches, towers, cell sites, systems, records and retail stores.

"Outbound Roaming Fees" means the amounts that Sprint PCS or its Related Parties bills to Manager Accounts for calls placed on a non-Sprint PCS Network.

"Overall Changes" has the meaning set forth in section 1.10(a) of the Management Agreement.

"Program Requirement Change" means a change in a Program Requirement issued by Sprint PCS in accordance with section 9.2 of the Management Agreement.

"Real Property" has the meaning set forth in paragraph 1.7 of Exhibit 11.8 to the Management Agreement.

"Related Party" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with the Person. For purposes of the Management Agreement, Sprint

Spectrum L.P., a Delaware limited partnership, WirelessCo, L.P., a Delaware limited partnership, SprintCom, Inc., a Kansas corporation, PhillieCo Partners I, L.P., a Delaware limited partnership, PhillieCo, L.P., a Delaware limited partnership, Sprint Telephony PCS, L.P., a Delaware limited partnership, Sprint PCS License, L.L.C., a Delaware limited liability company, American PCS Communications, LLC, a Delaware limited liability company, APC PCS, LLC, a Delaware limited liability company, and Sprint Communications Company L.P., a Delaware partnership, will be deemed to be Related Parties of Sprint PCS. For purposes of this definition, the term "controls" (including its correlative meanings "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Reseller Customer" means customers of companies or organizations with a Private Label PCS Services or similar resale agreement with Sprint PCS or Manager.

"Reseller Customer Fees" has the meaning set forth in section 10.4.1.1 of the Management Agreement.

"SCCLP" has the meaning set forth in section 3.4.2(b) of the Management Agreement.

"Selected Services" means Services.

"Service Area Network" means the network that is directly required for the provision of Sprint PCS Products and Services to Customers and is managed by Manager under the Management Agreement in the Service Area under the License.

"Services" has the meaning set forth in section 2.1.1 of the Services Agreement.

"Settled-Separately Manager Expenses" has the meaning set forth in section 3.2.5 of the Services Agreement.

"Software" means only that software and software features currently existing or developed in the future that are used in connection with telecommunications equipment owned or leased by Manager in Manager's provisioning of Sprint PCS Products and Services and that are necessary in Manager's provisioning of Sprint Products and Services in the Service Area and includes, without limitation, software maintenance, updates, improvements, upgrades and modifications to the software. "Software" expressly excludes:

(i) software "rights to use" licenses to the extent paid to the licensor directly by Manager, and

(ii) software operating Sprint PCS' national platforms, billing system platforms, customer service platforms and like applications.

"Software Fees" means costs associated (including applicable license fees) with procuring software, software maintenance, software upgrades and other software costs needed to provide uniform and consistent operation of the wireless systems within the Sprint PCS Network.

"Spectrum Offer" has the meaning set forth in section 17.15.5 of the Management Agreement.

"Sprint PCS" means any or all of the following Related Parties who are License holders or signatories to the Management Agreement: Sprint Spectrum L.P., a Delaware limited partnership, WirelessCo, L.P., a Delaware limited partnership, SprintCom, Inc., a Kansas corporation, PhillieCo Partners I, L.P., a Delaware limited partnership, PhillieCo, L.P., a Delaware limited partnership, Sprint Telephony PCS, L.P., a Delaware limited partnership, Sprint PCS License, L.L.C., a Delaware limited liability company, American PCS Communications, LLC, a Delaware limited liability company, and APC PCS, LLC, a Delaware limited liability company. Any reference in the Management Agreement or Services Agreement to Cox Communications PCS, L.P., a Delaware limited partnership, or Cox PCS License, L.L.C., a Delaware limited liability company, is changed to Sprint Telephony PCS, L.P., a Delaware limited partnership, or Sprint PCS License, L.L.C., a Delaware limited liability company, respectively, to reflect name changes filed with the Delaware Secretary of State in 2002.

"Sprint PCS ARPU" means the average revenue per user publicly announced by Sprint PCS or its Related Parties for the most recent calendar year. Sprint PCS ARPU is generally calculated by dividing wireless service revenues by average wireless subscribers.

"Sprint PCS CCPU" means the cash cost per user publicly announced by Sprint PCS or its Related Parties for the most recent quarter. Sprint PCS CCPU is generally calculated by dividing costs of wireless service revenues, service delivery and other general and administrative costs by average wireless subscribers.

"Sprint PCS CPGA" means the cost per gross addition publicly announced by Sprint PCS or its Related Parties for the most recent quarter. Sprint PCS CPGA is calculated by dividing the aggregate costs of acquiring new wireless subscribers, including equipment subsidies, marketing costs and selling expenses, by gross additional subscribers.

"Sprint PCS Retail Yield for Voice and 2G Data Usage" means the quotient calculated by dividing (a) Sprint PCS ARPU less the 3G data component in the Sprint PCS ARPU by (b) the reported minutes of use per subscriber for the calendar year for which the Sprint PCS ARPU was calculated.

"Sprint PCS Retail Yield for 3G Data Usage" means the quotient calculated by dividing (a) the 3G data component in the Sprint PCS ARPU by (b) the kilobytes of use for 3G data usage per subscriber for the calendar year for which the Sprint PCS ARPU was calculated.

"Subsidy Funds" has the meaning set forth in section 10.6.1 of the Management Agreement.

"Transition Date" has the meaning set forth in section 10.12.3 of the Management Agreement.

"3G Net Travel Amount" has the meaning set forth in section 10.4.1.3(b)(i)(A) of the Management Agreement.

"3G Standard Travel Rate" has the meaning set forth in section 10.4.1.3(a) of the Management Agreement.

"3G Travel Ratio" means an amount determined where the numerator is the total billed kilobytes of use that Customers with an NPA-NXX that is not assigned to the Service Area Network use the Service Area Network for Inter Service Area 3G Data during a calendar month, calendar year or other period and the denominator is total billed kilobytes of use that Customers with an NPA-NXX assigned to the Service Area use a portion of the Sprint PCS Network other than the Service Area Network for Inter Service Area 3G Data for the same measured period.

"Type II Report" has the meaning set forth in section 12.1.2 of the Management Agreement.

"USF Charges" has the meaning set forth in section 10.3.2.7 of the Management Agreement.

"Vendor Software" has the meaning set forth in section 1.3.4(b) of the Management Agreement.

"Voice and 2G Adjusted Travel Rates" has the meaning set forth in section 10.4.1.2(b)(i)(A)of the Management Agreement.

"Voice and 2G Net Travel Amount" has the meaning set forth in section 10.4.1.2(b)(ii)(A) of the Management Agreement.

"Voice and 2G Standard Travel Rates" has the meaning set forth in section 10.4.1.2(a) of the Management Agreement.

"Voice and 2G Travel Ratio" means an amount determined where the numerator is the total billed minutes of use that Customers with an NPA-NXX that is not assigned to the Service Area Network use the Service Area Network for Inter Service Area Voice and 2G Data during a calendar month, calendar year or other period and the denominator is total billed minutes of use that Customers with an NPA-NXX assigned to the Service Area use a portion of the Sprint PCS Network other than the Service Area Network for Inter Service Area Voice and 2G Data for the same measured period.

"WLNP Surcharges" has the meaning set forth in section 10.2.4 of the Management Agreement.

"Write-offs" has the meaning set forth in section 10.3.1 of the Management Agreement.

"Year 2000 Compliance" has the meaning set forth in section 17.29 of the Management Agreement.

B. Cross-references to Other Paragraphs in Previous Addenda.

Listed below are those paragraphs in the previous addenda that are hereby deleted in their entirety.

Addendum I

8. Switching Charges

12. Deployment of Cellular by Manager's Related Parties

Listed below are those paragraphs in the previous addenda that are interpretations or applications of the Management Agreement, the Services Agreement, the Trademark License Agreements or the Schedule of Definitions and that are not listed above. These serve as cross-references to facilitate finding provisions in the previous addenda. The number shown at the beginning of each item is the paragraph reference in the designated Addendum.

Addendum I

1. Ownership of Spectrum

6. Development and Purchase of Cell Sites

8. Switching Charges (Deleted by Addm V, B)

10. Branding and Retail Store Presentation

11. Use of Manager's PCS Licenses and GSM Assets

12. Deployment of Cellular by Manager's Related Parties (Deleted by Addm V, B)

18. Regulatory Approvals for Transfers

27. Result of Services Agreement Breach

Addendum II

1. Transfer of Spectrum (Deleted by Addm IV, ss.1)

2. Counterparts

Addendum III

None

Addendum IV

1. Transfer of Spectrum - Deleted

2. NPA-NXX-X Transfer

3. Counterparts.

C. Other Provisions.

1. Manager and Sprint PCS' Representations. Manager and Sprint PCS each represents and warrants that its respective execution, delivery and performance of its obligations described in this Addendum have been duly authorized by proper action of its governing body and do not and will not violate any material agreements to which it is a party. Each of Manager and Sprint PCS also represents and warrants that there are no legal or other claims, actions, counterclaims, proceedings or suits, at law or in arbitration or equity, pending or, to its knowledge, threatened against it, its Related Parties, officers or directors that question or may affect the validity of this Addendum, the execution and performance of the transactions contemplated by this Addendum or that party's right or obligation to consummate the transactions contemplated by this Addendum.

2. Reaffirmation of Sprint Agreements. Each of the undersigned reaffirms in their entirety the Management Agreement, the Services Agreement and the Trademark License Agreements, together with their respective rights and obligations under those agreements.

3. Counterparts. This Addendum may be executed in one or more counterparts, including facsimile counterparts, and each executed counterpart will have the same force and effect as an original instrument as if the parties to the aggregate counterparts had signed the same instrument.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY.]

The parties have caused this Addendum V to be executed as of the date first above written.

SPRINT SPECTRUM L.P.

By: /S/ David B. Bottoms

Name: David B. Bottoms
Title: VP Alliances

WIRELESSCO, L.P.

By: /S/ David B. Bottoms

Name: David B. Bottoms
Title: VP Alliances

APC PCS, LLC

By: /S/ David B. Bottoms

Name: David B. Bottoms
Title: VP Alliances

PHILLIECO, L.P.

By: /S/ David B. Bottoms

Name: David B. Bottoms
Title: VP Alliances

SPRINT COMMUNICATIONS COMPANY L.P.

By: /S/ Thomas E. Murphy

Name: Thomas E. Murphy
Title: Sr. VP Communications & Brand Management

SHENANDOAH PERSONAL COMMUNICATIONS COMPANY

By: /S/ Christopher E. French

Name: Christopher E. French
Title: President

EXHIBIT 1

ILLUSTRATIVE CALCULATION FOR CASH SETTLEMENT

Cash Simplification

Illustrative Only

	Monthly	
Write-offs	$ 1,235	
Billed Revenue	$ 10,350	
Customer Credits	(970)	
Net Billed Revenue	$ 9,380	82.5%
Customer Equipment Credits	(66)	-0.6%
100% Affiliate Retained Amounts	235	2.1%
100% Sprint PCS Retained Amounts	1,479	13.0%
Customer Equipment Charges	175	1.5%
E911 Surcharges	65	0.6%
Wireless Local Number Portability Charges	26	0.2%
USF Charges	74	0.7%
Amount Billed (Net of Customer Credits)	$ 11,368	100.0%
Fee Calculation		
Net Billed Revenue	$ 9,380	
Allocated Write-off	(1,019)	
	$ 8,361	
	92%	
Fee Based on Billed Revenue	$ 7,692	
100% Affiliate Retained Amounts	$ 235	
Allocated Write-off	(26)	
Phase II E911 Surcharges	53	
Allocated Write-off	(6)	
Wireless Local Number Portability Charges	2	
Allocated Write-off	(0)	
Customer Equipment Credits	(66)	
Allocated Write-off	7	
Write-off for Customer Equipment Charges	(19)	
	$ 180	
Total	$ 7,872	

Schedule 2.1.1

-SECTION A-

Presently Offered CCPU Services - Activity Applied as % to Sprint PCS reported CCPU

3G Fees
A/P Backhaul/Facility Disputes
Affiliate Utilities
ATM Soft Hand Off
Bank Fees
BI Performance Services - Initiation
BI Performance Services - Maintenance
Bid Cost
Billing
Check Free
Clarify Maintenance Fee
CO Usage
Collection Agency Fees
Conferences
Costs associated with rollout of new products and services
Credit Card Processing/Fees
Customer Care
Customer Solutions - Mature Life
Directory Assistance
DS3
E - Commerce PT
Enhanced Voicemail
Entrance Facility Expenses (Includes Terminating/Trunking Charge)
Ford Revenue
Ford Telematics
Gift Card Payable
Gift Card Receivable
Hal Riney Ad Kit
High Speed Remote Access Server
ICS Clearing House Costs (Includes Illuminet, Roaming Clearing House, and TSI)
IMT Charges
Interconnection
Inter-Machine Trunk
IT (Includes E-Commerce)
LD Verification
LIDB / CNAM
Local Loop, COC, ACF, IXC, etc. (National Platform Expense - Local Loop Cost, Central Office Connection (COC), access Coordination Fee (ACF), Co-Location Charges, and Inter Exchange Carrier (IXC) Charges)
Lockbox 261
MCI Disconnect Adjusted
National Platform - COA
National Platform Disputes
National Platform (2G) (Includes Voice Activated Dialing)

National Platform Component
FCAPS (Fault, Configuration, Accounting, Performance, Security)
- Capital Projects
- Expense Projects
- Circuit Expense
- CLOH
- Labor
- Forecasts

IN (Intelligent Network)
- Capital Expense
- Expense Projects
- Circuit Expense
- CLOH
- Labor
- Forecasts

OSSN
- Capital Expense
- Expense Projects
- Circuit Expense
- CLOH
- Labor
- Forecasts

3G
- Capital Projects
- Expense Projects
- Circuit Expense
- CLOH
- Labor
- Forecasts

Operator Service
- Vendor Fee

Wireless Web
- Capital Projects
- Expense Projects
- Circuit Expense
- CLOH
- Labor
- Forecasts

Messaging
- Capital Projects
- Expense Projects
- Circuit Expense
- CLOH

- Labor
- Forecasts

VAD
- Capital Projects
- Expense Projects
- Circuit Expense
- CLOH
- Labor
- Forecasts

Voice Mail
- Capital
- Expense Projects
- Circuit Expense
- CLOH
- Labor
- Forecasts

Software Maintenance
- Openwave
- Hewlett Packard
- Comverse
- Marconi
- Lucent
- Commworks
- Four Corners
- Other Vendors (39)

Northwest Frequent Flyer
Premium Vision Services
PreNet
Pricing
Pro Text Messaging Plan
Ringers & More (Includes SBF and PT fees)
Roadside Rescue
Sprint Synch Services
Telecheck Charge
Telematics
Text Messaging Plan
TSC Usage
Type 1 Affiliate Long Distance
Voice Command Web
Wireless Web

-SECTION B-

Presently Offered CPGA Services - Activity Applied as % to Sprint PCS reported CPGA

500 Minute Promotion Credit
Activations - Customer Solutions
Activations - E-Commerce (Includes On Line (Web) Activations)
Activations - Telesales
Credit Check Fee
Customer Solutions - Early Life
Demo Phones
EarthLink
Hal Riney Service
Handset Logistics
Handset Obsolescence Fee and Carrying Costs
Local/Indirect Commission
Marketing Collateral Destruction
NAM/CAM
One Sprint Telesales
PGA Expenses
PLS Commission
SmartWorks Printing

-SECTION C-

Presently Offered CCPU Services - Activity Settled Separately

Affiliate Project Authorizations
Long Distance
E911 Phase I Revenue
Microwave Clearing
Roaming
Software Fees
Sprint Local Telephone Usage
Taxes Paid on Behalf of Type III Affiliates
Tower Lease
Travel Revenue and Expense
Upgrade Commission - 2 Step Channel
Vendor Usage-Based Charges on New Products
Wholesale Revenue and Expense

-SECTION D-

Presently Offered CPGA Services -Activity Settled Separately

3G Device Logistics Fee
3rd Party Spiffs
Accessory Margin
Commissions - National 3rd Party
Commissions - Other 3rd Party
Coop Advertising - Local 3rd Party
Coop Advertising - National 3rd Party
Handset returns

Handset subsidies
Handsets
Marketing Collateral (excluding destruction)
Meeting Competition Fund
RadioShack Promos (Includes RadioShack Golden Quarter, Jumpstart, Relaunch, Sprint to Vegas, and Break the Bank)
Rebate Administrative Expense
Rebates
Reciprocal Retail Store Cost Recovery
Sprint LDD Commission
Third Party Promotions
Upgrade Commission - RadioShack

EXHIBIT 10.14

SHENANDOAH TELEPHONE COMPANY

EXECUTIVE SUPPLEMENTAL RETIREMENT PLAN

Effective May 12, 2003

Shenandoah Telephone Company
Executive Supplemental Retirement Plan
Effective May 12, 2003

TABLE OF CONTENTS

Shenandoah Telephone Company
Executive Supplemental Retirement Plan
Effective May 12, 2003

INTRODUCTION

Effective May 12, 2003, the Board of Directors of Shenandoah Telephone Company ("Shenandoah") adopted this Executive Supplemental Retirement Plan (the "Plan") for selected key employees who are Participants in the Shenandoah Telephone Company Retirement Plan (such plan hereinafter referred to as "the Regular Retirement Plan").

The purpose of this Plan is to provide retirement benefits in addition to those provided under the Regular Retirement Plan. The Plan is intended to be a plan that is unfunded and maintained primarily for the purpose of providing deferred compensation for a "select group of management or highly compensated employees" (as such phrase is used in the Employee Retirement Income Security Act of 1974). The Plan must be administered and construed in a manner that is consistent with that intent.

Shenandoah Telephone Company
Executive Supplemental Retirement Plan
Effective May 12, 2003

ARTICLE I
DEFINITIONS

The terms used herein shall have the meanings set forth in Article I of the Shenandoah Telephone Company Retirement Plan (the "Regular Retirement Plan") except as modified below or otherwise provided in this document.

1.01. Actuarial Equivalent

Actuarial Equivalent means, when used in reference to any form of benefit, a form of benefit which has the same value as the referenced benefit based on actuarial assumptions and methods employed in determining actuarial equivalence under the Regular Retirement Plan.

1.02. Accrued Benefit

Accrued Benefit means, on any given date, a monthly benefit for the life of a Participant determined as follows:

(1) the Applicable Percentage of the Participant's Final Compensation; less

(2) the accrued monthly benefit payable at age 65 to the Participant under the Regular Retirement Plan on that date; less

(3) the Participant's estimated monthly Primary Social Security Benefit payable at age 65.

1.03. Affiliate

Affiliate means any corporation which, when considered with the Company, would constitute, a controlled group of corporations within the meaning of Code section 1563(a) determined without reference to Code section 1563(a)(4) and 1563(e)(3)(C).

1.04. Applicable Percentage

Applicable Percentage means 50% for Participants with 20 years or less of Credited Service. The Applicable Percentage is increased by 1% for each additional year of Credited Service up to a maximum of 70% with 40 years of Credited Service.

1.05. Beneficiary

Beneficiary means any person designated by a Participant to receive such benefits as may become payable under the Plan after the death of the Participant.

1.06. Board

Board means the Board of Directors of the Company.

1.07. Committee

Committee means the committee appointed by the Board to administer the Plan.

1.08. Company

Company means the Shenandoah Telephone Company.

1.09. Compensation

Compensation means the taxable earnings paid in cash by the Company to the Participant, plus amounts deferred under Code section 401(k) and amounts of earnings that are reduced under Code section 125 pursuant to the Participant's salary reduction agreement.

1.10. Credited Service

Credited Service means credited service as defined in the Regular Retirement Plan.

1.11. Early Retirement Date

Early Retirement Date means the first day of the month coinciding with or next following the month in which the Participant attains age sixty (60) and completes ten (10) years of Credited Service.

1.12. Employee

Employee means an employee of the Company or an Affiliate of the Company.

1.13. Final Compensation

Final Compensation means, as of the date of determination, one-twelfth (1/12th) of the Participant's total Compensation for the twelve consecutive months immediately preceding the date of determination.

1.14. Hour of Service

Hour of Service means hour of service as defined in the Regular Retirement Plan.

1.15. Normal Retirement Date

Normal Retirement Date means the first day of the month coinciding with or next following the month in which the Participant attains age sixty-five (65) and completes ten (10) years of credited service with the Company.

1.16. Participant

Participant means an Employee who becomes a Participant in the Plan pursuant to Plan Article II hereof.

1.17. Plan Year

Plan Year means each 12-month period beginning on January 1 and ending on December 31.

1.18. Regular Retirement Plan

Regular Retirement Plan means the Shenandoah Telephone Company Retirement Plan as amended for the applicable time.

1.19. Surviving Spouse

Surviving Spouse means the person to whom the Participant is legally married on the Participant's date of death.

Shenandoah Telephone Company
Executive Supplemental Retirement Plan
Effective May 12, 2003

ARTICLE II
PARTICIPATION

(a) Any Employee who is selected by the Board to participate in the Plan and whose participation is approved in writing by a resolution adopted by the Board will become a Participant.

(b) A Participant shall cease to be a Participant in the Plan if his employment terminates prior to his Early Retirement Date, upon the Participant's death or when his Accrued Benefit under the Plan is paid in full.

ARTICLE III
RETIREMENT BENEFITS

3.01. Normal Retirement Benefit

A Participant who retires on his Normal Retirement Date shall be entitled to receive his Accrued Benefit as of his Normal Retirement Date. The monthly retirement benefit shall begin on the first day of the month after the month in which the Participant retires and, except as provided in section 3.07, shall continue until the month in which the Participant dies.

3.02. Early Retirement Benefit

A Participant who retires on his Early Retirement Date shall be entitled to receive his Accrued Benefit as of his Early Retirement Date reduced by five-ninths of one percent (5/9%) for each of the first 60 months and five-eighteenths of one percent (5/18%) for each of the next 60 months by which the Participant's date of retirement precedes his Normal Retirement Date. The monthly retirement benefit shall begin on the first day of the month after the month in which the Participant retires and, except as provided in section 3.07, shall continue until the month in which the Participant dies.

3.03. Deferred Retirement Benefit

A Participant who retires on his Deferred Retirement Date shall be entitled to receive his Accrued Benefit as of his Deferred Retirement Date. The monthly retirement benefit shall begin on the first day of the month after the month in which the Participant retires and, except as provided in section 3.07, shall continue until the month in which the Participant dies.

3.04. Pre-Retirement Death Benefit

(a) If a Participant dies while in the Company's employ, and on or after either (i) completing fifteen (15) years of Credited Service, or (ii) his Early Retirement Date, there shall be payable to the Surviving Spouse the monthly retirement allowance that would have been payable to the Surviving Spouse if the Participant had retired on the day before his death, elected to receive his Accrued Benefit as a joint and 50% survivor annuity (Option 3 in section 3.07) and died one day later.

(b) The monthly retirement allowance payable to the Surviving Spouse shall begin on the first day of the month after the month of the Participant's death and shall continue until the month in which the Surviving Spouse dies.

3.05. Post-Retirement Death Benefit

Upon the death of a Participant who is receiving benefits under the Plan, his Surviving Spouse or Beneficiary shall be entitled to receive the monthly retirement allowance, if any,

payable under the form of benefit in which the Participant was receiving the benefit prior to his death.

3.06. Forfeiture of Benefit

A Participant forfeits his Accrued Benefit if his employment is terminated for any reason prior to his Early Retirement Date, except as provided in Section 3.04.

3.07. Optional Forms of Retirement Payments

Each Participant shall have the right to make a written election, subject to the approval of the Committee, to have his retirement allowance under Plan section 3.01, 3.02 or 3.03 paid under one of the options set forth in this Plan section. The optional forms of benefit set forth in this Plan section shall be Actuarially Equivalent to the benefits payable under Plan section 3.01, 3.02 or 3.03.

OPTION 1. TEN YEARS CERTAIN AND CONTINUOUS OPTION

A Participant may elect to receive a reduced retirement allowance during his lifetime and, upon his death after retirement but before 120 monthly retirement allowance payments have fallen due, such reduced retirement allowance shall be continued to his designated Beneficiary until the remainder of such 120 monthly payments have been made. If the designated Beneficiary is not living at the death of the Participant, the Actuarial Equivalent of the remaining guaranteed payments shall be paid in a lump sum to the estate of the Participant or to such members of the Participant's family as the Committee in its sole discretion shall designate. If payments are continued to the Beneficiary and the Beneficiary should then die before a combined total of 120 monthly payments have been made to the Participant and the Beneficiary, the Actuarial Equivalent of the remaining guaranteed payments shall be paid in a lump sum to the estate of the Beneficiary.

OPTION 2. FIFTEEN YEARS CERTAIN AND CONTINUOUS OPTION

A Participant may elect to receive a reduced retirement allowance during his lifetime and, upon his death after retirement but before 180 monthly retirement allowance payments have fallen due, such reduced retirement allowance shall be continued to his designated Beneficiary until the remainder of such 180 monthly payments have been made. If the designated Beneficiary is not living at the death of the Participant, the Actuarial Equivalent of the remaining guaranteed payments shall be paid in a lump sum to the estate of the Participant or to such members of the Participant's family as the Committee in its sole discretion shall designate. If payments are continued to the Beneficiary and the Beneficiary should then die before a combined total of 180 monthly payments have been made to the Participant and the Beneficiary, the Actuarial Equivalent of the remaining guaranteed payments shall be paid in a lump sum to the estate of the Beneficiary.

OPTION 3. JOINT AND 50% SURVIVOR ANNUITY

A Participant may elect to receive a reduced retirement allowance during his lifetime and, upon his death after retirement, a monthly benefit shall be paid to his Surviving Spouse, if any, equal to 50% of the monthly annuity payable to the Participant during his lifetime. The Surviving Spouse's benefit shall be payable beginning with the month following the Participant's death and shall continue to be paid to the Surviving Spouse during the Surviving Spouse's lifetime.

OPTION 4. JOINT AND 75% SURVIVOR ANNUITY

A Participant may elect to receive a reduced retirement allowance during his lifetime and, upon his death after retirement, a monthly benefit shall be paid to his Surviving Spouse, if any, equal to 75% of the monthly annuity payable to the Participant during his lifetime. The Surviving Spouse's benefit shall be payable beginning with the month following the Participant's death and shall continue to be paid to the Surviving Spouse during the Surviving Spouse's lifetime.

OPTION 5. JOINT AND 100% SURVIVOR ANNUITY

A Participant may elect to receive a reduced retirement allowance during his lifetime and, upon his death after retirement, a monthly benefit shall be paid to his Surviving Spouse, if any, equal to the monthly annuity payable to the Participant during his lifetime. The Surviving Spouse's benefit shall be payable beginning with the months following the Participant's death and shall continue to be paid to the Surviving Spouse during the Surviving Spouse's lifetime.

ARTICLE IV
ADMINISTRATION OF THE PLAN

4.01. Administrative Rules

The Company reserves the right to adopt any rules for the administration and application of the Plan as necessary which are not inconsistent with the express terms hereof, to amend or revoke any such rule, and to interpret the Plan and any rules adopted pursuant to this Plan Article. All actions taken and all determinations made by the Company in good faith shall be final and binding upon all Participants, beneficiaries, or other persons interested in the Plan.

4.02. Claims Procedure

(a) All claims for benefits under the Plan shall be submitted to the Committee or such person as the Committee may designate in writing who shall have the initial responsibility for determining the eligibility of any claim for benefits. All claims for benefits shall be made in writing and shall set forth the facts which such claimant believes to be sufficient to entitle him to the benefit claimed.

(b) In the event a claim for benefits is denied the claimant shall be notified in writing or by electronic mail within ninety (90) days after the claim is submitted. The notice shall be written in a manner calculated to be understood by the claimant and shall include:

(1) The specific reason or reasons for the denial;

(2) Specific references to the pertinent Plan provisions on which the denial is based;

(3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation why such material or information is necessary; and

(4) An explanation of the Plan's claim review procedures and time limits applicable to such procedures, including the claimant's right to bring a civil action under ERISA section 502(a) following an adverse benefit determination on review.

If special circumstances require an extension of time for processing the initial claim, a written notice of the extension and the reason therefore shall be furnished to the claimant before the end of the initial 90 day period. In no event shall the extension exceed 90 days.

(c) In the event a claim for benefits is wholly or partly denied, the claimant or his duly authorized representative, at the claimant's sole expense, may appeal the denial to the Committee within 60 days of the receipt of written notice of the denial. In pursuing the appeal the claimant or his duly authorized representative:

(1) may request in writing that the Committee review the denial, taking into account all comments, documents, records and information submitted by the claimant relating to the claim without regard to whether the information was submitted or considered in the initial benefit determination;

(2) upon request, and free of charge, may review or receive copies of documents and records relevant to the claim for benefits; and

(3) may submit documents, records and written issues relating to the claim.

The decision on review shall be made within 60 days of receipt of the request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request for review. If such an extension of time is required, written notice of the extension shall be furnished to the claimant before the end of the original 60 day period. The decision on review shall be made in writing, shall be written in a manner calculated to be understood by the claimant, and shall include specific references to the provisions of the Plan on which the denial is based.

ARTICLE V
AMENDMENTS AND TERMINATION

The Company hopes and expects to continue the Plan indefinitely, but reserves the right, by resolution of the Board or any executive committee of the Board, to amend, modify, or terminate the Plan at any time and for any reason by a majority vote of its members, by unanimous consent in lieu of a meeting or in any other manner applicable under state law. In addition, the Board or the executive committee of the Board may delegate to an appropriate officer, or officers of the Company, or committee, may delegate to the all or part of the authority to amend or terminate the Plan.

ARTICLE VI
MISCELLANEOUS

6.01. No Guarantee of Employment

The Plan does not in any way limit the right of the Company or an Affiliate at any time and for any reason to terminate the Participant's employment or such Participant's status as an officer of the Company or an Affiliate. In no event shall the Plan by its terms or implications constitute an employment contract of any nature whatsoever between the Company or an Affiliate and a Participant.

6.02. Liability

A Participant's right to a benefit under the Plan shall be solely that of an unsecured creditor of the Company. The source of Plan benefits pursuant to the Plan shall be the general funds of the Company; no assets of the Company or its subsidiaries shall be segregated or committed to insure the Company's or its subsidiaries' obligations hereunder. No officer, director, or stockholder of the Company or its subsidiaries shall be individually liable therefore, or on account of any claim arising by reason of the provisions of this Plan or of any instrument or instruments implementing the provisions or purposes hereof.

6.03. Nonassignability

The rights, interests, and benefits of a Participant (or beneficiary thereof) in this Plan shall not be subject to assignment, anticipation, transfer, pledge, hypothecation or other transfer, and such rights, interests and benefits shall not be liable for the debts, contracts, or engagements of a Participant (or beneficiary thereof), or otherwise subject to execution, attachment, garnishment, or similar process.

6.04. Construction

Headings are given for ease of reference and must be disregarded in interpreting the Plan. Masculine pronouns wherever used shall include feminine pronouns and the use of the singular shall include the plural.

6.05. Governing Law

This Plan shall be governed by the laws of the Commonwealth of Virginia (other than its choice-of-law provisions) except to the extent that the laws of the Commonwealth of Virginia are preempted by the laws of the United States.

Shenandoah Telephone Company
Executive Supplemental Retirement Plan
Effective May 12, 2003

SIGNATURE PAGE

As evidence of its adoption of the Shenandoah Telephone Company Executive Supplemental Retirement Plan Effective May 12, 2003, the Company has caused this document to be executed by its duly authorized officer as of the ____ day of _____, 2003.

SHENANDOAH TELEPHONE COMPANY

By:

Christopher E. French
President

EXHIBIT 21 LIST OF SUBSIDIARIES

SHENANDOAH TELECOMMUNICATIONS COMPANY AND SUBSIDIARIES

The following are all subsidiaries of Shenandoah Telecommunications Company, and are incorporated in the Commonwealth of Virginia.

Shenandoah Telephone Company
Shenandoah Cable Television Company
ShenTel Service Company
Shenandoah Long Distance Company
Shenandoah Valley Leasing Company
Shenandoah Mobile Company
Shenandoah Network Company
ShenTel Communications Company
Shenandoah Personal Communications Company

EXHIBIT 23.1

Consent of Independent Accountants

The Board of Directors
Shenandoah Telecommunications Company:

We consent to the incorporation by reference in the registration statements No. 333-21733 on Form S-8 and No. 333-74297 on Form S3-D of Shenandoah Telecommunications Company of our report dated February 6, 2004, with respect to the consolidated balance sheets of Shenandoah Telecommunications Company as of December 31, 2003, 2002 and 2001, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for the years then ended, which report is included in the 2003 Annual Report on Form 10-K of Shenandoah Telecommunications Company. Our report refers to changes in the methods of accounting for goodwill in 2002 and asset retirement obligations in 2003.

/s/KPMG LLP

Richmond, Virginia
March 4, 2004

EXHIBIT 31.1

CERTIFICATION

I, Christopher E. French, certify that:

1. I have reviewed this annual report on Form 10-K of Shenandoah Telecommunications Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ CHRISTOPHER E. FRENCH
- -------------------------
Christopher E. French, President and Chief Executive Officer
Date: March 8, 2004

EXHIBIT 31.2

CERTIFICATION

I, Earle A. MacKenzie, certify that:

1. I have reviewed this annual report on Form 10-K of Shenandoah Telecommunications Company, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/EARLE A. MACKENZIE
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Earle A. MacKenzie, Executive Vice President and Chief Financial Officer
Date: March 8, 2004

EXHIBIT 32

Written Statement of Chief Executive Officer and Chief Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Each of the undersigned, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer, of Shenandoah Telecommunications Company (the "Company"), hereby certifies that, on the date hereof:

(1) The annual report on Form 10-K of the Company for the twelve months ended December 31, 2003 filed on the date hereof with the Securities and Exchange Commission (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) Information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/S/CHRISTOPHER E. FRENCH
Christopher E. French
President and Chief Executive Officer
March 8, 2004

/S/EARLE A. MACKENZIE
Earle A. MacKenzie
Executive Vice President and
Chief Financial Officer
March 8, 2004

The foregoing certification is being furnished solely pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 (the "Exchange Act") and 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent this Exhibit 32 is expressly and specifically incorporated by reference in any such filing.